



2023 Annual Report

Accomplishments and Insights from the Year

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Annual Letter from the CEO

While it's impossible to summarize a full year of climate action work in the Greater Toronto and Hamilton Area (GTHA), here's a short list of what we are proud of achieving in 2023:

- Making several new investments in companies, projects and infrastructure funds that will generate both revenue and impact, and rebalance our portfolio to increase diversification and decrease volatility
- Securing significant funding for installation of EV charging infrastructure and supporting the planning and implementation of retrofits, in a manner that will help scale these solutions
- With robust analysis and diplomatic engagements, supporting GTHA municipalities in considering gas plant expansion proposals and deciding in favour of low-carbon opportunities
- Helping dozens of building owners plan and advance deep retrofits, including innovative technologies and approaches to improve outcomes
- Providing 13 grants to high-impact projects and awarding the first-ever targeted call for grant applications focused on helping scale local distributed energy resources
- Hosting the 2023 Dan Leckie Forum as an informal kick-off for development of energy and carbon performance requirements for existing buildings in Toronto and other municipalities

What I can also do is provide some perspective on how TAF continues to help scale low-carbon solutions that contribute to achieving the ambitious GHG reduction targets adopted by local municipalities and other orders of government.

First of all, hats off to the small-but-mighty staff team of 32 who bring their multi-disciplinary skills – including technical, policy, communications and stakeholdering – to bear on each of the objectives. This is amplified with the support of specialized expert consultants, a wide range of collaborations and partnerships, and by investing in building our own capacities in key strategic areas. In addition, the organization would not function without the governance, investing, and grantmaking expertise of dozens of Board and Committee volunteers.

TAF is also privileged to have endowments from the City of Toronto, Province of Ontario and Government of Canada which we invest to generate the bulk of our operating revenue. Leveraging this, and a three-decade-long track record, we have attracted additional funding for innovative programs designed to position policies, programs and technologies for at-scale adoption.

Our culture of innovation, learning and optimism means we don't rest on our laurels. With TAF's inventory showing a problematic upward trend in carbon emissions TAF is continuously refining strategies, sharpening and adding tools and approaches, and seeking out new relationships with and supporting the stakeholders who will play key roles in achieving the multiple benefits of a net-zero future.



Julia Langer, CEO
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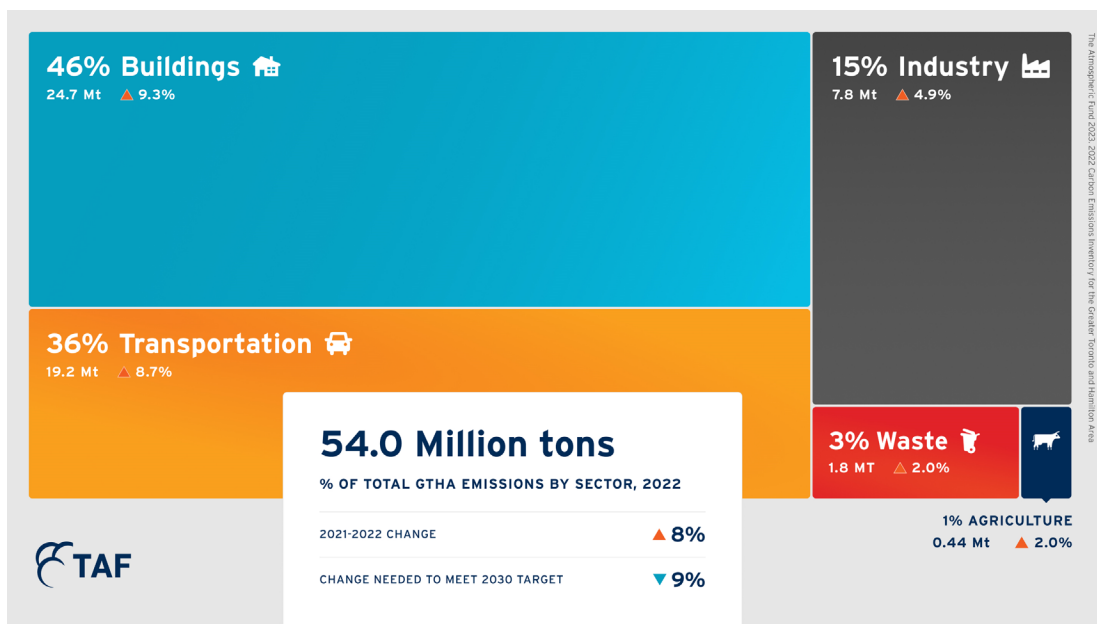
Tracking and reporting progress and insights

TAF uses various approaches to plan, evaluate and report on our work. This includes regular debriefs and retrospectives to understand and refine strategies and workplans; quantitative analysis of program results, financial performance, capital mobilization and emissions reduction potential; qualitative analysis of scaling potential, co-benefits and equity strategies; due diligence and evaluation of all grant and investment opportunities; and team-wide year-end evaluation.

Leveraging all of the above, this report summarizes results against TAF's [2023 Annual Plan](#). It is organized in two sections: results from our four Focus Areas and results by functional teams against our goals and objectives for the year. Separate from this progress report, an impact report, including TAF's key performance indicators for carbon emissions reductions and financial capital mobilized towards low-carbon solutions, as well as other impact indicators, will be distributed in Spring 2024.

Focus Area Objectives and Outcomes for 2023

TAF had four primary focus areas in 2023, informed by the GTHA emissions inventory (<https://carbon.taf.ca/>), namely: Accelerating EV Uptake; Accelerating Retrofits; Accelerating Net-Zero Ready New Construction; and Accelerating Net-Zero Electricity.



1: GHG emissions inventory for GTHA 2022 shows an 8% increase in emissions over 2021. We need to be reducing emissions by 9% per year, to achieve 2050 targets.

The Focus Areas do not generally change year to year, however their context and our priorities within them are defined and updated annually. Each Focus Area was supported by a cross-functional team, leveraging TAF's various approaches in an integrated effort against our objectives. This integration is reflected in the reporting format which follows.

ACCELERATING EV UPTAKE

[TAF's EV Station Fund](#) continues to support the rollout of EV charging infrastructure across the GTHA. In 2023, TAF secured an additional \$3M from Natural Resources Canada Zero Emission Vehicles Infrastructure Program (ZEVIP) and we have allocated nearly the total of \$5M towards the installation of local EV charging projects. TAF advised on the development of the City of Toronto's strategy for transitioning the vehicle-for-hire (VFH) sector to net zero by 2030, which was approved by City Council in October. And we worked with the LC3 network on a study that developed key technical, financial and policy recommendations to support affordable EV charging in multi-family buildings. We will continue to advance these recommendations in 2024.

| Objectives | Targets for 2023 | Status and Outcomes |
|---|--|--|
| All parking spaces in GTHA MURBs are EV-ready by 2035 | All EV Station Fund projects supported with initial \$2 million Zero Emission Vehicle Infrastructure Program (ZEVIP) funding completed; \$3 million in follow-on funding secured and contracts executed for at least \$1 million from the second tranche | Achieved. EV Station Fund was recapitalized with an additional \$3M from NRCan and the program was re-launched with a focus on multi-family buildings that house more than several vehicle-for-hire drivers. Over 100 applications totaling over \$8M received since the re-launch. |
| | Financing model to enable EV-ready retrofits in MURBs developed and piloted, drawing on the LC3/Green Municipal Fund study | Ongoing. The completed study is expected in early 2024, at which point its recommendations will be integrated into TAF's EV-ready work. Several investment opportunities were explored, and an investment was approved for Kite Mobility , an electric rideshare amenity for multi-unit buildings. |
| | EV-ready MURB proof-of-concept program funded and launched | Ongoing. Refocused TAF's advocacy to call for an at-scale program rather than a pilot. Campaign letter was developed and endorsed by 150+ cross-sectoral organizations across Canada . Planning to continue this advocacy effort in 2024. |
| | Three additional GTHA municipalities, including Mississauga, adopt requirements | Ongoing. Brampton approved 100% EV-ready charging in new construction as part of its parking strategy. At least two other GTHA |

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| | for at least 50% EV-readiness in new MURBs | municipalities planning to advance EV-ready requirements in 2024. |
| Public charging in the GTHA is sufficient to support 30% of the vehicle fleet by 2030 | City of Toronto Public EV Charging Plan approved by Council includes the incentives, investments, and requirements needed to meet Toronto’s public charging goals for 2025 and 2030 | Deferred. City of Toronto has deferred the plan until 2024. |
| | City of Toronto parking strategy adopted by Council includes incentives for EVs, including shared EVs | Ongoing. Met with City staff and participated in stakeholder consultations to present research-based recommendations for accelerating EV adoption through the city-wide parking policy, which is expected to be advanced in 2024. City staff report on a proposed commercial parking levy will consider exemptions for parking with EV charging. |
| | GTHA municipalities understand the value of Clean Fuel Regulation (CFR) credits for EV charging and how to claim their credit entitlements | Not initiated. Given the complexities of this issue and the lack of an implementation partner, determined there was low potential for uptake at this time. |
| All new vehicles-for hire (VFH) in Toronto are electric as of 2025 and all new VFH in the GTHA are electric by 2030 | City of Toronto Net-Zero by 2030 VFH strategy is adopted by Council and includes the supports and requirements needed to transition the sector to net-zero by 2030 | Achieved. Toronto approved the Net-Zero by 2030 VFH Strategy in October including requirement for all vehicles to be zero emissions by Jan 1st, 2031, various incentives and supports, and direction to develop a public charging plan to meet the sector's growing charging needs as it transitions to net zero. |

ACCELERATING RETROFITS

Following TAF-led advocacy started in 2021, the Deep Retrofit Accelerator Initiative (DRAI) was announced in Budget 2022 and a \$200M fund was launched by NRCan in February 2023. This will establish and resource a network of partners across Canada focused on retrofit implementation and scale-up, marking a major milestone for the TAF team. With Retrofit

Accelerator as the “pull” strategy, TAF is also advancing a “push” approach: design and uptake of effective performance standards for existing buildings across the GTHA. As housing availability and affordability remain a challenge for our region, this will continue to be a theme in our retrofit work.

| Objectives | Targets for 2023 | Status and Outcomes |
|--|---|---|
| Funding for retrofit market acceleration is deployed in the GTHA and across Canada | \$8 million secured to fund TAF’s Retrofit Accelerator | Achieved. Contribution agreement expected Jan 2024. |
| | Two additional, viable GTHA accelerators apply to federal fund | Achieved. Applications were submitted by Region of Durham in partnership with Windfall Ecology Centre, and City of Toronto in partnership with Toronto Hydro, as well as others from GTHA. |
| | \$1 million in funding secured for co-benefits in Retrofit Accelerator (e.g., job creation, community investments, health, and comfort) | Achieved. This is an emerging priority and opportunity and activities to achieve health outcomes from retrofits, resident engagement, job creation and social procurement will be supported through a forthcoming funding agreement. Other prospective funding has been identified. |
| GTHA Multi-Unit Residential Building (MURB) retrofit market scales towards a tipping point through strong, local delivery. | Retrofits of 7,500 MURB suites in GTHA are in motion with support from TAF’s Retrofit Accelerator | Ongoing. Retrofits of 23 buildings and 2,347 suites (cumulatively) are in motion, and TAF has provided some level of support to 31 buildings and 4,882 suites. Some large retrofits we expected to secure have been deferred; cost pressures are a key reason. Overall significant progress and market interest – from owners, suppliers, financial institutions -- in TAF’s Retrofit Accelerator services. |
| | Retrofits initiated with two more new GTHA portfolio owners | Achieved. Retrofits are either underway or in the origination phase with three GTHA portfolio owners: two private apartment building owners and one social housing provider. |

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| | \$200 million in capital in Accelerator retrofits secured and mobilized, including \$30 million secured with TAF assistance | Ongoing. Approximately \$68M in capital mobilized, another \$30M in progress. In addition, helped secure nearly \$15M for our retrofit clients and awaiting responses on another \$20M. |
| Policy frameworks are in place for existing buildings to achieve net-zero by 2050 | One GTHA municipality adopts building performance standards (BPS) for existing buildings, and at least one more is in development | Achieved and ongoing. The City of Toronto adopted a Net Zero Buildings Strategy which includes BPS, and targeted completion of a BPS by-law by end-2024. The 2023 Dan Leckie Forum served as a 'kick off' for BPS with a diverse range of stakeholders in attendance, including building owners, operators, capital providers, community members, and several municipalities from the GTHA and beyond. |
| | The federal Green Building Strategy (GBS) includes a commitment for all new space and water heating to be at least 100% efficient and net-zero ready by no later than 2030 | Ongoing. TAF grantee Efficiency Canada is leading advocacy for GBS and related policies, with TAF providing advisory support, however its launch is delayed with no clear timeline for release. This work will continue into 2024. |
| New tools, approaches and financing are mobilized that increase retrofit activity, reduce cost and time and improve outcomes | Commercial scale retrofit financing is announced from at least two capital providers (e.g., utilities, banks, and insurance companies) | Ongoing. TAF engaged with several financial institutions regarding their interest in, approaches to, and potential for collaboration on retrofit financing. Discussions advanced and will continue with a credit union that is developing a target and implementation process, and with BMO which will leverage TAF's Retrofit Accelerator with a client. Exploration with other financial institutions will continue in 2024 to mobilize their capital for retrofits. |

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| | <p>One retrofit innovation (e.g., heat pump aggregation, integrated project design, prefabricated overcladding) is identified for standardization in 2024</p> | <p>Achieved. Several retrofit innovations explored and will be advanced including prefabricated overcladding and collaborative contracting (including IPD). Exploration of innovations in heat pumps, storage and control systems will be continued.</p> |
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ACCELERATING NET-ZERO READY NEW CONSTRUCTION

TAF supported various municipalities in developing their respective Green Development Standards. Major milestones included an updated standard in Brampton and completion of draft standards in Mississauga and Caledon (for Council approval in Q1 2024). All three use the framework of energy and carbon metrics TAF co-developed with the City of Toronto for its standard, and Caledon is proposing a leadership position by prohibiting the use of natural gas heating in new single-family homes beginning 2024.

| Objectives | Targets for 2023 | Status and Outcomes |
|---|--|---|
| Industry has the capacity and products to build net-zero ready buildings | Strategy for addressing new buildings performance gap (design vs. actual) developed with research initiated to characterize the gap | Achieved and ongoing. Funding for this research is partially secured and external sources are forthcoming, which should allow implementation in 2024. |
| | Strategy for addressing product/technology gaps for net-zero ready construction developed and research initiated to characterize and prioritize gaps | Achieved and ongoing. Same as above. |
| Codes and standards are progressively strengthened to ensure all new construction is net-zero ready by 2030 | Existing municipal Green Development Standards (GDS) in the GTHA are maintained | Achieved. Strategic amendments to Bill 23 advanced by TAF and others were adopted which protect municipalities' ability to adopt GDSs. |
| | At least two new or updated net zero GDS passed by GTHA municipalities, including Mississauga, and operational & embodied carbon requirements are incorporated | Ongoing. Participated in the Caledon and Mississauga technical working group process; both cities have tabled draft mandatory, tiered GDSs for Council approval in 2024. And Brampton's was updated to make tier 1 energy requirements mandatory. |
| Net-zero ready construction is cost-competitive, affordable to operate, and delivers multiple benefits | The need for financing strategies or models to support industry adoption of higher tiers of GDS is assessed and options developed, if applicable, for deployment in 2024 | Achieved. Met with municipal staff and developers to understand financing options and barriers. Presented to FutureBuilds (a BIPOC real estate development incubator) to encourage green development under new multiplex rules. |

ACCELERATING NET-ZERO ELECTRICITY

This year saw broad engagement with electricity system stakeholders. TAF launched several initiatives related to advancing local, distributed energy resources (DERs): a DER-focused call for grant proposals culminated in a project aiming to design and implement a managed EV charging program, and a request for proposals to design a turnkey distributed solar and storage program is currently in market. TAF also provided information and support to municipal leaders considering proposals for new/expanded gas-fired generation in their communities; all such proposals in the GTHA have been rejected.

| Objectives | Targets for 2023 | Status and Outcomes |
|--|--|---|
| A federal guardrail that ensures net-zero electricity in Ontario by 2035 | A strong federal Clean Electricity Regulation (CER) is passed, including prescribed life exemption of no more than 15 years and minimum carbon requirements for hydrogen compliance path | Ongoing. The federal government put forward robust draft Clean Electricity Regulations, including TAF's recommendation for the inclusion of full lifecycle emissions for hydrogen. Engagement with the Federal government and key stakeholders will continue in advance of the final regulations. |
| | At least \$500 million in federal funding committed for Ontario clean energy infrastructure | Achieved. Budget 2023 allocated \$8.55B for clean electricity in Ontario over 13 years (estimated on a pro-rata basis), an average annual amount of \$657M; now the task is to access it. TAF is advocating for non-taxable entities --co-ops, condominiums and other non-profits -- to be eligible for the Clean Technology Investment Tax Credit. |
| Widespread confidence and policy certainty in DERs underpinned by 1.5 GW of new installed DER capacity in the GTHA by 2028 with benefits accruing to local communities and the provincial grid | Program initiated with strategic partners (utilities and/or solutions providers) to demonstrate and de-risk at least one priority DER in the GTHA in 2024 | Ongoing. Engaged broadly with DER stakeholders and identified barriers to distributed solar and storage adoption. Work initiated with Toronto Hydro and City of Toronto to address those barriers. Issued an RFP for a consultant to design a turnkey program to scale adoption in the GTHA. TAF's first request for grant proposals focused on a DER solution and was awarded to project that will design and implement a managed EV charging program. |

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| | <p>Plan developed and partners secured to influence a post 2024 conservation and demand management (CDM) program that is, at minimum, aligned with the Independent Electricity System Operator’s (IESO’s) Maximum Achievable Potential scenario for energy savings</p> | <p>Achieved. TAF submitted recommendations to the Ministry of Energy for the post 2024 CDM Framework focused on energy efficiency targets (at least 2% of sales), budgets (at least doubling the current CDM budget) and the integration of DERs into CDM programming.</p> |
| <p>Electricity distribution systems that enable and encourage electrification of buildings, transportation, and industry</p> | <p>Plan developed (for 2024 implementation) to address at least two high-priority system barriers to electrification, informed by engagement with end users, utilities, and other system participants</p> | <p>Ongoing and continuing. TO address a major barrier to advancing local solar and storage conversations were initiated with multiple LDCs regarding streamlining the interconnection process.</p> |

Functional Team Objectives and Outcomes for 2023

In addition to supporting and contributing to Focus Area activities, TAF teams undertake key activities, and ensure day-to-day processes and productivity. The 2023 priorities and results accomplished are summarized below.

Communications & Campaigns

This year, campaign strategy evolved, resulting in stronger integrated teams and increased influence and engagement. The quality of media coverage increased again and established TAF spokespeople as go-to sources on urban climate issues for journalists and trusted and credible resources for policymakers.

| Annual objectives | Status and Outcomes |
|--|--|
| Improve campaign strategies and increase team capacity, including through procuring creative services for strategy and production for website and digital content, writing and copyediting support, and media and presentation training for TAF spokespeople | Achieved. Strategic communications, stakeholder outreach, event execution and primer on Building Performance Standards supported a successful Dan Leckie Forum. two retrofit case studies completed. Production capacity was enhanced through a creative agency partner, a professional writer, and newly hired intern and coordinator. Three staff received media training. |
| Deepen stakeholder relationships by identifying new contacts and segmenting existing contacts in the CRM system, with a focus on multi-solving stakeholder groups | Achieved. Back-end campaign integration (e.g., Dan Leckie Forum, EV-Ready Fundraising) was completed through CRM and website. |
| Develop strategy and tactics to increase engagement with impact investing target audiences | Achieved. Developed sophisticated marketing materials, content, and pitch deck for Impact Investing audiences. Promoted Kite Mobility investment in collaboration with LC3 centres. A blog highlighted an investor's perspective on the federal budget and profiles of new Committee members were published on LinkedIn. |
| Continue to improve/invest in earned media opportunities. Brief journalists as needed on ZEV, CER, BPS, gas plants, etc. | Achieved. Received high quality media coverage on EV policy, electricity policy, buildings, and the carbon inventory launch from mainstream and local media profiling perspectives from TAF staff. |
| Integrate equity, diversity and inclusion objectives into TAF's outreach efforts and communication approaches | Ongoing. Work initiated to support the EDI Working Group with the release of TAF's public-facing EDI report in 2024 and new KPIs were promoted for grants and investments |

EDI Working Group

The membership of this voluntary working group was renewed and expanded. An Equity, Diversity and Inclusivity survey of TAF staff, board and committees was designed, delivered and analyzed. And the Working Group continued coordinating learning opportunities for all staff and provided a space for greater dialogue and conversation on these topics.

| Annual Objectives | Status and Outcomes |
|--|---|
| Develop and implement an annual TAF EDI Survey, including a process for regular evaluation | Achieved. The survey format and processes were standardized and the 2023 survey was completed with strong response rate. Staff were provided several opportunities to discuss and reflect on survey results within both functional team and all-staff meetings. |
| Publish the first EDI report, providing transparency and metrics for progress. | Achieved. Internal report covering staff and volunteer responses was disseminated to staff. Consideration of how to present results publicly underway. |
| <p>Launch an EDI-focused curriculum for all staff:</p> <ul style="list-style-type: none"> • Assemble and create foundational training for new staff and integrate into the onboarding process • Launch a library of resources | Achieved. A library of training materials and resources was developed and is available to all staff; key topics include Indigenous Cultural Competency and Reconciliation, anti-racism, and creating a safe and inclusive workplace. |
| <p>Deliver additional, opt-in learning opportunities</p> <ul style="list-style-type: none"> • Two “deep dive” training opportunities in 2023, including one on microaggressions • Eight lunch & learn sessions, drawing on staff and/or external speakers outside of the EDI Working Group | Achieved. Staff undertook three “deep dive” training sessions: microaggressions, Indigenous cultural awareness and Indigenous relationship-building. Six lunch & learn sessions were held, one led by an external expert. |
| Develop facilitator/Chair/Host guidelines to support use of TAF’s Code of Conduct and land acknowledgement for all meetings. | Achieved. Guidelines drafted and shared with staff. |

Finance

The finance team grew with the addition of an Accounting Clerk. Updates to payroll and accounting software is increasing administrative efficiency as well as reporting.

| Annual Objectives | Status and Outcomes |
|--|---|
| Secure Board and Council approval for TAF Debt Policy (an element of governance updates) | In process. Secured consulting support and developed policy architecture; to be advanced for Board and Council approval in 2024. |
| Undertake further refinement and implementation of Dynamics accounting system including: <ul style="list-style-type: none"> • Requisition training (including internal projects coding) • Project-level accounting and reporting • Electronic Fund Transfer (EFT) integration | Achieved. Training re-focused on G/L account coding; review of usage and updates planned for Q1. Project level accounting successfully operating with increased Finance/team collaboration. Debugging of EFT/accounting system underway; expect completion in Q1. |
| Standardize regulatory and repayment requirements in all Direct Investment agreements to streamline back-end management, drawing on insights from past transactions | Achieved. Direct Investment disbursements process has been streamlined and cash flow budget has been successfully implemented. Wire transfers much quicker due to insights from recent transactions. |
| Refine budget and cashflow development to support management response by incorporating quarterly expense predictions and monitoring portfolio performance monthly | Partially achieved. Forecasting of major expenditures for Direct Investment complete, in process for Grants, and not yet started with Retrofits. Portfolio performance has been monitored monthly where information is available. |

Strategy and Governance

Development of two key policies initiated which will complete implementation of recent governance updates, and we also initiated the review and refresh of TAF's strategic directions, starting with consulting over 60 TAF volunteers, climate practitioners, and thought leaders from across Canada. TAF deepened its approach to identifying and strengthening the co-benefits and equity dimensions of our climate work. And we continued to support board and committee work and ensure strong oversight of and accountability for TAF activity, including program and campaign approaches, grants, investments and financials.

| Annual Objectives | Status and Outcomes |
|--|--|
| Update TAF’s Strategic Directions, including new approaches and types of services in line with our mandate and Theory of Change | Ongoing. TAF initiated a strategic review in 2023 which included desk-based research, multiple internal planning workshops, and consultations; on track to advance updated Strategic Directions for Board consideration in April 2024. |
| Host an appreciation event for past and current volunteers | Achieved. A retirement reception for a longstanding Investment Committee member was held in June and a volunteer appreciation event was held in September. |
| Review Transfer Payment Agreement after seven years (October 2023) with City of Toronto and Ministry of Municipal Affairs & Housing | Deferred. No major issues were identified at this time. |
| Secure amendments to the TAF Act related to Ontario's Not-for-Profit Corporations Act and other housekeeping matters as approved by Council | Deferred. After exploring with City of Toronto, Ontario Legislative Office, and TAF’s legal counsel, it was determined that the value of amendments to the TAF Act did not justify the investment at this time. |
| Consider options and advance approach to legal services that manage cost, support good governance, and contribute to innovation objectives | Deferred. Initial information about annual spending was gathered and team needs were identified, but no further developments to report at this time. |
| Shepherd full implementation of TAF governance updates | Achieved and ongoing. New Grants Policy approved at April Board meeting. Updates to TAF’s Purchasing Policy and Debt Policy have been initiated and due to be advanced to the Board in February 2024. |
| Identify and implement opportunities to engage committees more deeply to advance TAF objectives, including potential cross-committee collaboration | Partially achieved. The IC and DC are meeting bi-annually and there is regular cross-committee participation. Some opportunities for GPC/DC collaboration have been identify by staff, for instance on ‘recoverable grants’ but not yet initiated. |
| <p>Advance social priorities across the GTHA through TAF’s climate-centered work:</p> <ul style="list-style-type: none"> • Deliver a collective learning approach to give all staff an initial experience with analyzing co-benefits and equity in their work | Ongoing. First meetings held with Toronto’s Indigenous Affairs Office and relationship with Toronto Community Benefits Network deepened. Developing and integrating co-benefits strategies into our electricity and retrofits work. Equity and co-benefits exercises have been undertaken by all |

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| <ul style="list-style-type: none"> • Use an equity lens and undertake a co-benefits identification exercise to initiate improvements and updates to our programs, campaigns, and projects • Identify organizational equity and co-benefits priorities and partnerships | <p>Focus Areas to identify areas of need. All teams are increasingly aware of and owning this mandate.</p> |
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Grants

Efforts to strengthen the equity outcomes of TAF grants included incorporating an equity metric into TAF’s application form and introducing a mechanism for funding the participation of non-profit collaborators in TAF-funded projects. An updated Grants Policy resulted in the program’s first ever recoverable grant to a for-profit organization. The grants program facilitated advancement of the net-zero electricity focus area by cultivating grants to mobilize support for clean electricity in Ontario.

| Annual Objectives | Status and Outcomes |
|---|--|
| <p>Develop a TAF Grants Policy (an element of governance updates) and, as required, update the Grants and Programs Committee Terms of Reference</p> | <p>Achieved. In keeping with recent governance updates, the Board approved TAF’s first-ever own Grants Policy, which ensures TAF’s compliance with its funders’ requirements, codifies TAF’s longstanding grantmaking practices, and creates a framework for new practices such as funding for-profit organizations in specific circumstances, co-granting with the LC3 network, and undertaking hybrid grant/financing initiatives.</p> |
| <p>Incorporate an equity-focused metric into TAF’s grant application and evaluation processes</p> | <p>Achieved. A social equity metric, co-developed with LC3, was incorporated into TAF’s grant application form and included in the curriculum of the TAF-funded program design course.</p> |
| <p>Expand grant cultivation by launching at least one targeted call for proposals and sourcing grant opportunities through stakeholder convenings</p> | <p>Achieved. TAF’s first-ever targeted call for proposals, focused on a demand-responsive distributed energy resources solution, attracted interest from over 20 organizations, culminating in the approval of a recoverable grant to leverage “smart” EV charging to demonstrate managed EV charging as a cost-effective approach for reducing GHG emissions and mitigating peak demand.</p> |
| <p>Develop a methodology for evaluating the performance of</p> | <p>Partially achieved. Draft evaluation framework has been developed, informed in part the lessons from another</p> |

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| TAF’s grants program and complete an evaluation of a segment of the portfolio | major climate funder which had recently completed a comprehensive grants program evaluation. |
| Map GTHA funders and explore partnerships for advancing common goals | Partially achieved. Initial list of funders created with funding priorities, geographic focus, and intake processes identified. Initiated discussions with several; developing collaborative granting arrangements with aligned funders is a target for 2024. |

Impact Investing

The impact investing team executed five Direct Investments and onboarded two new Alternatives managers focused on infrastructure funds in keeping with the shifting and aligning TAF’ portfolio with the targets in the Board- and Council-approved Statement of Investment Objectives and Principles (SIOP). A search was initiated for managers in order to transition TAFs Fixed Income portfolio to have more performance and impact. Collaborative work with two other LC3 members resulted in all three co-investing in a national mobility-as-a-service company and helped establish an approach with all LC3s on sharing direct investing opportunities.

| Annual Objectives | Status and Outcomes |
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| Secure approval for at least three transactions and/or achieve \$3 million in net new investments; ideally, at least one is completed with an LC3 partner and the majority are tied to TAF’s focus areas. | Achieved. Five investments totaling approximately \$5M approved, of which \$3.3M was advanced. One investment was made with two other LC3 organizations. All investments were directly related to TAFs focus areas. |
| Attract co-investment in transactions and/or funds at a ratio of at least 1:3 of TAF’s own capital. | Achieved. Improved approach for calculating mobilized capital identified which aligns with international leading practice. Due to TAFs introduction, two investor-investee collaborations occurred generating non-TAF capital investment and all five of TAFs investments saw capital mobilized at the target ratio; this will result in capital ‘recycling’ and scaling these solutions. |
| Provide the Direct Investment Committee (DC) with regular reporting for each investment using an updated timeline and format established in collaboration with investees | Achieved. Tear Sheets for all TAF transactions created and a rotating schedule of reporting established. Transition to Salesforce was initiated which will improve investment management and reporting to all fiduciaries and stakeholders. |

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| With HUB/Proteus, complete an Alternatives (infrastructure) Fund search and selection | Completed. An intensive search process undertaken and investment of \$5.75M approved into two new, mandate-aligned Alternatives (infrastructure) managers. |
| With HUB/Proteus, present options to improve impact and risk/return of the fixed income portfolio | Ongoing. Struck a Subcommittee, worked with HUB/Proteus to develop an approach and undertake a search, including interviews. The IC made a recommendation for Board consideration at the February meeting. |
| Refine reporting to include regular risk assessment for the Direct Investment Committee | Completed. See above re: Tear Sheets which include investment risk factors. All new investments include robust consideration of investment risks and potential for mitigation. |
| Assess use of the Efficiency Capital warehouse line and practical impact on committed funds | Achieved. Efficiency Capital provided a business update. While the DC did not approve any change to the financing facilities, there is openness to considering one-off opportunities consistent with the sub-dept facility terms. |
| Refine and align risk/return, diversification, impact and niche in TAF's investment strategy and underpin origination and selection | Ongoing. Analysis of industry best practices and standards for impact investing completed which will be integrated into TAF's KPIs. |

People & Operations

TAF moved from 75 Elizabeth Street to new offices at Union Station. The team continued to support all teams on recruiting, hiring and onboarding new staff and interns; ensured steady productivity through IT and software support; updated policies as required; and helped the Finance team with process improvements.

| Annual Objectives | Status and Outcomes |
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| Update and implement a new internal purchasing practice to improve outcomes including cost, time, quality, and supplier relationships | Ongoing. Expert consultant has been contracted, best practices for non-profits research, and staff users consulted. A policy will be brought to the Board for approval in February 2024. |
| Improve /update policies and procedures for: <ul style="list-style-type: none"> • Hybrid working • IT and cyber security | Achieved. City of Toronto's endpoint protection and threat detection tools deployed on work devices and TAF is working with the City's Chief Information Security Office and TAF's IT service on ongoing |

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| | monitoring and response. A <i>Right to Disconnect</i> and <i>E-monitoring</i> policy was approved and implemented. |
| <p>Provide TAF team with support and training to ensure a smooth and effective hybrid work environment through:</p> <ul style="list-style-type: none"> • Computer skills fundamentals • Adoption of Teamwork, MS Dynamics, Humi, Applied, and Salesforce • Availability of hybrid-ready off-site meeting rooms | Achieved. Training and support in the use of IT tools provided in the form of drop-in “office hours” held twice weekly as well as a new tech support Slack channel. Hybrid meetings have been successfully held at the Centre for Social Innovation and TAF’s new office at Union Station. |
| Coordinate with Finance team to support setup and implementation of processes to improve quarterly financial reporting and other accounting needs | Achieved and ongoing. A calendar of preparation and submission deadlines is on SharePoint hub. A payroll approval process was successfully established and implemented. Annual reports to Toronto, Ontario and FCM were submitted, with some new features and improvements. |
| Secure new fractional HR services to help TAF keep up to date on workplace compliance policies and best practices, and other needs. | Deferred. Not a priority and existing services deemed adequate. |
| Complete and launch TAF organizational values | Deferred. Deprioritized based on other priority needs and confidence that TAF’s mandate and other elements, including newly developed job factors, are effective at translating culture and expectations. |
| Implement and monitor compensation adjustment roll-out | Achieved. Budgeted Phase 1 compensation adjustments were implemented and new roles and hires aligned with updated bands. 2024 Budget development included detailed attention to feasibility of rolling-out the planned Phase 2 adjustments. |
| With HR Committee and City, update TAF’s Executive Compensation Policy | Ongoing. Performance review of TAF CEO conducted. Updates to Executive Compensation Policy presented to HR Committee and advancing for Board consideration in February 2024. |

Policy

Guided by a new policy appraisal tool and the annual plan, the team undertook advocacy and engagement with all levels of government related to TAF’s focus areas. TAF’s GTHA Carbon

Emissions Inventory served as an important entry point for strengthening relationships with municipalities and the team supported municipal leaders whose decision-making is increasingly being required by the province on complex, climate-related matters. Collaboration with Impact Investing, Campaigns & Communications and Research & Innovation teams helped advance key policy files.

| Annual Objectives | Status and Outcomes |
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| Submit recommendations for the Federal and Provincial Budgets and Economic Statements when submissions are invited | Achieved and ongoing. Federal and Provincial budget recommendations and Federal Pre-budget recommendations submitted, and Provincial pre-budget submission has been presented to the Finance and Economic Affairs Committee. |
| Build equity goals into TAF's advocacy work in a more structured way, including by embedding equity considerations into the team's policy appraisal document and formal policy submissions | Achieved. A new Policy Assessment Form has been developed which includes EDI considerations in the scoring rubric and is being used to prioritize the policy team's focus and engagements. |

Research and Innovation

The team continued supporting TAF's focus areas functional teams by quantifying the carbon (and co-benefits) potential of all projects and funding opportunities, evaluating new and emerging research opportunities to advance outcomes, and collaborating with stakeholders (e.g., LC3 members, municipalities) to analyze data that supports climate action. The annual GTHA Carbon Emissions Inventory was developed, launched, disseminated and explained.

| Annual Objectives | Status and Outcomes |
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| Build quantification knowledge skills among strategic GTHA practitioners regarding carbon and co-benefits data, marginal electricity emission factors and fugitive emissions | Achieved. Inventory findings were presented to all six regions and to broader audiences via webinars. Engagement with Carbon Data Network members included recommendations for using electricity emission factors. The R&I team co-chaired and provided technical support to the LC3 GHG quantification community of practice through case studies and knowledge sharing, and also supported the Alberta and Montreal LC3 centers in estimating the carbon impact of a potential investment alongside TAF. |

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| <p>Improve climate action planning through thought-leadership and strategic research including:</p> <ul style="list-style-type: none"> • Publish 2022 GTHA Carbon Emissions Inventory, integrating some embodied carbon and building efficiency impacts analysis • Publish updates to TAF Quantification Methodology and Electricity Emission Factors Guidelines • Develop an internal topic ‘explainer’ outlining TAF’s position on the role of renewable natural gas and hydrogen, and support the development of external communications (e.g., through a myth-busting blog) • Apply current list of data visualization and modeling tools to our work where necessary | <p>Achieved. 2022 GTHA Carbon Emissions Inventory was published, with enhanced graphics, more insights for regions, deep dives on buildings and transportation, and easily downloadable information. Updated TAF Quantification Methodology published. Significant methodology changes to the electricity emission factors guidelines adopted, incorporating the latest recommendations and best practices from other industry experts; a report and webinar planned. An ‘explainer’ of the value of hydrogen and RNG for mitigating carbon emissions developed using a new format and incorporating input from both internal and external experts. A repository of data visualization and modelling tools was established to support future work, and two data visualization courses were audited by R&I staff which helped update several key inventory graphics to improve visual communication of data.</p> |
| <p>Operationalize the database to store and manage all quantification datasets and processes; support Retrofit Accelerator in using it for analytics.</p> | <p>Achieved. Database is now fully functional and was instrumental in improving the inventory data tracking and analysis process.</p> |