Building a better tomorrow

Fiscal 2023 Sustainability Report
April 1, 2022 to March 31, 2023
Table of contents

<table>
<thead>
<tr>
<th>Page</th>
<th>Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>Introduction</td>
</tr>
<tr>
<td>12</td>
<td>Economic impact</td>
</tr>
<tr>
<td>20</td>
<td>Social impact</td>
</tr>
<tr>
<td>32</td>
<td>Environmental impact</td>
</tr>
<tr>
<td>43</td>
<td>Collective impact</td>
</tr>
<tr>
<td>48</td>
<td>Governance</td>
</tr>
<tr>
<td>51</td>
<td>Appendix</td>
</tr>
</tbody>
</table>

3 About BDC  
4 BDC in numbers  
5 Our approach to sustainability  
7 Fiscal 2023 highlights  
8 Sustainability progress by the numbers  
10 A message from Isabelle Hudon  
11 In conversation with Sandra Odendahl  
13 Economic impact highlights  
14 Growing strong, resilient businesses  
16 We help entrepreneurs turn great ideas into great companies  
17 We offer entrepreneurs knowledge, know-how and advice  
18 Supporting Canada’s community leaders in sustainability  
19 We equip our employees to serve our clients  
21 Social impact highlights  
22 Reaching Canadian entrepreneurs from different segments of the population  
23 Indigenous entrepreneurs  
24 Women entrepreneurs  
26 Black entrepreneurs  
27 LGBTQ2+ entrepreneurs  
28 Diversity in our supply chain  
29 Diversity at BDC  
30 Connecting and empowering diverse employees  
33 Environmental impact highlights  
34 Building a greener future  
35 Our approach to climate change  
37 The risks and opportunities of climate change  
38 Cleantech and climate tech for the energy transition  
39 Accompanying entrepreneurs on the road to a low-carbon economy  
40 Accelerating climate solutions for SMEs  
41 Greening BDC’s operations  
42 Greening our thinking, analysis, skills and organizational culture  
44 Collective impact highlights  
45 Reaching and doing more through partnerships  
47 Governance  
48 Governance at BDC  
49 Corporate governance of sustainability issues  
50 Looking ahead  
51 Appendix

About this report

In this report, we share BDC’s first sustainability framework, which outlines our targets and actions across our workforce, workplace, marketplace and community in line with the UN Sustainable Development Goals (SDGs). It has four pillars: economic, social, environmental and collective. Building a better tomorrow also shows BDC’s progress in helping entrepreneurs create a prosperous, more inclusive and greener future for all Canadians. The report covers BDC’s 2023 fiscal year (April 1, 2022–March 31, 2023) unless otherwise noted, and all performance data is company-wide, unless otherwise stated. There are figures from previous annual reports for comparison purposes.

Acknowledgement

BDC respectfully recognizes and acknowledges the relationship that the First Nations, Inuit and Métis across Canada have with the land that all Canadians live on and enjoy. We acknowledge that our head office is found on the traditional and unceded territory of the Kanien'ké:ha (Mohawk), a place which has long served as a site of meeting and exchange amongst nations. We are grateful for the meaningful partnership that we are forging with Indigenous communities across this land that we know today as Canada.
About BDC

BDC, the Business Development Bank of Canada is a different kind of bank. BDC is a federal commercial Crown corporation; the only bank in Canada devoted exclusively to Canadian entrepreneurs. We work with people who create and grow businesses, through financing, advisory services and capital, with a focus on small and medium-sized enterprises (SMEs). We take pride in our role and applaud the success of our clients who employ over 1 million Canadians and generate $350 billion in annual revenues.

BDC is a certified Beneficial corporation (B Corp). We’re proud to be the first Canadian bank to achieve this world-class sustainability certification, which recognizes businesses whose purpose and operations benefit society as a whole. See our 2022 B Corp assessment here.

Our sustainability job #1 is to support Canada’s entrepreneurs.
BDC in numbers

- **100,000+** clients served – 65,312 direct and 35,404 indirect

- **110+** business centres

- **$52.1 billion** committed to small and medium-sized businesses

- **27,000** advisory services mandates since 2010

- **2,900** employees

- **150+** partner organizations

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1. Source: BDC 2023 Annual Report
2. Source: Corporate Plan 2022–2023
3. Source: Partnerships data
4. Only direct clients. Clients receiving services from more than one business line have been counted only once.
Our approach to sustainability

As the bank for entrepreneurs, BDC has an important role to play in supporting them on their sustainability journey, and helping Canada achieve its sustainable development goals. We seek to make an impact by what we do with and for our clients, in our own operations, with our employees and in our communities.

BDC's first sustainability framework, launched in 2022, outlines our ambitions, targets and actions and builds on the three sustainable development pillars of economic, social and environmental impact, by adding a fourth pillar: collective impact. This approach allows us to deliver a balance between economic growth, social well-being and environmental stewardship, and recognizes that we can’t do it alone.

Rather than create a separate program, we weave our sustainability values and thinking into our plans, policies and programs and tie them to the bank’s key performance indicators. Our framework aligns with 11 of the United Nation’s SDGs. These are goals that BDC – through its clients, partners and employees – can help Canada achieve.

The difference between sustainability and ESG

ESG and sustainability are two terms that are frequently used interchangeably; however, they are not the same. Sustainability is a shorthand way to refer to “sustainable development”, which is commonly defined as an approach to growth that meets the needs of the present without compromising the ability of future generations to meet their needs. A sustainability framework helps us to understand, manage and balance the impact of an organization on the economy, society and the environment. ESG, on the other hand, was originally intended as a framework for investors to incorporate financially material “non-financial” information – specifically, environmental, social and governance issues – into investment analysis and decision-making processes. ESG is a very helpful framework for checking whether important non-financial issues are being managed appropriately in a business. Ultimately, we believe the most powerful framework for positive impact is one that optimizes the environmental, social, economic and governance aspects of a business. And it needs to also recognize the critical role of collaboration with stakeholders.
In 2022, we launched our first sustainability framework which outlines the Bank’s actions and targets across its workforce, workplace, marketplace and community in line with the UN SDGs.
Fiscal 2023 highlights

- Now supporting more than **100,000** entrepreneurs
- Loaned **$10.3 billion** to entrepreneurs
- Supported entrepreneurs through nearly **2,500** new advisory mandates
- Supporting more than **1,000** Indigenous entrepreneurs
- Launched the **$500 million** Thrive Platform for Women
- Launched the **$400 million** Climate Tech Fund
- Created the new Climate Action Centre for entrepreneurs
- Created the ESG reporting template for Canadian general partners

Source: BDC 2023 Annual Report
## Sustainability progress by the numbers

<table>
<thead>
<tr>
<th>Sustainability ambitions</th>
<th>Corporate strategy focus areas</th>
<th>Corporate objectives</th>
<th>Performance indicator</th>
<th>F23 targets</th>
<th>F23 results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Help people across Canada grow strong, resilient businesses</td>
<td>Spur the growth of entrepreneurs and the competitiveness of Canada’s economy</td>
<td>Support more entrepreneurs</td>
<td># of direct clients</td>
<td>69,550 direct clients</td>
<td>65,312</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td># of indirect clients</td>
<td>12,500 indirect clients</td>
<td>35,404</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Provide advisory services to accelerate growth, innovation and productivity</td>
<td># of new advisory services mandates</td>
<td>1,650 new mandates</td>
<td>2,491</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Provide financing and advisory services that enable clients to succeed</td>
<td>% of clients who report a positive impact on their business following the services they received from BDC</td>
<td>Minimum of 89% by F27</td>
<td>92%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Accelerate entrepreneurs’ competitiveness(^2)</td>
<td>Results of BDC impact study</td>
<td>BDC to have a positive impact on revenue growth</td>
<td>New target</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Help restore the VC asset class to profitability to attract private sector investors(^3)</td>
<td>BDC direct VC funds total value to paid-in capital</td>
<td>1.80 or higher by F27</td>
<td>1.78</td>
</tr>
</tbody>
</table>

1 Please refer to the BDC 2023 Annual Report for more details.
2 The next study results will be available in fiscal 2025.
3 This indicator is a means to an end (i.e., a greater number of investors and investments available for entrepreneurs’ companies).
<table>
<thead>
<tr>
<th>Sustainability ambitions</th>
<th>Corporate strategy focus areas</th>
<th>Corporate objectives</th>
<th>Performance indicator</th>
<th>F23 targets</th>
<th>F23 results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ensure no one is left behind</td>
<td>Increase the reach and relevance of our support to entrepreneurs</td>
<td>Support Indigenous entrepreneurs</td>
<td># of direct clients identified as Indigenous</td>
<td>1,045 clients</td>
<td>1,069</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Support women entrepreneurs</td>
<td># of direct clients identified as women-owned businesses (ownership of 50% or more)</td>
<td>17,500 clients</td>
<td>17,505</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Support women-led tech firms</td>
<td>$ authorized to women in tech (VC) ($ in millions, cumulative to F23)</td>
<td>$100 million</td>
<td>$141.7 million</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Promote diversity, equity and inclusion in the (BDC) workplace</td>
<td>% of BDC workforce compared to labour market availability (LMA) in the finance sector in each of the designated groups (women, Indigenous persons, visible minorities and persons with disabilities)</td>
<td>BDC meets LMA by F25</td>
<td>Women: 107% of LMA Indigenous persons: 58% of LMA Visible minorities: 118% of LMA Persons with disabilities: 45% of LMA</td>
</tr>
<tr>
<td></td>
<td>Fulfil BDC’s complementary role by serving entrepreneurs from different segments of the population</td>
<td>% of Financing portfolio that is sub-investment grade</td>
<td>Maintain a minimum of 88% by F25</td>
<td>87%</td>
<td></td>
</tr>
<tr>
<td>Help build a clean, low-carbon, circular economy</td>
<td>Empower entrepreneurs to respond to the big challenges of our time</td>
<td>Increase the amount of capital available to Canada’s promising cleantech firms</td>
<td>$ accepted, Cleantech Practice ($ in millions, cumulative F18 to F24)</td>
<td>$600 million by F24</td>
<td>$530 million</td>
</tr>
<tr>
<td>Engage clients, employees and partners because we are stronger together</td>
<td>Deliver a world-class employee and client experience</td>
<td>Make it easy for clients to do business with BDC</td>
<td>% of very satisfied clients</td>
<td>67%</td>
<td>65%</td>
</tr>
</tbody>
</table>

Employee engagement rate | 88% |
A message from Isabelle Hudon
BDC’s President and CEO

There is absolutely no doubt in my mind that a strong commitment to sustainability must be at the core of who we are and what we do at BDC. It plays a fundamental role in giving our organization the impetus to tackle some of the greatest challenges of our time, while leading us to take the actions that will ensure we remain relevant to our clients – both today and in the future – and to the partners we work with to support Canadian entrepreneurs. It is also central to our attractiveness as an employer – and a reason why I have the privilege of being surrounded by thousands of colleagues dedicated to building a more prosperous, inclusive and greener economy.

During the past two years, we have put renewed emphasis on the importance of the D in our name. Acting as a development bank – generating positive impact for entrepreneurs and for Canada that goes beyond the purely financial dimension – has thus emerged as a key strategic priority of BDC. This renewed focus on our development role has also translated into the adoption of a new framework and four statements that capture this heightened level of sustainability ambition:

1. Help people across Canada grow strong, resilient businesses. This is our cornerstone sustainability job. When entrepreneurs succeed, they make an irreplaceable contribution to the prosperity of the communities they live in, as well as the country as a whole. Through the 1 million livelihoods our clients create, many more Canadians can in turn lead lives of economic opportunity and dignity.

2. Ensure no one is left behind. For us, this means reaching more entrepreneurs, including those in places or parts of the market that are different segments of the population, such as women, Indigenous and Black entrepreneurs. We want our client roster to reflect the society outside our walls.

3. Help build a clean, low-carbon, circular economy. The pressing environmental challenge we’re focusing on first is climate change. We’ve long supported Canada’s climate and cleantech entrepreneurs. We also need to turn to the bigger, more complex challenge of accompanying all small and medium-size enterprises transitioning and contributing to a low-carbon world.

4. Engage clients, employees and partners because we are stronger together. This is the how. While we care for the success of each client, we also cultivate the success of the whole, that is, the networks and communities of people created by entrepreneurs, BDCers and the many organizations we collaborate with – as this is the only way we can truly succeed.

While these four statements are a source of great inspiration and motivation for the BDC team, one important element was missing to ensure our aspirations remain grounded and conducive to actual results: a rigorous reporting framework.

Indeed, in a world where all key indicators are subjected to planning, objective-setting and regular reporting exercises, it was fundamental to apply a similar structure to our sustainability efforts – hence the publication of this first Sustainability Report.

It takes a healthy dose of courage and humility to plot cold and sometimes imperfect results against a profound desire and tireless efforts to create meaningful change – and this first report is no exception. At the same time, such an exercise also has the benefits of clearly showing where we are able to move the needle, as much as to provide insights on how we can do a better job in order to reach even bolder objectives.

I trust that this first Sustainability Report – and all the others to follow in the years to come – will thus be a powerful tool in harnessing the sustainability framework and passion for supporting Canadian entrepreneurs of my BDC colleagues, and will help us create lasting measurable impact, as we continuously work to build a better tomorrow.

Isabelle Hudon
BDC’s President and CEO

Photo: Travis Powell of Calgary Aggregate Recycling and Isabelle Hudon
In conversation with Sandra Odendahl  
Senior Vice President and Head of Sustainability, Diversity & Partnerships

Q: You arrived at BDC just over a year ago with a rich experience in sustainability. What’s your vision for BDC?
A: My vision is to make BDC a one-stop-shop for entrepreneurs who need resources and advice to build a sustainable business. Every aspect of BDC, from how to build a diverse and inclusive business, to reducing greenhouse gas footprint, will make use of capital to implement their sustainability projects.

We know that businesses can be a force for good. And, as Canada's development bank, BDC is uniquely positioned to help entrepreneurs not only build a thriving business, but also rise to help meet the biggest economic, social and climate challenges of their time.

Q: Many organizations claim sustainability is “in their DNA”, and that they integrate it into strategy and operations. How’s that true at BDC?
A: Sustainability is embedded in our mission and corporate objective to support Canada’s entrepreneurs. As we developed the bank’s sustainability framework, there was a deliberate effort to ensure it complemented our corporate objectives, and that the sustainability performance indicators are embedded in corporate performance indicators.

Weaving sustainability into strategy and operations takes more time and effort, but it will have far greater impact than a sidebar program. We already have many longstanding sustainability-related initiatives in place at BDC: climate and social driven venture capital (VC) investing, employee and supplier diversity programs, and lending programs for entrepreneurs from different segments of the population, among many others. We also recognize that there’s so much more we can do. But I’m an engineer at heart, so I enjoy building things that both break the mould and are built to last!

Q: It’s hard enough for entrepreneurs to build a successful business. Why should they care about sustainability?
A: Sustainability makes good business sense. Market, social and environmental forces are accelerating, putting more pressure on businesses to change. Embracing sustainability can lead to higher profits, more engaged staff, happy customers and cost savings. In fact, 92% of major buying organizations will require suppliers to disclose ESG information by 2024. We want to help turn these pressures into a business advantage. To help business owners lead the charge, rather than be forced to adopt.

The good news is that many entrepreneurs are already doing it without realizing it. It’s embedded in the decisions they make on how to create profits, treat their employees, reduce their energy and raw material use, or minimize waste.

Q: What should we expect from BDC in the future?
A: Ambitious pragmatism. As I mentioned, within the next two years, we want BDC to be the first place Canada’s entrepreneurs reach out to when they think about, hear about or want to do something about sustainability. We’re working to earn this right with useful tools, resources and support.
Economic impact

Helping people across Canada grow strong, resilient businesses
## Economic impact highlights

<table>
<thead>
<tr>
<th>Economic Impact Highlight</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct and Indirect clients</td>
<td>100,000</td>
</tr>
<tr>
<td>Loans accepted</td>
<td>$10.3 billion</td>
</tr>
<tr>
<td>Advisory services mandates</td>
<td>Nearly 2,500</td>
</tr>
<tr>
<td>Percentage of clients reporting positive impact</td>
<td>92%</td>
</tr>
<tr>
<td>Municipalities served</td>
<td>3,300</td>
</tr>
<tr>
<td>Communities served</td>
<td>110</td>
</tr>
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</table>

### Sustainability ambition

Help people across Canada grow strong, resilient businesses

### Corporate strategy focus area

Spur the growth of entrepreneurs and the competitiveness of Canada’s economy

### SDGs

[Icons representing联合国可持续发展目标]
Growing strong, resilient businesses

SMEs: a cornerstone of sustainable national prosperity

The small and medium-sized companies that entrepreneurs create are 99% of all companies in Canada. They provide 50% of Canada’s GDP and create the lion’s share (89%) of private sector jobs. Without these entrepreneurs, Canada will not have the prosperous, sustainable future it needs. Their needs, and the challenges they face, dictate BDC’s priorities.

BDC: a cornerstone of community economic development

At BDC, we see prosperous, local communities as the fabric of our nation. In fiscal 2023, our clients accepted $10.3 billion in loans, 5.5% higher than fiscal 2022. In fiscal 2023, BDC’s total financing commitment was $41.1 billion. BDC clients who used both financing and consulting services performed better, with revenue growth of 4.9% to 7.2% greater than that of non-clients. When entrepreneurs succeed, communities benefit. More jobs are created that improve people’s livelihoods, allowing them to provide for their families and, in turn, build community.

Reaching entrepreneurs wherever they are

Every week, we speak with thousands of entrepreneurs in person and virtually. We equip our account managers with mobile devices and applications so they can service busy clients where it’s convenient for them, including in remote regions and virtually. Our online small business loan for up to $100,000 is accessible to Canadian entrepreneurs and is designed to help them quickly and easily.

To help entrepreneurs gain knowledge and hone their business skills, we offer more than 1,400 free pieces of content, tools and training on bdc.ca and received almost 6.5 million Canadian visits.

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1 SME Profile, Ownership demographics statistics 2022
2 BDC. Measuring BDC’s Impact on Clients, June 2022.
Entrepreneur stories

Heat-Line

Digitization was the furthest thing from the minds of Lorne and Robin Heise when they launched Heat-Line in 1988. The rural Ontario company based in the Haliburton Highlands was created to help address the problem of freezing pipes in the local cottage country.

Heat-Line saw significant growth between 2000 and 2018. But while the company was seeing growth, its internal tracking and accounting systems were being challenged. As the company grew, the couple realized they could no longer run the business manually.

They made important investments in technology to improve production capacity and integrate their systems. These investments culminated in the team reaching out to BDC Advisory Services to help them select an ERP system that met their needs.

The ERP helped streamline processes, enabling employees to focus on building products rather than managing paper-based tracking tools. As a result, Heat-Line saw a 40% increase in sales and an almost doubling of its revenue between late 2020 and 2022.

The ERP was implemented at a critical time. As the pandemic caused people to move out of cities and into rural areas or cottages, the demand on Heat-Line’s services skyrocketed. Lorne is convinced that without the new ERP system, they would never have been able to keep up with the volume of orders.

Heat-Line not only observed production volumes grow rapidly, but customer satisfaction has also been increasing and product delivery time has gone down. Heat-Line continues to integrate new tools with the ERP to further enhance its service and grow the company’s sales.

“Because of the growth in the business, we now employ more people, and have given them good jobs,” Lorne says.

“The ERP is really the springboard – it’s the foundation. You need a really strong foundation and then you can build other services on top of it.”

Read the full story

Photo: Heat-Line employees, Laura Roberts and Brent Heise
We help entrepreneurs turn great ideas into great companies

With $5.7 billion¹ in investments committed to clients, BDC Capital is Canada’s most active venture capital (VC) investor.

We have helped over 700 Canadian innovators with a full spectrum of capital solutions from seed investments to growth equity as well as ownership transition.

We invest directly into firms, and indirectly through external funds, to help make Canadian VC a financially viable and attractive asset class for private sector investors. BDC Capital’s investment activities span VC, Growth & Transition Capital, growth equity, IP-backed financing, fund investment and Capital Incentive Programs.

In fiscal 2023, BDC Capital made direct investments through 11 active investment funds and delivers on its indirect investment strategy that focuses on supporting a mix of emerging and established fund managers and helping top funds evolve into globally competitive performers over time. BDC Capital indirectly supports more than 500 companies through investments indirectly in 125 funds.

ESG and DEI reporting and preparing for disclosures in the future

BDC Capital is actively engaged in a dialogue to promote greater transparency and uniformity around reporting on environmental, social and governance (ESG) standards in the Canadian VC ecosystem.

To facilitate more standardized reporting, BDC Capital created two templates in close collaboration with other Canadian investors and ecosystem partners to help Canadian investors and entrepreneurs track key ESG and DEI metrics at a firm, fund and portfolio company level.

We see this initiative is fuelling momentum across the industry. Ongoing, we hope to learn about industries' readiness to lead and adapt, as well as their needs for the future. Find the latest results at bdc.ca.

Our sustainability-related funds include:

**Direct**
- **CleanTech Fund:** $600 million with $530 million authorized
- **Thrive Platform for Women:** $500 million with $31.8 million authorized
  - Includes a $300 million direct investment fund, $100 million lab and $100 million indirect investment envelope
- **Climate Tech Fund:** $400 million with $26.5 million authorized
- **Women in Technology Venture Fund (WiT):** $200 million with $141.7 million authorized
- **Sustainability Venture Fund:** $150 million (launched April 2023)
- **$2.35 billion total direct funds**

**Indirect**
- **BKR Capital, Black Innovation Fund, co-created with BDC**
- **National Aboriginal Capital Corporations Association (NACCA), Indigenous Growth Fund, co-created with BDC**
- **Raven Indigenous Capital Partners, Fund II, BDC anchor investor**
- **Standup Ventures, Standup Fund I and II, BDC anchor investor**
- **19 funds managed by 13 general partners, whose primary focus is energy and clean technologies**

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¹ $5.7 billion in investments represents portfolio outstanding and amount undisbursed at cost from Growth & Transition Capital, Venture Capital, Capital Incentive Programs and the Bridge Financing Program.
We offer entrepreneurs knowledge, know-how and advice

Entrepreneurs face many challenges, not all of which are financial. BDC offers a wealth of economic research, how-to guides and tools on a wide range of business topics – everything from strategic planning and ISO certification(s) to support for selecting different kinds of business systems. We offer much of this online, for free.

Entrepreneurs often seek direct support from knowledgeable, business-savvy advisors. In fiscal 2023, our expert advisory services colleagues delivered nearly 2,500 new advisory mandates, helping clients make their businesses more innovative, productive and profitable.

BDC’s advisory services make a difference for entrepreneurs. In fiscal 2022, a review supported by Statistics Canada found that BDC clients achieved better revenue, employment growth and survival rate results than they would have if they had not turned to BDC.

Ours is a digitalized world and marketplace. Yet, a BDC report found that 57% of entrepreneurs report low technology integration because they feel they lack the skills to adopt it. To help remedy this, we are part of the Canada Digital Adoption Program (CDAP). CDAP offers grants to help entrepreneurs build their e-commerce capacity and to create a tailored plan to do so, plus an interest-free loan of up to $100,000 from BDC to implement the plan.

Entrepreneurs and mental health
To do well, entrepreneurs must also be well. Since 2018, we’ve surveyed SME owners’ mental health and support to raise awareness and better understand their mental health issues. Our research finds they experience more mental health challenges than the general population and are less likely to seek support. This led us to create a well-being page on our website that offers free tools and resources, plus personal stories from other entrepreneurs outlining their struggles and how they cope.

Entrepreneur stories
Torpedo Marketing

Susan Robinson, founder of Torpedo Marketing, used a CDAP loan to make her company more efficient and responsive to clients and to acquire more customers. The new, automated solution ties into the company’s existing shipping and inventory management system and allows the company to scale easily as new clients are acquired. It also strengthens communication internally, improves inventory management and makes workflow enhancements to reduce time and labour involved in account management.

Read the full story
Supporting Canada’s community leaders in sustainability

B Corp is a hard-to-attain, comprehensive certification of a company’s social and environmental impact. It is also the strategic planning tool these entrepreneur leaders prefer.

BDC is the B Corp movement’s national partner in Canada and presents the B Impact Assessment to thousands of business owners every year. We’re delighted that our long-standing promotion of B Corp is bearing fruit, as three Canadian provinces – Quebec, Ontario and British Columbia – are among the top five North American jurisdictions for B Corp movement growth.

National leadership and convener
We provide monthly B Corp 101s and are happy to support ‘B Locals’, place-based networks of these entrepreneurs in different locations across Canada. BDC has played a key role in developing and sponsoring B Corp Leadership Development Days (BLDs), where Canadian B Corps and values aligned entrepreneurs gather, learn, collaborate and share best practices to take action individually and collectively towards key topics that have regional and national importance. This virtual series has connected entrepreneurs across Canada on topics of reconciliation, climate and place while raising Indigenous voices and profiling the work SMEs are doing to impact change on social and environmental issues.

Entrepreneur stories

DeeBee’s Organics

Dionne Laslo-Baker in Victoria, B.C., was worried about the impacts of harmful chemicals in food on children. This prompted her to found DeeBee’s Organics, a certified B Corp. Dionne wanted to build a company that would make her children proud of their mother – and she did! This entrepreneur measures success not just by the organic snacks her company sells, but by the lives they impact. Dionne’s factory uses solar power and recycled water, all products are certified organic and Non-GMO Project verified, and she works closely with suppliers to responsibly and sustainably source ingredients.

Photo: Dionne Laslo-Baker, DeeBee’s Organics

Read the full story
VersaPile is a Manitoba-based company founded by Indigenous entrepreneur Stan Higgins. His team of dedicated foundation professionals provide expert helical pile design and installation services for industrial and commercial construction projects in central Canada. Their product is designed to last for generations and can replace the need for concrete, a very carbon-intensive raw material, in foundations.

Guided by strong values, the company is certified by the Canadian Council for Aboriginal Business and offers the First Foundations program which opens doors to contractors from Indigenous and remote communities in Canada to become confident helical pile foundation installers.

Reconciliation training is so important, I’m doing it a second time. Embracing the truth and remembering to listen actively helps me to better care for my Indigenous clients.”

Florence Mazerolle
Account Manager, Virtual Business Centre

We equip our employees to serve our clients

People choose to work at BDC because they care about Canada’s entrepreneurs. BDC has a comprehensive onboarding and orientation program during which new hires can connect with their colleagues, with senior leaders, and learn more about BDC’s mission, vision and values.

All new employees are assigned a peer coach who acts as a mentor. We continuously strive to be knowledgeable, open and attuned to the needs of all entrepreneurs, and that means ongoing training and skills development for BDC employees. Here are a few examples:

In 2022, we made it mandatory that all employees complete the foundational segments of the 4 Seasons of Reconciliation course, launched in collaboration with the First Nations University of Canada. One hundred per cent of our employees – plus our Board of Directors – completed the mandatory segments of the training.

The course provides foundational knowledge on the relationship between Canada, Indigenous Peoples and the Truth and Reconciliation Commission of Canada and was BDC’s highest scored mandatory training program. It is now also mandatory for all new employees. Following this success, we made it available free of charge to all Canadian entrepreneurs. As of March 2023, 1,936 people have enrolled in the program.

Additional mandatory learning programs include:

- Unconscious bias training
- Inclusive Leadership for an Anti-Racist Workplace
- Being an Ally in an Anti-Racist Workplace
- Accessibility at BDC
Social impact
Ensuring no one is left behind
Social impact highlights

- **1,069** Indigenous clients
- **$16.8 million** in loans authorized through the Black Entrepreneurship Loan Fund
- **Received Rainbow Registration accreditation** for being an LGBTQ2+ friendly business
- **17,505** women clients
- **100%** of BDC employees completed Truth and Reconciliation training

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1 Women entrepreneurs are defined as women-owned businesses with an ownership of 50% or more, having a loan commitment through our Financing and GTC business lines.
Reaching Canadian entrepreneurs from different segments of the population

Some groups in Canada are underrepresented in the entrepreneur community. These include but aren’t limited to Indigenous, women, Black and LGBTQ2+ Canadians.

Members of these groups face common challenges in starting and growing a business, including bias, discrimination, racism, fewer role models and smaller networks, and limited access to financing and resources. In addition, intersectionality compounds these barriers, for example, for Indigenous women or gay Black individuals.

BDC’s Client Diversity Strategy aims to address these inequalities by filling key market gaps in partnership with public and private sector organizations to provide targeted financing and advice to underrepresented groups. In addition, we have a volunteer network of Client Diversity Ambassadors across the country who work together to ensure that all Canadian entrepreneurs have access to the resources, financing, advice and networks they need to succeed.

We help clients make their companies inclusive, including through our promotion of the B Corp strategic planning tool. It contains a wealth of specific ideas and counsel on ways to do so.

In an effort to better understand our clients and their needs, plus improve future reporting, BDC now invites all new clients to voluntarily self-identify additional demographic data such as gender, sexual orientation and ethnicity.
Indigenous entrepreneurs

BDC has a long history of working with Indigenous entrepreneurs.

Since 1996, we have offered financing and advice tailored to the unique needs of Indigenous business owners. Our Indigenous Entrepreneur Loan offers financing of up to $350,000 to Indigenous clients, on- and off-reserve across Canada.

In 2021, BDC partnered with the National Aboriginal Capital Corporations Association as an anchor investor in the Indigenous Growth Fund, a $150-million fund that provides loans to Indigenous businesses through the network of Aboriginal Financial Institutions. BDC Capital is also an investor in Raven Indigenous Capital Partners’ Raven Fund II, which has now closed and is over-subscribed at $100 million. The fund is redefining venture capital from an Indigenous perspective to drive economic inclusion and prosperity among Indigenous Peoples in Canada.

Last year, we sponsored six scholarships for Indigenous Peoples to participate in Jelly Academy’s Digital Marketing Bootcamp. In 2023, we are a lead sponsor in the SOAR Accelerator, as well as the SOAR Digital Gathering. The accelerator is a first-of-its-kind grassroots initiative to support high-growth Indigenous-owned businesses in Canada.

Our current portfolio includes $588 million committed to over 1,000 Indigenous clients.

We sponsor Bears’ Lair, the first reality show where judges, who are prominent Indigenous business leaders, seek ways to support Indigenous entrepreneurs and showcase their talents. BDC also supports Pow Wow Pitch, a pitch competition for Indigenous entrepreneurs that shines a spotlight on powwow vendors, artists, business builders and innovators from all backgrounds and industries, whether just starting their business or looking to grow to the next level. In 2022, more than 2,400 Indigenous entrepreneurs pitched their businesses online and live at powwows for a chance to win cash prizes ranging from $500 to $25,000.

Our current portfolio includes $588 million committed to over 1,000 Indigenous clients.

Entrepreneur stories

Arctic UAV

Nunavut native Kirt Ejesiak’s company is Arctic UAV, short for Unmanned Aerial Vehicle. His company is like no other drone company in the world. It uses drones equipped with high-tech cameras to fly over the Arctic landscape to take high-quality photos that can be turned into detailed maps at a fraction of the cost of normal surveying. Their drone-made maps can focus down to 15 cm per pixel, compared to only 50 cm per pixel for a top-quality, high-resolution satellite image.

They specialize in mapping areas that are difficult to access and face extreme weather conditions like high winds, ice and freezing temperatures. The Iqaluit-based company has also recently expanded into underwater imaging.

Photo: Kirt Ejesiak, Arctic UAV

Read the full story
Women entrepreneurs

Women are roughly half of our population and workforce, yet only 28% are entrepreneurs. Even more striking: only 17.5% of Canadian companies are majority-owned by women.¹

This is why we prioritize the growth and success of women entrepreneurs, and in 2018, we reviewed all of our business practices with them in mind. We found that while our services are accessible to women, too many of them did not know of us. To remedy this, we boosted efforts to raise our profile among them and set ourselves ambitious goals.

Women are also underrepresented and underfunded. We want to change that. In 2022, we launched the $500 million Thrive Platform for Women. It’s the largest investment platform in the world supporting women-led businesses and it includes three components: the indirect fund, the Thrive Venture Fund and the Thrive lab. The fund builds on the success of BDC Capital’s $200 million Women in Technology (WiT) Venture Fund. Since launching in 2017, the WiT Fund has invested in 35+ Canadian women-led technology companies and had eight successful exits.

We have partnered with a number of key organizations throughout Canada to support women entrepreneurs, including the following:

- **Centre for Women in Business:** To increase support, capital and advice to women entrepreneurs with revenues of $1 million or more in the Partner’s Greater Heights of Growth cohorts
- **Founders Fund:** To increase capital, support and advice to accelerate the success of underrepresented women founders at every stage of their entrepreneurial journey via education, mentorship and funding
- **Black Canadian Women in Action:** To increase support, capital, advice and connections to Black Canadian entrepreneurs in the Prairies
- **Women of Influence+:** To empower women entrepreneurs to advance by increasing capital, support and advice to women entrepreneurs in the Partner’s community

BDC has 17,505² women entrepreneurs in its portfolio.

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¹ Analysis on businesses majority-owned by women, second quarter of 2022 (statcan.gc.ca)
² Women entrepreneurs are defined as women-owned businesses with an ownership of 50% or more, having a loan commitment through our Financing and GTC business lines.
Before starting her business, Sheena Brady worked in the hospitality industry for many years, surviving the long hours, weekends and night shifts by drinking five to six cups of coffee every day.

Then, in 2012, Brady was hired to build the tea program at Toronto’s prestigious Shangri-La Hotel. Gaining an understanding of the nuances of tea and tea ceremonies around the world, Brady decided to pursue a tea sommelier certification.

"It kind of clicked for me. I realized that there was more than just coffee out there to help with my everyday goals and rituals," says Brady, who is now based out of Ottawa.

This realization inspired Brady to launch Tease in 2013. Originally called Tease Tea, the business creates and sells natural teas and botanical-based products.

In 2019, Brady was looking to take Tease to the next level. She became very intentional about the company’s social and environmental impact.

One of her first steps was to obtain B Corp certification, and Tease became the first B Corp certified tea company in Canada, offering the world’s first biodegradable tea collection.

Brady decided to launch a total refresh of Tease Tea’s brand, renaming the company to Tease in the process. She expanded her product line to include beauty products and merchandise, which incorporated or supported her tea sales.

Brady says BDC support was critical to funding the rebranding. "The launch would not have happened without BDC."

At about the same time, Brady launched the Founder’s Fund to provide funding and mentorship to women entrepreneurs.

To date, the program has raised over $200,000 in funding and provided mentoring to more than 500 women entrepreneurs of diverse backgrounds.

Read the full story
Black entrepreneurs

Black entrepreneurs are making a significant contribution to our communities and our economy, yet they face unique barriers that prevent them from achieving their full potential.

Access to capital is most often cited as the main barrier to success. To bridge this gap in recent years, we’ve increased our support through targeted financing, capital solutions and partnerships:

The Black Entrepreneurship Loan Fund (BELF) provides up to $250,000 to Black business owners through the Federation of African Canadian Economics (FACE). Launched in 2021, the BELF is part of the federal government’s Black Entrepreneurship Program (BEP) designed to provide Black entrepreneurs with the funding needed to grow their business. BDC committed $130 million to the BELF alongside an investment of $30 million from the Government of Canada. The first year of the BELF was a learning year as FACE built its team and processes. In fiscal 2023, BDC has approved 504 applications and authorized $16.8 million in loans through the BELF.

In 2021, BDC launched a partnership with Futurpreneur and the Royal Bank of Canada to deliver the Black Entrepreneur Startup Program, which increases support for young Black entrepreneurs aged 18–39. The program provides $5,000–$60,000 in startup loan financing, up to two years of mentorship, access to resources and networking opportunities with fellow entrepreneurs across Canada. In fiscal 2023, BDC has authorized $1.4 million in loans to 95 entrepreneurs through the Black Entrepreneur Startup Program.

We have worked with Alterna Savings to expand financing for Black, women and social entrepreneurs in Ontario. Through the Alterna Savings Community Microfinance program, entrepreneurs can apply to receive up to $25,000, and once approved, have it doubled by BDC (for a total of up to $50,000).

BDC co-created the Black Innovation Fund with BKR Capital (formerly Black Innovation Capital) and served as its anchor investor with a $4 million commitment, creating the first venture fund focused on Black-founded tech companies in Canada.

Entrepreneur stories

Les Aliments Merjex

Jasmine Exael and Sonel Merjuste founded Montreal-based Les Aliments Merjex when they were looking for alternatives for their son who refused to eat meat. They discovered the nutritional benefits of tempeh, an excellent source of protein and iron, but didn’t love its flavour. So, they decided to create a superior tempeh product. Sonel, who has a university degree and experience in industrial management, adapted his skills and knowledge to the food industry, and joined forces with Jasmine, a passionate cook. Together, they developed Tempheine and Tempburger, a line of flavourful tempeh products. Their business has benefited from support from BDC’s BELF.

Photo: Sonel Merjuste and Jasmine Exael, Les Aliments Merjex

Read the full story
LGBTQ2+ entrepreneurs

BDC has sought out and established meaningful and impactful relationships with the LGBTQ2+ community across Canada.

Since 2019, we have been working with Canada’s 2SLGBTQ+ Chamber of Commerce (CGLCC) to sponsor various events such as their gala and the Global Business Summit (2020 and 2021). BDC has also provided mentors to their Youth Mentorship Program.

In 2021, BDC began working with Lez Spread the Word to help promote the stories of lesbian entrepreneurs online and in the Lez Spread the Word magazine, which reaches LGBTQ2+ communities across North America.

In April 2023, we proudly announced BDC’s Rainbow Registration. This national accreditation for LGBTQ2+ friendly businesses and organizations is led by the CGLCC and recognizes our continued efforts on our DEI journey and signifies a safe and inclusive space.

Entrepreneur stories

Fairware

Fairware, founded by Sarah White and Denise Taschereau, is innovating the promotional marketing industry and has become North America’s leading distributor of sustainable and ethically sourced promotional products. Through a commitment to sustainability, social justice and their identities as queer women, this BDC client B Corp is an industry game-changer, and these female entrepreneurs have succeeded without conforming. An interview between Fairware and the lead of BDC’s LGBTQ2+ employee resource group was featured in Lez Spread the Word magazine.
Diversity in our supply chain

Since 2018, we’ve been working to attract diverse suppliers, including our clients, to our procurement process.

We define a ‘diverse’ supplier as a company that is at least 51% majority-owned and operated by a person(s) who belongs to one of the following groups: women, minorities, Indigenous persons, LGBTQ2+, veterans, or be a person with physical limitations or other disabilities. Also, when possible, we try to work with companies that are members of or certified through organizations such as:

- Canadian Council for Aboriginal Business (CCAB)
- Inclusive Workplace and Supply Council of Canada (IWSSC)
- WBE Canada
- WEConnect
- Women’s Business Enterprise National Council (WBENC)

- Canada’s 2SLGBTQ+ Chamber of Commerce (CGLCC)
- National LGBT Chamber of Commerce (NLGCC)

This year, we launched a pilot for a supplier diversity platform to help us identify potential suppliers, improve the accuracy of our data and optimize reporting. We’re now evaluating the outcomes of the pilot as we start to refine our strategy. Within the coming years, we plan to expand our evaluation criteria to include environmental aspects when selecting a supplier. In fiscal 2023, nearly 6.5% of BDC’s total procurement spend on products and services was sourced from businesses that are majority-owned by members of diverse communities.

Total diverse procurement (percentage of spend)\(^1\), \(^2\)

<table>
<thead>
<tr>
<th></th>
<th>F22</th>
<th>F23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-certified diverse suppliers</td>
<td>2.4%</td>
<td>4.0%</td>
</tr>
<tr>
<td>Certified diverse suppliers</td>
<td>2.5%</td>
<td>2.5%</td>
</tr>
</tbody>
</table>

\(^1\) Procurement spend includes most operational expenses with the exception of leases, salaries, employee benefits, payments to governments, sponsorships, partnerships, donations and other similar expenses.

\(^2\) Statistics from the 2022 State of Canada Supplier Diversity Report. Leading Canadian companies with programs can reach up to 15% diverse spend, an average of 2.6% from companies surveyed.

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Entrepreneur stories

pardeux

pardeux is a Longueuil, Quebec-based provider of online learning and training. The company failed to win a contract with a large manufacturer because the latter deemed pardeux’s lack of experience working with large organizations to be too risky. When pardeux’s BDC account manager learned of the situation, they jumped in to help. They encouraged the company to certify as a women-owned business which opened doors for them immediately and found an opportunity within BDC. pardeux won a bid to provide BDC with e-learning and training, and from there, signed contracts with other Crown corporations. They then returned to the manufacturer who had initially turned them down to show they were now serving large organizations and subsequently won the business.

Photo: Nathalie Lessard, pardeux

Read the full story
Introduction

Economic impact

Social impact

Environmental impact

Collective impact

Governance

Looking ahead

Appendix

Diversity at BDC

At BDC we believe that everyone has a role to play in creating a culture of inclusion and belonging. Our cornerstone is our own workforce: a team of almost 3,000 people who are highly able, equipped and motivated to serve.

We strive to have our employees reflect society and are proud to have been named one of Canada’s Best Diversity Employers. For more information on what we offer to attract and retain employees, please see bdc.ca.

Training, education, storytelling and our employee resource groups are at the centre of many of our initiatives for equity-deserving groups. In fiscal 2023, we continued to evolve our DEI practice by increasing our focus on accessibility and implementing our Accessibility Action Plan, so that we foster an accessible and welcoming environment for all Canadians.

BDC’s workforce at March 31, 2023

<table>
<thead>
<tr>
<th>Category</th>
<th>Women</th>
<th>Visible minorities</th>
<th>Indigenous</th>
<th>Persons with disabilities</th>
<th>Black</th>
<th>LGBT2+</th>
</tr>
</thead>
<tbody>
<tr>
<td>All employees</td>
<td>50%</td>
<td>29%</td>
<td>1%</td>
<td>4%</td>
<td>4%</td>
<td>2%</td>
</tr>
<tr>
<td>People leaders³</td>
<td>44%</td>
<td>16%</td>
<td>1%</td>
<td>4%</td>
<td>2%</td>
<td>4%</td>
</tr>
<tr>
<td>Executive team³</td>
<td>39%</td>
<td>15%</td>
<td>1%</td>
<td>8%</td>
<td>1%</td>
<td>2%</td>
</tr>
</tbody>
</table>

Looking ahead to fiscal 2024

In early fiscal 2024, all employees completed the “Accessibility at BDC” training to increase awareness of visible and invisible disabilities and accommodation. We also officially added accessibility to our DEI strategic focus (now DEI+A) because it is critical to our values as an organization, and we want to reinforce how accessibility and inclusion benefit everyone.

On the heels of this work, we held our bi-annual employee self-identification campaign in September 2023. An impressive 95% of employees participated, and early results suggest a doubling of representation among those who identify with a disability, visible or invisible. This shows that our journey to inclusion is making an impact on employees who have a strong comfort level in disclosing information about themselves. And we know that embracing one’s identity fosters a sense of self-empowerment, leading to increased self-confidence and overall well-being.

We can’t wait to share more, and since our reporting rigour and discipline dictate that this report focuses on fiscal 2023, we look forward to sharing updated workforce and Board diversity information and analysis in next year’s Sustainability Report.
Connecting and empowering diverse employees

Diversity, equity, inclusion and accessibility (DEIA) in our workplace

At BDC, we believe that everyone has a role to play in making our workplace safe, inclusive and where everyone can feel they belong. As such, we support many initiatives to raise awareness, and we aim to equip our leaders and employees with the skills and training to identify and remove systemic barriers to foster an equitable, inclusive and accessible work environment. We are proud to have been named one of Canada’s Top 100 Employers for 16 years, one of Canada’s Best Diversity Employers for 13 years and among Top Employers for Canadians Over 40 for 11 years.

Employee resource groups

Our employee resource groups (ERGs) are key to creating an inclusive work environment at BDC. They provide support and networking opportunities and enhance career and personal development. They also organize events throughout the year to share resources, raise awareness and celebrate commemorative days. Our five ERGs include: Indigenous Peoples, LGBTQ2+, Persons with Disabilities, Women, and Visible Minorities.

Black Professional Network

Created by and for Black employees, this internal network’s mission is to accelerate the career growth and development of Black talent at BDC and contribute to the organization’s ability to attract and retain this talent. The network creates programs and initiatives that include career guidance, formal and informal mentoring, and networking opportunities to form connections and a sense of community.

DEIA Leadership Council

This council oversees the strategic alignment of DEIA and the implementation of a national action plan in the workforce, workplace and marketplace. They establish goals that align with BDC’s diversity strategy and identify, co-create, advance and prioritize diversity-focused projects and initiatives across the organization.

Talent development

Through the Connected Leaders Academy, we offer career development opportunities for BDC employees who self-identify as Black, Asian, Hispanic or Latinx. This unique leadership program helps reinforce behaviours and skills essential to professional growth and development and creates opportunities for participants to discuss the unique challenges they face in the workplace with peers who have a similar lived experience. The program also provides resources and guidelines for leaders to better support participating employees. Additionally, our ‘The A Effect – Ambition Challenge’ program designed for both female leaders and individual contributors creates opportunities for participants to embrace and better communicate their ambitions, boost self-confidence, learn how to manage risk strategically, build a business network, and develop political acumen.

Photo: BDC employee Michel Paulo
BlackNorth Initiative Pledge

In 2020, BDC’s President and CEO signed the BlackNorth Initiative CEO Pledge, which aims to address anti-Black racism in the workplace by holding signatories accountable to specific targets, including having at least 3.5% of executives and board roles based in Canada held by Black leaders by 2025.

Showing our pride

Each summer, we celebrate Pride Season across the country highlighting the talent, resilience and contributions of the LGBTQ2+ community. BDC proudly sponsors Pride at Work Canada’s annual ProPride and Fierté des neiges events, and we have made efforts to raise awareness of the diversity along the gender spectrum and of the impact language can have on a person’s sense of inclusion. In 2022, we launched a new feature that allows employees to add their pronouns to their BDC email signature.

DEIA training

We continuously evolve our learning strategy to offer both mandatory and optional diversity and inclusive leadership training, resources and toolkits on topics ranging from gender identity and expression to diversity and inclusion fundamentals, and access to external webinars and training from partners like the Canadian Center for Diversity & Inclusion and Pride at Work Canada.

BDC’s mandatory learning programs include:

- Unconscious bias training
- Inclusive Leadership for an Anti-Racist Workplace
- Being an Ally in an Anti-Racist Workplace
- 4 Seasons of Reconciliation course
- Accessibility at BDC

We have embedded the above trainings in the onboarding of new employees to BDC as well as integrating the leadership training for any new leaders. Our Board members also complete these learning programs.

Creating an accessible workplace

BDC’s accessibility plan, developed in 2022, outlines our actions to improve accessibility for our employees, clients and partners. This encompasses improving our physical workspaces, the recruitment and employee experience, and our digital tools and technologies, including websites and social media. The plan was created in consultation with employees, clients and entrepreneurs with disabilities and is updated every three years. We anticipate updating the plan at the end of 2023 and will report on our progress in line with the Accessible Canada Act.

Annual listening circles

Our annual focus groups give BDC employees an opportunity to share their perspectives and experiences working at BDC in terms of DEIA. Insights gathered give us invaluable employee feedback on what’s going well and where there may be room for improvement in our efforts to foster inclusion in the workplace.
Environmental impact

Helping build a clean, low-carbon, circular economy
Environmental impact highlights

- Launched BDC’s $400 million Climate Tech Fund
- Achieved LEED certification for 11 BDC business centres
- Created the Climate Impact Accelerator to fast track the pilot and launch of new products, services and advice
- Launched Climate Action Centre
- Decreased our operational CO₂ emissions by 38% from F2020 baseline

Sustainability ambition
Help build a clean, low-carbon, circular economy

Corporate strategy focus area
Empower entrepreneurs to respond to the big challenges of our time

SDGs
- 6 Clean Water and Sanitation
- 12 Responsible Consumption and Production
- 13 Climate Action
Building a greener future

Canada has numerous environmental leaders. We know many, notably, in our cleantech and climate tech portfolios and in the B Corp community. These successful ‘dreamers and doers’ give us confidence in the future.

We see many entrepreneurs adapting their businesses in effective ways to achieve environmental benefits in areas like reduced raw materials, less packaging, better waste management, transportation and energy use. These people confirm our belief that entrepreneurs are adaptable, and that sustainability is a savvy business investment.

While environmental priorities will differ depending on the business, the pressing environmental issue to which we are turning our attention is climate change. We will help entrepreneurs adjust to the impacts of climate change and future-proof for coming challenges that will help their bottom line and the role they will play in building a sustainable and thriving economy. We all must be part of the solution.

Entrepreneur stories

Recycling Alternative

Robert Weatherbe and Louise Schwarz laugh that they’re “galvanized by garbage” and were driven to create a company to answer the question: “Where’s the ‘away’ in ‘throw away’?” From two people in a hatchback in 1989, they’ve since founded three more waste innovation, circular economy businesses. Their vision: create, with fellow local entrepreneurs, a Green Industrial Innovation District for Vancouver – a circular economy hub of sustainable companies and inclusive, green jobs.
Our approach to climate change

There are many ‘green’ challenges and opportunities, such as waste management, water use, energy use, pollution reduction, etc. Each entrepreneur must judge which one is most relevant for their business, and BDC is here to assist.

Addressing climate change is the most pressing challenge of our time. It will disrupt natural ecosystems and societies for decades, even centuries. For societies, markets and individual companies, it imposes a transformative range of change – risks and opportunities. Put simply, everyone, including SMEs, must adapt to a less hospitable natural world. This starts with adapting to the floods, heat waves and fires that are affecting communities across Canada.

It means joining the marketplace transition to a low-carbon economy (i.e., reducing the burning of fossil fuels and emitting of greenhouse gases (GHGs) that cause climate change). If Canada is to have a net-zero future, all of its entrepreneurs will eventually adopt low-carbon business models and operations.

What is the energy transition?
The energy ‘market transition’ will be a structural, systemic change in how we generate, manage and use energy. It involves the use of less energy wherever possible, and a switch from carbon-based fuels to low-carbon and renewable sources of energy for transportation, manufacturing, heating and cooling. As fossil fuels are used in almost every aspect and part of our economy, all companies will have to adapt.

Some entrepreneurs will be the providers of innovative ways to power a low-carbon energy transition. And for many others, the transition will mean adjusting to changes in price and availability of raw materials, shifts in what is considered best practice in different sectors, and changing customer preferences and demands. The sheer scale and breadth of this marketplace transition makes it ripe with opportunities.

For us, the challenge of how to help all of Canada’s entrepreneurs is both intimidating and exciting. There is much to learn and do!

Our research shows that Canada’s SMEs are responsible for roughly 40% of Canada’s greenhouse gases. This makes them an essential part of the decarbonizing challenge.
Strategy

Our climate plans recognize the role of good governance, management and policy to steering strategy implementation, and the need for data measurement, management and reporting to track and share progress.

Action plans to reduce emissions in our own operations are part of the annual planning process and are disclosed in the annual sustainability report.

Strategies to help business owners throughout the economy to mitigate and adapt to climate change, including new product and service offerings, are now a feature of the same annual planning process.

New technologies are critical to fighting climate change. This is why support for cleantech and climate tech entrepreneurs has been featured in our Corporate Plan since 2017. It has been publicly disclosed in the annual Corporate Plan Summary as well as BDC’s annual financial reports to Parliament.

Our climate change approach comprises:
- Support and enable BDC clients
- Manage climate risk
- Reduce GHGs from BDC operations
- Thought leadership

Governance

In 2022, BDC created a new senior management role, Senior Vice President and Head, Sustainability, Diversity & Partnerships. Reporting to the Chief Strategy and Impact Officer, the SVP has responsibility for the development and implementation of BDC’s overall climate change strategy and action plans.

The Senior Management Committee has overall accountability for the oversight of climate risks and opportunities and execution of strategic initiatives to address climate risk.

For more information, please refer to the Governance section.
The risks and opportunities of climate change

Climate change is having widespread physical impacts on businesses of all sizes, and SMEs can be particularly vulnerable. An increase in the severity and occurrence of extreme weather events may damage a company’s physical assets and can lead to disruption in business continuity with significant financial implications.

We are progressively evolving the management of climate risk to accommodate credit, operational, strategic, regulatory and legal risk considerations. We are also equipping ourselves to better understand our exposure to these risks. The climate crisis also presents opportunities, and many companies are already realizing benefits arising from their efforts to address climate change. These include implementing operational efficiencies such as lower energy and materials use, which drive GHG emission reductions and cost savings. SMEs are also seeing opportunities to build resilience within their company’s supply chain and access to new markets through the development of products and services that help customers with climate change adaptation and mitigation.

Entrepreneur stories

e-Zinc

e-Zinc, a Toronto-based startup led by James Larsen, is changing the way energy is stored by creating a battery storage solution made from a more environmentally friendly technology. Using zinc, a metal that can be reused or recycled, this low-cost, flexible, long-duration energy storage solution will provide the platform to enable global energy markets to be powered entirely by renewable energy for a carbon-free energy future.

Read the full story
Cleantech and climate tech for the energy transition

New technologies are critical to fighting climate change, not least for the many different kinds of companies that will need to adopt them to reduce their GHG footprints.

Launched in 2018, our $600 million Cleantech Fund was instrumental in helping re-ignite the market. This fund is now fully committed, with our investments supporting 50 companies. The companies in which we’ve invested are starting to grow, and early signs point to a positive impact. GHGSat (see sidebar) is a terrific example.

In 2022, we launched an additional $400 million Climate Tech Fund that invests in climate tech firms that show a high potential to grow into global champions. This brings our total commitment to climate and cleantech to $1 billion.

Every dollar BDC committed with its Cleantech Fund helped attract $6 in additional private sector funding.

GHGSat founder Stéphane Germain has been passionate about applying space technology for the good of the earth for over 30 years. He founded GHGSat in 2011 to meet the need for consistent, high-quality measurements of GHG emissions from industrial facilities worldwide. Today, GHGSat is the global leader in high-resolution remote sensing of GHGs from space. It provides unique emissions data and intelligence to businesses, governments, regulators and investors to optimize their performance and uphold environmental standards.

Entrepreneur stories

GHGSat

BDC | Fiscal 2023 Sustainability Report
Accompanying entrepreneurs on the road to a low-carbon economy

We have lots of work to do: all entrepreneurs will be part of the energy transition.

The biggest contribution BDC can make toward Canada’s low-carbon future is to accompany entrepreneurs through the energy transition. This decades-long transition is only just beginning and will be a complex endeavour. It will hinge on the world’s ability to use far less fossil fuel in favour of renewable and non-emitting sources of energy. The ways in which different sectors and companies use fossil fuels varies a great deal, so the way sectors and companies adapt to the energy transition will also vary.

Our goal is to see entrepreneurs through the energy transition. We will help them adapt in different ways – from boosting their energy efficiency to reducing GHG emissions, to positioning them to benefit from new opportunities in the low-carbon world of the future. We also know that some companies and industries are more carbon intensive than others because their operations emit more GHGs per unit of product than others. They will be an important part of our plans to deliver financing and advice to contribute to a clean, low-carbon, circular economy.

To support business owners on their low-carbon journey, we have developed many free tools, articles, case studies and other resources available on bdc.ca.

Assessing the carbon footprint of our portfolio of clients does more than help us understand climate risks, which we must and will manage. For us as a development bank, these assessments are also a guide. They tell us in which sector of the economy we will find the clients whose businesses emit the most greenhouse gases and thus need first prompting and then support to reduce their reliance on fossil fuels.

BDC’s credit exposure to carbon-related assets

For BDC, the Materials and Buildings sectors are where we find the most clients for whom the energy transition is relevant and pressing.

<table>
<thead>
<tr>
<th>Sector</th>
<th>Outstanding ($ millions)</th>
<th>Outstanding as a % of total portfolio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy</td>
<td>$944</td>
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</tr>
<tr>
<td>Transportation</td>
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<tr>
<td>Materials</td>
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<tr>
<td>Buildings</td>
<td>$4,653</td>
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</tr>
<tr>
<td>Agriculture, food &amp; forest products</td>
<td>$2,286</td>
<td>6.2%</td>
</tr>
</tbody>
</table>

As of March 31, 2023

Entrepreneur stories

Harvest Recycling

Peter Olorundimu was an IT professional in Calgary who was dismayed by how much waste he saw going to landfills, where it slowly decomposes, releasing GHGs into the atmosphere. To help remedy this, he founded Harvest Recycling, which collects clients’ waste and brings it to appropriate disposal sites. Starting with only one truck, Peter worked evenings and weekends to build his business while holding down a full-time job. Today, he and his now seven employees are thriving and helping fight climate change in a tangible way.

Read the full story
Accelerating climate solutions for SMEs

In 2023, we launched BDC’s Climate Action Centre. This online resource is designed to inspire, educate and support entrepreneurs in their low-carbon journey and to help them reduce their business carbon footprint.

Entrepreneurs have free access to information on specific subjects such as building and transportation management, process optimization and climate leadership, with articles and tools being added regularly.

In the fall of 2023, we launched pilots for two new green financing solutions. One is a loan and advice offering for entrepreneurs who are retrofitting their buildings to reduce energy use. The second is for those investing to create or buy a building that meets an accepted environmental certification such as Leadership in Energy and Environmental Design (LEED). It’s too soon to evaluate the success of these financing solutions, but we are confident and hopeful, and will report next year on progress.

Visit our Climate Action Centre.

Entrepreneur stories

Viking CIP

Viking CIP founder Martin Popiel developed a novel and more efficient way to clean and maintain pressure vessels critical to the oil and gas sector. The process minimizes downtime and eliminates the need to disassemble the massive pressure vessels and transport them to cleaning facilities. Viking CIP’s approach uses a chemical circulation process to clean the vessels in place, which allows the facility to stay running efficiently, pollute less and consume less energy to achieve the customer’s production target.

Photo: Martin Popiel, Viking CIP
Greening BDC’s operations

We’re working to reduce our operational carbon footprint.

To measure progress, we follow the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard. In fiscal 2023, our emissions were 3,729 tCO$_2$e, a 38% decrease since our baseline year (fiscal 2020). We work with BMO Radicle’s Climate Smart program to prepare our annual GHG inventory and we are Climate Smart certified.

BDC facilities

BDC leases all its facilities, which can limit the influence we have on our emissions. However, we work to reduce emissions through every step of the lease life cycle. Through building selection and green certification, location to transit, optimizing the use of our space, green consumption reduction practices, waste reduction, operations and decommissioning, we look to limit our environmental impact and emissions. We are pleased to see our facilities energy use reducing on an annual basis. Our strategy includes clean energy where possible, and we have achieved LEED certification for 11 BDC business centres.

BDC business travel

We recognize that business travel is essential, especially when it comes to our clients’ needs, but it does produce emissions. Despite this, we will make efforts to reduce and be more efficient with our business travel. We have been able to reduce the need for travel through our digitization practices and effective virtual meeting options.

BDC reduction plan

BDC’s approach to GHG emissions reduction starts with first reducing our own operational emissions as much as possible, principally associated with our facilities and travel. We will increase our renewable energy use, review the use of renewable energy credits, and, finally, purchase high-quality carbon offsets for any emissions we cannot reduce through other means to achieve net zero. We look forward to releasing our comprehensive GHG emissions reduction plan, with targets and detailed actions, in fiscal 2024.

Total emissions by scope

<table>
<thead>
<tr>
<th>Scope</th>
<th>% of total</th>
<th>Scope 1</th>
<th>Scope 2</th>
<th>Scope 3</th>
<th>Total emissions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>24%</td>
<td>598</td>
<td>617</td>
<td></td>
<td>3,729 tCO$_2$e</td>
</tr>
<tr>
<td>2</td>
<td>29%</td>
<td>1,780</td>
<td>1,390</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>13%</td>
<td>3,630</td>
<td>1,724</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Baseline</td>
<td>F20</td>
<td>F23</td>
<td>% of change from baseline</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6,008</td>
<td>3,729</td>
<td>-37.9%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.4</td>
<td>1.1</td>
<td>-52.7%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Emissions per employee
Greening our thinking, analysis, skills and organizational culture

Like our peers and clients, we’re learning.

BDC’s Research and Information Centre publishes an internal twice-monthly environmental bulletin to help our employees stay informed of key issues. In late 2023, we launched mandatory training for all employees on sustainability, including environmental and climate issues. Continuous education and awareness are essential.

We confer with peers in other banks within Canada, and with development banks in other parts of the world, to learn more about how they are meeting shared challenges (e.g., experimenting with product offerings and refining methodologies to assess physical and market climate risks). With regard to the latter, for example, many organizations are striving to improve these methodologies. We expect that increasingly refined methodologies will change how and what we report in coming years.

We suspect that solving some challenges will take years. For example, all banks are wrestling with the problem of how to capture in their data systems the physical risks that their portfolio clients face. And how to apply the data, once it is captured. Our portfolio consists of 100,000 clients in 3,000+ municipalities in every region of Canada, so we’re approaching this with a humble, experimental mindset and seeking incremental improvements to a data-based understanding.

To help structure our climate-related reporting, we are applying the guidelines of the Task Force on Climate-related Financial Disclosures (TCFD). We are a member of the Partnership for Carbon Accounting Financials (PCAF), a global network of financial institutions that are developing standard methods to measure and disclose GHG emissions of loans and investments. Through these and other collaborations, we strive to continuously improve the climate-related information we share with our stakeholders.
Collective impact

Engaging clients, employees and partners because we are stronger together.
Collective impact highlights

- 92% of clients report a positive impact on their business following the services they received from BDC. 

- 88% employee engagement rate. 

- 92% satisfied clients including 65% very satisfied. 

- Authorized 620 loans through our partnership with Futurpreneur. 

- Participated in 72 partnership events, reaching 13,844 participants. 

1 Research has illustrated that engaged employees can have a significant impact on client satisfaction through high-quality customer service and stronger client relations which enhance clients' confidence in BDC as a trusted business advisor. Satisfied clients are more likely to stay with the bank and continue using its services.
Reaching and doing more through partnerships

The fourth pillar of BDC’s sustainability framework focuses on the importance of collective impact. Many of our economic, social and environmental goals would be beyond our reach if we did not work in collaboration with other organizations.

As such, we facilitate client connections and partnerships and leverage partners to support and enhance employee and client knowledge to amplify impact. Our partners all share an interest in entrepreneurs’ success and take many forms: from entrepreneurs’ networks and organizations to non-profits, financial institutions and sister Crown corporations, to name but a few. We seek and cultivate relationships that enable us to reach more entrepreneurs with financing and advice and to strengthen client connections at the local, national and global levels.

Partnerships do more than permit us to reach more individual entrepreneurs. They are the way we help strengthen national entrepreneurial networks and communities. Because the health of the whole matters to the health of each entrepreneur.

"The best partnerships aren’t built or maintained only by a common goal, but by a shared set of beliefs and values.”

Rumeet Billan
CEO, Women of Influence+
The OECD Platform on Financing SMEs for Sustainability provides a forum for global collaboration, research, knowledge sharing and implementation of good practices among public and private financial institutions, policymakers and SME representatives. It is intended to enhance the provision and uptake of SME sustainable finance for a successful climate transition.

The Platform was launched at the margins of COP26 in November 2021 by the OECD, the British Business Bank, BDC and the Industrial Bank of Korea. The Platform contributes to strengthening the evidence base and developing comparable indicators on SME sustainable finance. It seeks to operationalize sound sustainable finance approaches and instruments for SMEs, enhance dialogue with policymakers and provide high-level guidance to governments. The Platform also offers opportunities for creating meaningful networks among banks, ESG intermediaries, fintech companies, SME representatives and other actors in the sustainable finance ecosystem.

Keeping Canadians informed through BDC research
BDC’s Economics and Research team conducts research and analysis on important economic issues and trends impacting small and medium-sized businesses in Canada. Recently released research includes papers on inflation, ESG and SME owners’ mental health. BDC’s chief economist also frequently speaks on economic issues at events across Canada.

Entrepreneur stories
SOAR participant Cheekbone Beauty
Cheekbone Beauty is the first Indigenous-owned and founded cosmetics company. Cheekbone’s aim is to create a space in the beauty industry where everyone, including Indigenous people, feel represented and seen. Drawing from Indigenous teachings, founder and CEO Jenn Harper strives to ensure that all products are truly sustainable. From the ingredients to the packaging, every effort is made to use only what is needed for the least amount of environmental impact and maximum product quality. The products are available in 52 Sephora locations across Canada and 600 Thirteen Lune cosmetics shops within JCPenney stores in the United States.
BDC is a financial Crown corporation wholly owned by the Government of Canada. It currently reports to Parliament through the Minister of Small Business and Tourism.
Governance at BDC

BDC’s objectives, activities, reporting and accountability are framed by effective governance. Its foundation is the *Business Development Bank of Canada Act* (the BDC Act), which created BDC and established its mission to promote entrepreneurship in Canada, with a special focus on SMEs.

Strategic discipline is further enhanced by an annual corporate planning process that includes BDC’s sole shareholder, the Government of Canada. Transparency and accountability are ensured via other means, including oversight of our annual financial report to Parliament by the Office of the Auditor General (OAG) of Canada. Also, BDC operates at arm’s length from the Government and is ultimately accountable to Parliament through the Minister of Small Business and Tourism.

Internally, we achieve high standards of governance through a clear understanding of our statutory purpose, well-defined roles, strong leadership and by aligning our corporate governance framework from the Board level to the operational level.

Board of Directors

Our Board of Directors sets BDC’s strategic direction and holds senior management accountable for fulfilling BDC’s statutory purpose. It is supported by five standing committees: Audit and Conduct Committee, Board Risk Committee, Governance and Nominating Committee, Human Resources Committee and Board Investment Committee, which each have specific roles and responsibilities. For information on each of these committees, including their roles and responsibilities, please see our Annual Report to Parliament.

The Board is composed of dedicated directors based across Canada. In fiscal 2023, 45.5% of our Board was female.1 Board members bring a diverse range of perspectives that help us support our clients’ goals and aspirations. With the exception of the President and CEO, all directors are independent. The segregated roles and responsibilities of the Chairperson of the Board and the President and CEO reflect best practices. The Board and its committees regularly hold in-camera sessions with senior management and with BDC’s auditors. They also regularly meet in-camera without management.

In our last re-certification as a B Corp in 2022, our score in the governance section of the assessment was among the top 10 highest scores of B Corp peers worldwide.

1 Based on 11 independent Board members.
Corporate governance of sustainability issues

The Board of Directors provides oversight of and contributes to BDC’s approach to sustainability. The Board of Directors also approves and oversees BDC’s sustainability framework.

The Board of Directors delegated to the Governance and Nominating Committee the responsibility to support the Board with the oversight of sustainability as well as with sustainability reporting and disclosure. The Committee is also responsible for reviewing developments and emerging issues in corporate sustainability. The other committees of the Board of Directors also contribute to the evolution of sustainability at BDC and provide oversight of certain sustainability issues when fulfilling their mandate. As BDC continues to develop and mature its approach to sustainability, the governance and oversight by the Board will continue to evolve.

Training on different sustainability-related topics has been provided to the Board of Directors, including sessions on Indigenous reconciliation, DEI and integration of climate changes risks into commercial lending.

The Board of Directors is a diverse group of individuals, both in terms of gender but also in other categories of diversity. In the fall of 2023, the Board of Directors will participate in BDC’s Self-Id campaign, where the categories of diversity will be expanded so the Board’s diversity can be further appreciated.
Looking ahead
Challenges, ambition and pragmatic know-how

Looking to the future, we will continue to work with experts and partners to deliver against our sustainability framework and leverage our reach and influence to support Canada’s entrepreneurs on their own sustainability path. Some of our priorities include:

**Help people across Canada grow strong, resilient businesses**
Our employees are passionate about helping entrepreneurs succeed and we are investing in their education and training with a focus on environment and climate awareness in the year ahead.

We continue to learn from those around us and recognize that we must review and evolve how we provide capital. This includes considering environmental and social issues in our lending practices and increasing capital in the market where it’s needed.

Our economic and research teams continue to study trends and best practices to develop reports and tools to help entrepreneurs on their sustainability journey.

**Ensure no one is left behind**
Reducing barriers and expanding opportunities for our employees and Canada’s business owners remains a priority.

Within BDC, we continue to implement our first Accessibility Plan, enhancing our DEI focus within our offices, business centres and across our digital channels. With a focus on client diversity, we continue to increase our support for underserved communities.

In the year ahead, we will begin investing in women-led social impact businesses through the $100 million Thrive Lab and launch a DEI toolkit to help entrepreneurs in hiring and retaining great employees. Plus, recognizing entrepreneurs must be well, to do well, we will also launch new programs to support their mental health.

**Help build a clean, low-carbon, circular economy**
Supporting Canada on its path to net zero starts inside BDC. We are developing a comprehensive climate change plan, including a climate risk approach and a GHG reduction plan for our operations. On our path to operational net zero, we are looking at how to reduce energy, travel and incentivize ‘greener’ behaviour among our employees.

We will continue to support entrepreneurs on their path to a low-carbon economy by adding new resources and tools to our Climate Action Centre, piloting new green financing solutions and by continuing to invest in innovative companies lighting the way and deploying our new $150 million Sustainability Fund.

**Engage clients, employees and partners because we are stronger together**
Becoming champions of change requires a collaborative approach. We believe that you can’t improve what you don’t measure, so we continue to set targets and measure our work, and our work with partners. This includes leveraging BDC Capital’s DEI and ESG reporting data to develop new resources in support of the Canadian innovation ecosystem, as well as implementing learnings from our procurement pilot to improve supplier diversity within BDC.

We will also continue to build partnerships to reach more entrepreneurs in different parts of the population, as well as strengthen partners’ capacity to support entrepreneurs.

---

We’re confident that entrepreneurs’ ambitions are equal to these challenges. Ours are, too!
### Appendix

The fiscal year for BDC is April 1 through March 31 for the data presented below.

#### Economic impact

<table>
<thead>
<tr>
<th></th>
<th>Units</th>
<th>F2021</th>
<th>F2022</th>
<th>F2023</th>
<th>GRI$</th>
<th>SASB$</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Clients</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct clients</td>
<td># of clients</td>
<td>59,588</td>
<td>62,722</td>
<td>65,312</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indirect clients</td>
<td># of clients</td>
<td>13,233</td>
<td>32,159</td>
<td>35,404</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clients who report a positive impact on their business following the services they received from BDC</td>
<td>Percentage</td>
<td>88%</td>
<td>92%</td>
<td>92%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Very satisfied clients</td>
<td>Percentage</td>
<td>65%</td>
<td>66%</td>
<td>65%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Loans</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loan acceptances</td>
<td>$ in billions</td>
<td>$8.7</td>
<td>$9.8</td>
<td>$10.3</td>
<td>FN-CB-000.B</td>
<td></td>
</tr>
<tr>
<td>Microfinance clients (all loans with total commitment under $50K)</td>
<td># of clients</td>
<td>2,405</td>
<td>1,614</td>
<td>2,206</td>
<td>FN-CB-240a.4</td>
<td></td>
</tr>
<tr>
<td><strong>Advisory Services</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue from Advisory Services</td>
<td>$ in millions</td>
<td>$20.9</td>
<td>$28.9</td>
<td>$38.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of new advisory services mandates</td>
<td># of mandates</td>
<td>1,030</td>
<td>1,406</td>
<td>2,491</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1. The Global Reporting Initiative (GRI) is a framework for sustainability reporting that helps organizations report on their economic, environmental and social impacts.
2. SASB, or Sustainability Accounting Standards Board, has identified financially material sustainability issues that apply to banks.
## Economic impact (continued)

<table>
<thead>
<tr>
<th>Funds</th>
<th>Units</th>
<th>F2021</th>
<th>F2022</th>
<th>F2023</th>
<th>GRI</th>
<th>SASB</th>
</tr>
</thead>
<tbody>
<tr>
<td>BDC direct VC funds total value to paid-in capital (TVPI)</td>
<td>Ratio</td>
<td>2.18</td>
<td>1.62</td>
<td>1.78</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Women in Technology Venture Fund (WiT) ($200 million) – cumulative authorizations</td>
<td>$ in millions</td>
<td>$90.4</td>
<td>$125.7</td>
<td>$141.7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Thrive Platform for Women ($300 million direct investment fund, $100 million lab, $100 million indirect investment envelope) – cumulative authorizations</td>
<td>$ in millions</td>
<td>Launched in F23</td>
<td>Launched in F23</td>
<td>$31.8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Black Innovation Fund ($4 million) (co-created with BKR Capital) – cumulative authorizations</td>
<td>$ in millions</td>
<td>$4</td>
<td>$4</td>
<td>$4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Climate Tech Fund ($400 million) – cumulative authorizations</td>
<td>$ in millions</td>
<td>Launched in F23</td>
<td>Launched in F23</td>
<td>$26.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cleantech ($600 million) – cumulative authorizations</td>
<td>$ in millions</td>
<td>$371</td>
<td>$507</td>
<td>$530</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indigenous Growth Fund (IGF) ($100 million) – cumulative authorizations</td>
<td>$ in millions</td>
<td>$100</td>
<td>$100</td>
<td>$100</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Investments</th>
<th>$ in millions</th>
<th>$155.8</th>
<th>$530.4</th>
<th>$498.8</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt investments acceptances</td>
<td></td>
<td>$155.8</td>
<td>$530.4</td>
<td>$498.8</td>
</tr>
<tr>
<td>Direct equity investments authorizations</td>
<td>$ in millions</td>
<td>$510.2</td>
<td>$435.3</td>
<td>$338.6</td>
</tr>
<tr>
<td>Indirect equity investments authorizations</td>
<td>$ in millions</td>
<td>$258.8</td>
<td>$175.5</td>
<td>$536.1</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Portfolio</th>
<th>$ in millions</th>
<th>$1,150.2</th>
<th>$1,070.2</th>
<th>$930.4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financing portfolio that is sub-investment grade – BDC refers to this in the annual report this way: % of Financing portfolio that is sub-investment grade</td>
<td>Percentage</td>
<td>90%</td>
<td>88%</td>
<td>87%</td>
</tr>
<tr>
<td>Impaired portfolio (Financing and CAP) as at March 31</td>
<td>$ in millions</td>
<td>$1,150.2</td>
<td>$1,070.2</td>
<td>$930.4</td>
</tr>
</tbody>
</table>
### Economic impact (continued)

<table>
<thead>
<tr>
<th></th>
<th>Units</th>
<th>F2021</th>
<th>F2022</th>
<th>F2023</th>
<th>GRI</th>
<th>SASB</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Financials</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net revenue</td>
<td>$ in millions</td>
<td>$1,774.8</td>
<td>$2,301.2</td>
<td>$2,084.0</td>
<td>201-1</td>
<td></td>
</tr>
<tr>
<td>Net income</td>
<td>$ in millions</td>
<td>$1,660.0</td>
<td>$2,514.8</td>
<td>$302.5</td>
<td>201-1</td>
<td></td>
</tr>
<tr>
<td><strong>Social impact</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Client diversity</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct clients</td>
<td># of clients</td>
<td>881</td>
<td>982</td>
<td>1,069</td>
<td>FN-CB-240a.4</td>
<td></td>
</tr>
<tr>
<td>identified as Indigenous</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct clients</td>
<td># of clients</td>
<td>15,117</td>
<td>16,441</td>
<td>17,505</td>
<td></td>
<td></td>
</tr>
<tr>
<td>identified as women-owned businesses</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td># of purpose-driven SMEs</td>
<td># of clients</td>
<td>1,718</td>
<td>1,955</td>
<td>2,166</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total commitment</td>
<td>$ in millions</td>
<td>$278</td>
<td>$263</td>
<td>$289</td>
<td></td>
<td></td>
</tr>
<tr>
<td>to purpose-driven SME clients</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supplier diversity</td>
<td>Percentage</td>
<td>4.9%</td>
<td>6.5%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Social impact (continued)

<table>
<thead>
<tr>
<th></th>
<th>Units</th>
<th>F2021</th>
<th>F2022</th>
<th>F2023</th>
<th>GRI</th>
<th>SASB</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Workforce data</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee engagement rate</td>
<td>Percentage</td>
<td>89%</td>
<td>86%</td>
<td>88%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee participation rate</td>
<td>Percentage</td>
<td>88%</td>
<td>88%</td>
<td>87%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Full-time employees</td>
<td>Number</td>
<td>2,500</td>
<td>2,600</td>
<td>2,900</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Workforce diversity</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>Percentage</td>
<td>49.3%</td>
<td>49.3%</td>
<td>49.5%</td>
<td>2-7, 405-1</td>
<td></td>
</tr>
<tr>
<td>Indigenous persons</td>
<td>Percentage</td>
<td>1.2%</td>
<td>1.3%</td>
<td>1.1%</td>
<td>2-7, 405-1</td>
<td></td>
</tr>
<tr>
<td>Visible minorities</td>
<td>Percentage</td>
<td>25.3%</td>
<td>27%</td>
<td>29.3%</td>
<td>2-7, 405-1</td>
<td></td>
</tr>
<tr>
<td>Persons with disabilities</td>
<td>Percentage</td>
<td>3.5%</td>
<td>3.5%</td>
<td>3.8%</td>
<td>2-7, 405-1</td>
<td></td>
</tr>
<tr>
<td>LGBTQ2+ persons</td>
<td>Percentage</td>
<td>2.0%</td>
<td>2.2%</td>
<td>2.3%</td>
<td>2-7, 405-1</td>
<td></td>
</tr>
<tr>
<td>Age – average</td>
<td>Number</td>
<td>41.8</td>
<td>41.8</td>
<td>41.4</td>
<td>2-7, 405-1</td>
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</tr>
</tbody>
</table>
### Social impact (continued)

<table>
<thead>
<tr>
<th>Employee turnover</th>
<th>Units</th>
<th>F2021</th>
<th>F2022</th>
<th>F2023</th>
<th>GRI</th>
<th>SASB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Voluntary</td>
<td>Percentage</td>
<td>3.8%</td>
<td>7.4%</td>
<td>5.5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Involuntary</td>
<td>Percentage</td>
<td>3.3%</td>
<td>1.8%</td>
<td>1.9%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Training and development</th>
<th>Units</th>
<th>F2021</th>
<th>F2022</th>
<th>F2023</th>
<th>GRI</th>
<th>SASB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees who took the 4 Seasons of Reconciliation Training (permanent active employees only)</td>
<td>Number</td>
<td>2,600</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Canadians who took the 4 Seasons of Reconciliation Training through BDC</td>
<td>Number</td>
<td>1,936</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees receiving Code of Conduct training</td>
<td>Number</td>
<td>2,140</td>
<td>2,572</td>
<td>2,864</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees receiving anti-corruption training (roles with client-related transactions)</td>
<td>Number</td>
<td>1,600</td>
<td>1,576</td>
<td>1,679</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

GRI 401-1
SASB 401-1
GRI 205-2
SASB
### Environmental impact

#### Units

<table>
<thead>
<tr>
<th></th>
<th>Units</th>
<th>F2021</th>
<th>F2022</th>
<th>F2023</th>
<th>GRI</th>
<th>SASB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Green financing</td>
<td>$ in millions</td>
<td>$371</td>
<td>$507</td>
<td>$530</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Greening operations</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Certified green buildings (rented/leased)</td>
<td>Number</td>
<td>9</td>
<td>10</td>
<td>11</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total energy consumed/energy use by employee (Scope 1 &amp; 2)</td>
<td>GJsu/PYE</td>
<td>24.1</td>
<td>15.9</td>
<td></td>
<td>302-1</td>
<td></td>
</tr>
<tr>
<td>GHG emissions – Scope 1</td>
<td>tCO₂e</td>
<td>597.5</td>
<td>616.6</td>
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<td>305-1</td>
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<tr>
<td>GHG emissions – Scope 2</td>
<td>tCO₂e</td>
<td>1,780.4</td>
<td>1,398.3</td>
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<td>305-2</td>
<td></td>
</tr>
<tr>
<td>GHG emissions – Scope 3 (business travel only)</td>
<td>tCO₂e</td>
<td>3,629.7</td>
<td>1,724.0</td>
<td></td>
<td>305-3</td>
<td></td>
</tr>
<tr>
<td>GHG emissions intensity</td>
<td>tCO₂e/PYE</td>
<td>2.4</td>
<td>1.1</td>
<td></td>
<td>305-4</td>
<td></td>
</tr>
<tr>
<td>GHG reduction in operational emissions from F20 baseline</td>
<td>Percentage</td>
<td>-37.8</td>
<td></td>
<td></td>
<td>305-5</td>
<td></td>
</tr>
</tbody>
</table>