

Code of Ethics for the Board of Directors

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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 Ethics (“the Code”) 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, as set out in the Code.

The Directors shall also comply with the spirit and intent of the Treasury Board Secretariat Directive on Conflict of Interest and the Conflict of Interest Act, SC 2006, c 9, s 2 with respect to, the standards for disclosure and management of real, perceived and potential conflicts of interest to which individuals are held on the basis of their respective positions, duties and responsibilities.

2. APPLICATION

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

3. PURPOSE

The purpose of the Code 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:

- (i) The period beginning on the day on which Directors are notified of the identity of an Applicant and any related Consortium 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 Chief Operating Officer in conjunction with the Chair of the Board of Directors, and communicated in writing to the Individuals covered by the Code.

Consortium Member: means a legal entity carrying out an SDTC project with an Applicant or Funded Company as defined in the Contribution Agreement (CA).

Expert Reviewer: means a person who is hired by SDTC for the specific purpose of reviewing Start-Up and/or Scale-Up stream applications for funding that have been submitted to SDTC.

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.

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.”

Funded Company: refers to a company whose project has been approved for funding by SDTC’s Board of

Directors and one of the following:

- o is in the process of executing a Project Funding Agreement;
- o has executed a Project Funding Agreement and whose project is active;
- o has executed a Project Funding Agreement and whose project is inactive but has not yet reached its date of completion; or
- o has executed a Project Funding Agreement where the post project reporting period stated in the agreement has not yet elapsed.

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

Project Funding Agreement: refers to the legal contract entered into between SDTC and a Funded Company which stipulates the terms and conditions of SDTC funding.

Related Party: means, with respect of an Individual covered by the Code, 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 (PRC) for recommendation to the Board or is being considered by the Board.

Section 2: Code of Conduct

1. POLICY STATEMENT

Individuals covered by the Code 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 all real, perceived and potential conflicts of interest in personal and professional activities.

2. STANDARDS OF CONDUCT

Individuals covered by the Code 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 processes;
- 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 the Code according to the disclosure processes described in Section 5 of the Code; and
- To use any SDTC property of any kind only for the benefit of SDTC.

3. SPECIFIC DUTIES RELATED TO CONFIDENTIALITY

Individuals covered by the Code 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 the Code 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 the Code must destroy or return any Confidential Information they may have in their possession.

Exceptionally, an Individual covered by the Code 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, regulation or court order, notify the Chief Operating Officer (the "COO") of the disclosure requirement in a timely manner. The COO 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, codes 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 the Code 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 or Friends, by virtue of their role in SDTC.

Conflicts may be of three cases:

A real (direct) conflict of interest involves a direct conflict between current duties and existing personal interests that could compromise an individual's ability to act in an impartial or unbiased manner. The conflict exists at the present time.

A perceived conflict of interest is one which a reasonable observer might believe that a conflict of interest exists and would think that the person's judgment is likely to be compromised, whether or not it is the case.

A potential conflict of interest involves a circumstance or relationship that could reasonably be expected to give rise to a real or perceived conflict of interest in the future.

3. CONFLICT OF INTEREST REGISTRY

SDTC shall maintain a central record of all declared conflicts of interest, whether they are deemed to be a conflict or not, by all parties covered under the Code to ensure clear and transparent documentation of conflicts. These records also ensure disclosures are made in writing, conclusions and actions on conflict matters are recorded and made in a timely manner. The registry enables future training and decision making to be grounded in lived experiences.

4. ROLE OF THE ETHICS ADVISOR

The Ethics Advisor shall be an external third party that will provide SDTC with services (including legal and compliance advice) pertaining to ethics and conflict of interest that are reasonably necessary and appropriate to the matters of SDTC from time to time. The Ethics Advisor will, among other things:

- Support SDTC in maintaining the highest ethical standards in its decision-making to proactively manage, among other issues, conflicts of interest and provide guidance with respect to interpretation of the law and to policies for compliance;

- Provide an avenue for both employees and Board members to seek confidential advice on any conflict of interest matters, including receiving questions or concerns about potential conflicts of interest or a possible violation of the Code;
 - Review and provide advice to adjudicate indemnification requests from current and former board directors;
 - Review and provide recommendations regarding conflict of interest policy deviations identified by the Auditor General
- Provide advice on and/or investigate concerns;
 - Keep a confidential record of interpretation and advice regarding compliance and enforcement to create a “jurisprudence” for further guidance, consistency, and accountability in the application of SDTC policies;
 - Advise on training, monitor evolving legal precedents, and suggest changes in policy and process to strengthen current practices; and
 - Make recommendations to the Board of Directors on best practices related to conflict of interest and, as appropriate, to improve compliance as well as enforcement, should this be required.

5. 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 covered by the Code in a conflict of interest.

Section 4: Restricted Trading Activities

1. POLICY STATEMENT

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

- 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.

The Code 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 the Code should verify whether a company or other legal entity is a Restricted Entity with the COO prior to considering any transaction.

Section 5: Process

1. OATH OF OFFICE

Upon their appointment, Individuals covered by the Code must sign an *Oath of Office* that acknowledges that they have read and understood the Code 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 PROCESS

a. Ongoing

Individuals shall declare to SDTC on an ongoing basis and in writing, any real, potential, or perceived conflict of interest as defined in the Code or otherwise acknowledge “no conflict of interest” with any Funded Company as soon as a situation arises. Additionally, a list of all current Funded Companies will be sent to all Directors at least semi-annually to declare any new or update any previously reported conflict situations.

b. Prior to Review of Proposed Projects and Funded Companies

Once Proposed Projects reach the stage where they are to be reviewed by the Project Review Committee (PRC), SDTC shall provide all PRC members (collectively, the “Committee Members”) with the name of the Applicant, Consortium Members, Expert Reviewers (and any other Contractors involved in the diligence process) and a brief description of the technology under consideration. In addition, company names (and Consortium Members as necessary) shall also be provided for any progress reviews of Funded Companies. Immediately upon receipt of this material, each Committee Member shall declare to SDTC, in writing, any real, potential, or perceived conflict of interest as defined in the Code or otherwise acknowledge “no conflict of interest” with any of the Proposed Projects, Applicant, Restricted Entity, Funded Companies, Consortium Members or Expert Reviewers listed, prior to receiving meeting materials.

Prior to each funding-approval meeting of the Board of Directors, SDTC shall provide the Directors with the name of the Applicant, Consortium Members, and a brief description of the technology under consideration. In addition, company names (and Consortium Members as necessary) shall also be provided for any progress reviews of Funded Companies. Immediately upon receipt of this material, each Committee Member shall declare to SDTC, in writing, any real, potential, or perceived conflict of interest as defined in the Code or otherwise acknowledge “no conflict of interest” with any of the Proposed Projects, Applicant, Restricted Entity, Funded Companies, Consortium Members or Expert Reviewers listed, prior to receiving meeting materials.

As outlined in the Conflict of Interest Process, the declaration and resolution of conflicts of interest shall be recorded in the Conflict of Interest Registry and ratified by the Chair of the Board of Directors.. In the event of a potential or perceived conflict of interest, the Chair of the Board of Directors shall engage the Ethics Advisor.

c. Declaration at Meetings and Recusal

Each agenda for meetings of the PRC 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 affected Director or Committee Member shall recuse themselves from the deliberations on the Proposed Project(s), Applicant, Restricted Entity and/or Funded Companies 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), Applicant, Restricted Entity and/or Funded Companies.

3. PROCESS TO ADDRESS ALLEGED WRONGDOING

Where an Individual covered by the Code believes that they or another Individual covered by the Code may be in contravention of the Code, 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-Chairs of the Board of Directors (the “Vice-Chairs”)—with notice to the COO.
 - The Chair (or Vice-Chairs as the case may be) shall refer the matter to the Ethics Advisor, which shall report to the Board.
2. If the Chair or Vice-Chairs attempt to resolve the matter informally and it cannot be resolved to the satisfaction of: the Chair or Vice-Chairs; **and** the person referring the matter; **and** the Individual involved in such an instance (collectively the “Involved Parties”), then the Chair or Vice-Chairs shall refer the matter to the Board of Directors as a whole, which shall undertake any necessary action—including conducting an independent investigation if warranted—and report to the Board.
3. 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 the Code 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.

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

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

- Acting in a manner that takes improper advantage of the office held by that Individual covered by the Code;
- 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 official duties of the Individual covered by the Code, and that is not available to the public;
- For a period of one year following the end of the term of the Individual covered by the Code, 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 covered by the Code 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 term of the Individual covered by the Code, 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 covered by the Code

had direct and significant official dealings on behalf of SDTC during the period of one year immediately before their last day in office.

Upon the term ending and throughout the one year period following, an Individual covered by the Code shall promptly disclose any real, potential, or perceived conflicts of interest that should arise and all such conflicts will be reported to the Ethics Advisor and the Chair of the Board of Directors.

Any confidential information that may still be in the possession of the Individual covered by the Code must be destroyed or returned to SDTC.

Section 7: Administration

The Chair of the Board of Directors is responsible for ensuring that the Code is brought to the attention of all Directors and that the processes and practices outlined in the Code are followed.

The Code shall also be brought to the attention of all new Directors by including a copy of the Code in their orientation package. SDTC's Manager, Governance is responsible for ensuring that each Individual covered by the Code signs the Oath of Office and that processes and practices are put into effect the provisions in the Code regarding the Blackout Period is developed, documented and administered.

The Chair of the Board of Directors is responsible for ensuring that training on conflict of interest shall occur annually for all Directors, and upon onboarding for new Directors.

The Board of Directors will review from time to time the application and implementation of the Code.

APPENDIX A: OATH OF OFFICE

In consideration of my appointment as a Director, I hereby declare that I have read the Code of Ethics (the “Code”) 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 Ethics.
5. Disclose any real, perceived, or potential conflicts of interest with Proposed Projects and Funded Companies and recuse myself from all deliberation on any Proposed Projects with which I have a conflict of interest.
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 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.

Printed Name

Signature

Date