



Code of Conduct and Conflict of Interest Policy for the Board of Directors and Project Review Committee

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Section 1: General

1. Introduction

The Canada Foundation for Sustainable Development Technology (the “Foundation” or “SDTC”) has established this Code of Conduct and Conflict of Interest Policy (“this Policy”) pursuant to Section 21.01 of SDTC’s By-law Number 1.

There is consensus among the Directors that conflict of interest rules will be abided by both in letter and spirit. It is understood the Directors have the best interests of SDTC in mind and there is no malicious intent. Recognizing SDTC as a funding institution, third parties may from time to time ask Directors about their intent to apply for SDTC funds and/or about SDTC investment decisions. Directors will refer such enquiries to SDTC staff without providing an opinion on the third party’s potential idea, application or potential to receive funds. Where Directors may not know, or be aware of perceived conflicts, SDTC staff take active steps to make them aware. Directors should, as a rule, generally err on the side of caution in addressing potential conflicts.

2. Application

This Policy applies to SDTC’s Board of Directors (collectively the “Board” and individually “Directors”). The groups listed in this paragraph are referred to in this Policy collectively as “Individuals covered by this Policy” and individually as “the Individual”.

3. Purpose

The purpose of this Policy is to articulate the expectations for ethical behavior that apply to SDTC's Board:

- It reinforces the Foundation's commitment to maintaining and enhancing public trust and confidence in the integrity of SDTC's decision-making processes;
- It describes SDTC's standards of ethical conduct and its expectations related to confidential information and avoidance of conflict of interest;
- It provides for restrictions on securities-related trading activities; and
- It establishes mechanisms to provide for disclosure of conflicts of interest and to ensure that the Foundation addresses any issues of wrongdoing expeditiously and appropriately.

4. Definitions

Applicant: refers to a company that has submitted a request for funding to SDTC.

Blackout Period: means:

- (i) The period beginning on the day on which Directors are notified of the identity of an Applicant and any related consortia members that have submitted a Proposed Project, and ending at the end of the third business day following the day on which SDTC publicly announces that the Proposed Project has received funding approval by the Board, or the date on which it has been determined that the Proposed Project has not been approved for funding.
- (ii) Any other time—and for any length of time—as deemed necessary by SDTC's President and CEO and communicated in writing to the Individuals covered by this Policy.

Family Member: any parent, spouse (being a person to whom a person is married or with whom the person is living in a conjugal relationship outside of marriage) or child,

Proposed Project: means a project described in a Phase II Detailed Proposal for SDTC funding.

Related Party: means, with respect of an Individual covered by this Policy, the Individual's Family Members, and any corporation, partnership, trust, or other entity controlled, directly or indirectly, by the Individual or any of the Individual's Family Members.

Restricted Entity: means an Applicant, and each consortium member identified in the Proposed Project, whose Proposed Project is being presented to the Project Review Committee for recommendation to the Board or is being considered by the Board.

Friend: includes the range of relationships, as defined by the Office of the Conflict of Interest and Ethics Commissioner of Canada (Ethics Commissioner), "where personal and professional interactions become intertwined to such an extent that it becomes difficult to draw the line between the two. In such cases, the public office holder's judgment in the exercise of their official powers and duties can reasonably be impaired."

Section 2: Code of Conduct

1. Policy Statement

Individuals covered by this Policy are expected to demonstrate the highest possible standards of ethical behaviour in fulfilling their responsibilities. They are expected to bring a commitment to excellence to their work, to act with honesty, integrity and fairness and to avoid actual or apparent conflicts of interest in personal and professional activities.

2. Standards of Conduct

Individuals covered by this Policy have a duty:

- To act honestly and in good faith, with a view to the best interests of the Foundation;
- To exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances;
- To comply with all applicable laws and with SDTC's policies and procedures;
- To provide input and make any recommendations with respect to Project Proposals based exclusively on the merits of the business case presented;
- To disclose any real or potential conflicts of interest and report any known or suspected violations to this Policy according to the disclosure procedures described in Section 5 of this Policy; and
- To use any SDTC property of any kind only for the benefit of SDTC.

3. Specific Duties Related to Confidentiality

Individuals covered by this Policy shall respect the confidentiality of information acquired in the course of their work and not disclose it or use it for their own personal advantage or that of a Related Party or any other person.

Confidential information, which explicitly includes all information relating to a Restricted Entity, will be classified as such by SDTC personnel. When in doubt, Individuals covered by this Policy are responsible for obtaining clarification. No confidential information may be reproduced in any form or stored in an external retrieval system and/or database. At the end of their term of office, Individuals covered by this Policy must destroy or return any confidential information they may have in their possession.

Exceptionally, an Individual covered by this Policy may be required to disclose confidential information relating to an Applicant by law, regulation or court order. In such a case, the Individual must, unless prohibited by law, notify the President and CEO of the disclosure requirement in a timely manner. The President and CEO will determine whether to notify the Applicant of the disclosure requirement.

4. Additional Responsibilities of Directors

Directors are also expected to:

- Be informed of the legislation under which the Foundation was created, and SDTC's by-laws and policies as they pertain to the Board;
- Attend Board meetings regularly, serve on committees and contribute from personal, professional and life experience to the work of the Board;
- Demonstrate due diligence and dedication in preparation for Board meetings;
- Be independent, objective and impartial in their deliberations;
- Voice clearly and explicitly, at the time a decision is being taken, any opposition to a decision being considered by the Board;
- Maintain solidarity with fellow Directors in support of a decision that has been made in good faith in a legally constituted meeting by Directors in reasonably full possession of all the facts;
- Work respectfully with members of SDTC's staff; and
- Know and respect the distinction in the roles of Board and staff consistent with best practices of corporate governance.

Section 3: Conflict of Interest

1. Policy Statement

All Individuals covered by this Policy are expected to comply with the obligations of Public Office Holders in the *Conflict of Interest Act* (the "Act"), even if they are not legally bound by the Act. As such, they must arrange their private affairs to prevent any conflict of interest and avoid situations in which their activities and/or interests are—or could be perceived to be—in conflict with those of SDTC.

2. Description of Conflict of Interest

Conflicts of interest arise when a person exercises an official power, duty or function that provides an opportunity to further their own private interests and/or those of Related Parties or friends. As such, "conflict of interest" generally means any situation in which a person has or promotes an interest that results in, or may be reasonably perceived to result in:

- An interference with the objectivity with which they are expected to exercise their responsibilities and duties to and on behalf of SDTC; and/or
- An advantage or material gain to the Individual and/or to Related Parties, by virtue of their role in SDTC.

3. Prohibited Activities

Categories of prohibited activities include the following:

- **Preferential treatment:** preferential treatment of any person or organization based on the identity of the person or organization representing them;
- **Insider information:** using information that is not available to the public to further one's private interests or the private interests of Related Parties or friends, or to improperly further another person's private interests;
- **Influence:** using one's position to influence a decision to further private interests or to influence an SDTC employee;
- **Offers of employment:** being influenced in exercising one's duties by offers of outside employment;
- **Gifts:** accepting any gift or other advantage that might reasonably be seen to influence the exercise of one's official duties;
- **Contracting with friends or Related Parties:** entering into a contract or employment relationship, in the exercise of one's official duties, with a Related Party or friend or knowingly permitting the Foundation to do so; and
- **Fundraising:** personally soliciting funds if it would place the Individual in a conflict of interest.

Section 4: Restricted Trading Activities

1. Policy Statement

At no time during the Blackout Period may Individuals covered by this Policy:

- Directly or indirectly buy or sell securities of a Restricted Entity; or
- Engage in any other action to take advantage of, or pass on to others, any undisclosed information relating to a Proposed Project or a Restricted Entity, including the existence of a Proposed Project or a Restricted Entity.

This Policy does not restrict the indirect trading of securities of a Restricted Entity by a mutual fund, pooled fund, discretionary managed investment account, or other similar type of investment or security held at arm's length by the Individual. To provide assistance in preventing inadvertent violations and avoiding even the appearance of an improper transaction, Individuals covered by this Policy should verify whether a company is a Restricted Entity with the President and CEO prior to considering any transaction.

Section 5: Procedures

1. Oath of Office

Upon their appointment, Individuals covered by this Policy must sign an *Oath of Office* that acknowledges that they have read and understood this Policy and that they commit to adhering to it. The *Oath of Office* is attached at Appendix A, and must be signed annually.

2. Conflict of Interest Disclosure Procedures

a. Prior to Review of Proposed Projects

Once Proposed Projects reach the stage where they are to be reviewed by the Project Review Committee, SDTC shall provide all Project Review Committee members (collectively, the “Committee Members”) with the name of the Applicant, consortia members and a brief description of the technology under consideration. Immediately upon receipt of this material, each Committee Member shall declare to SDTC, in writing, the potential for any real or perceived conflict of interest or otherwise acknowledge “no conflict of interest” with any of the Proposed Projects, prior to receiving additional information on the Proposed Project.

Prior to each funding-approval meeting of the Board of Directors, SDTC shall provide the Directors with the name of the Applicant, consortia members and a brief description of the technology under consideration. Immediately upon receipt of this material, each Committee Member shall declare to SDTC, in writing, the potential for any real or perceived conflict of interest or otherwise acknowledge “no conflict of interest” with any of the Proposed Projects, prior to receiving additional information on the Proposed Project.

b. Declaration at Meetings and Recusal

Each agenda for meetings of the Project Review Committee and for funding-approval meetings of the Board shall include—prior to any consideration of any of the Proposed Projects—an item requiring the declaration and recording of any potential conflicts. In the case where a conflict has been declared, the Director or Committee Member shall recuse themselves from the deliberations on the Proposed Project(s) with which they have a conflict. For greater clarity, recusal requires the Director or Committee Member to exit the boardroom or leave the conference call and not participate in any way in discussions or vote on the Proposed Project(s).

3. Procedures to Address Alleged Wrongdoing

Where an Individual covered by this Policy believes that they or another Individual may be in contravention of this Policy, the steps by which it will be addressed are as follows:

1. The matter is referred to the Chair of the Board of Directors (the “Chair”)—or, where the issue may involve the Chair, to the Vice-Chair of the Board of Directors (the “Vice-Chair”)—with notice to the President and CEO.
2. The Chair (or Vice-Chair as the case may be) may either:
 - Attempt to resolve the matter informally; or
 - Refer the matter to the Governance and Nominating Committee, which shall report to the Board.
3. If the Chair or Vice-Chair attempts to resolve the matter informally and it cannot be resolved to the satisfaction of: the Chair or Vice-Chair; **and** the person referring the matter; **and** the Individual involved in such an instance (collectively the “Involved Parties”), then the Chair or Vice-Chair shall refer the matter to the Governance and Nominating Committee, which shall undertake any necessary

action—including conducting an independent investigation if warranted—and report to the Board.

4. If a conflict cannot be resolved to the satisfaction of the Board, or if it has been determined that a breach of duty has occurred, a director may be asked to resign or the Board may propose that the director be removed pursuant to Section 5.08 of SDTC's By- Law Number 1.

4. Protection and Confidentiality

Any Individual who makes a disclosure or raises a concern under this Policy will be protected from any recriminations, victimization or harassment. The confidentiality of all Involved parties will be maintained until such time that it may be deemed necessary to disclose the violation, in which case each of the involved parties will be informed.

SDTC views any deliberately false allegations as a serious offence; however, in the first instance, it shall be assumed that the person raising the concern:

- Discloses the information in good faith;
- Believes it to be substantially true;
- Does not make false allegations; and
- Does not seek any personal or financial gain.

Section 6: Requirements upon the End of a Term of Office

Once the term of an Individual has ended, the following activities are prohibited:

- Acting in a manner that takes improper advantage of the Individual's previous office;
- Acting for or on behalf of any person or organization in connection with any specific proceeding, transaction, negotiation or case where SDTC is a party;
- Providing advice to clients, business associates or employers using information that was acquired in the course of the Individual's official duties and that is not available to the public;
- For a period of one year following the end of the Individual's term, entering into a contract of service with, accept an appointment to a board of directors of, or accept an offer of employment with, an entity with which the Individual had direct and significant official dealings on behalf of SDTC during the period of one year immediately before their last day in office; and
- For a period of one year following the end of the Individual's term, make representations whether for remuneration or not, for or on behalf of any other person or entity to any department, organization, board, commission or tribunal with which the Individual had direct and significant official dealings on behalf of SDTC during the period of one year immediately before their last day in office.

Any confidential information that may still be in the Individual's possession must be destroyed or returned to SDTC.

Section 7: Administration

The Chair of the Governance and Nominating Committee is responsible for ensuring that the Code of Conduct and Conflict of Interest Policy is brought to the attention of all Directors and that the procedures and practices outlined in this Policy are followed. The President and CEO is responsible for ensuring that the Code of Conduct and Conflict of Interest Policy is brought to the attention of all independent members of the Project Review Committee and that the procedures and practices outlined in this Policy are followed.

This Policy shall also be brought to the attention of all new Directors and members of the Project Review Committee by including a copy of this Policy in their orientation package. SDTC's Governance Lead is responsible for ensuring that each Individual signs the Oath of Office and that a procedure is put into effect the provisions in this policy regarding the Blackout Period is developed, documented and administered.

The Governance and Nominating Committee will review from time to time the application and implementation of this Policy.

**APPENDIX A:
OATH OF OFFICE**

In consideration of my appointment as a Director and/or as a member of the Project Review Committee, I hereby declare that I have read the Code of Conduct and Conflict of Interest Policy (the "Policy") of the Canada Foundation for Sustainable Development Technology (the "Foundation" or "SDTC") and that, in carrying out my duties I will, at all times:

1. Model the highest possible standards of ethical conduct in the fulfilment of my responsibilities.
2. Act honestly and in good faith, with a view to the best interests of the Foundation.
3. Exercise my responsibilities with the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.
4. Respect, support and comply with SDTC's By-laws and its Code of Conduct and Conflict of Interest Policy.
5. Disclose any real or potential conflicts of interest and recuse myself from all deliberation on any Project Proposal(s) with which I have a conflict of interest, either real or with the potential to be perceived as a conflict.
6. Comply with SDTC's restrictions on trading activities.
7. Maintain the confidentiality of information acquired in the course of my work and use reasonable care to prevent the unauthorized use or disclosure of confidential information. At no time will I disclose to anyone, other than other Directors or Committee members who have the need to know, any confidential information known to me or in my possession.
8. Conduct myself in a spirit of collegiality and respect for the collective decisions of the Board of Directors and the Project Review Committee.

Printed Name

Signature

Date