REPORT FOR INFORMATION

Chief Executive Officer's Report

Date: January 31, 2020
To: Toronto Atmospheric Fund Board of Directors
From: Chief Executive Officer

GOVERNANCE AND ORGANIZATIONAL MATTERS

Board and Committee Membership
We welcome Andrew Dooner to the Board of Directors; he has been a member of TAF's Grants and Programs Committee for several years and was on the Strategic Directions advisory group. With experience in senior strategy-focused positions at PwC and KPMG, and leadership role in the BC Carbon Trust, Andrew will be a valuable addition to TAF's mission.

Recommendation of appointment of a new member to the Investment Committee is included in a separate report.

Staff and Organizational News
Ryan O'Connor, Grants Manager, will lead all aspects of grantmaking including proposal intake, coordination of evaluation, contracting, and ongoing engagement with grantees and their projects.

Evan Wiseman, Manager, Climate Policy, will identify and advance policies to accelerate decarbonization in the GTHA, including via convening stakeholders and engagement in policy consultations and submissions.

Iryna Halubkova, Manager, Impact Investing, is covering Nicole Leite's one-year leave.

Diana Yoon has stepped into the new role of Regional Outreach Lead to build more awareness of our mandate, programming, successes and available resources across the region, and cultivate new relationships and projects, particularly outside of Toronto.

Recruitment is underway to fill the Director of Finance position, with support from our Treasurer, Kim Marshall. Peter Clermont, a finance consultant with significant experience, is helping to bridge the gap and recommend system improvements.

Equity, Diversity and Inclusion
In 2019, TAF became a signatory of the Equal by 30 Campaign, which asks companies and governments to endorse principles of equal pay, equal leadership and equal opportunities, and to take concrete action to close the gender gap in the clean energy sector. Signatories include Enbridge, Efficiency Canada, Summerhill, among others. TAF's internal staff Equity, Diversity, and Inclusion committee has engaged with staff through workshops and discussions to develop commitments which are both

measurable and meaningful to our organization. A survey will be sent to all Board members, Committee members and staff to update our demographic baseline.

Compliance with Transfer Payment Agreement

This confirms that TAF is in compliance with the terms of the Transfer Payment Agreement with the Province of Ontario.

STRATEGIC PROGRAMS

TAF's report on 2019 accomplishments contains much of the information that would generally be summarized here, but some updates from our work in January follows.

TowerWise

Retrofit projects continue to move forward. Construction has been substantially completed on a second phase of retrofit work at Toronto Community Housing's (TCH) R.J. Smith Apartments complex (3 buildings, 471 suites, $2.5M project). Construction at TCH's 66 Walpole site (120 suites, $2.7M project) is now 60% complete. TAF and TCH have continued discussing strategies and approaches for expanding our partnership to help them meet their aggressive portfolio-wide emission reduction targets of 25% by 2028; the aim is a formal partnership agreement/MOU this year.

Climate Policy

TAF continues to work with a wide range of other stakeholders to champion a strong federal Clean Fuel Standard (CFS). In January we mobilized our network of clean fuel investors to convey the value of the CFS for creating a pipeline of investible projects.

Toronto's Environment and Infrastructure committee recommended adopting Toronto's EV strategy, which was approved by Council. TAF has been assisting in development of this strategy for two years and strongly advocated its adoption along with some key, additional action elements. This is an important milestone on the single biggest GHG reduction action in the TransformTO climate plan and garnered some media attention: "Report lays out plans to encourage use of electric cars in Toronto," *Toronto Star.* But strategies don't reduce emissions – actions do – so we'll continue working with the City and other stakeholders towards accelerated implementation.

Impact Investing

In order to scale up TAF's Direct Investment portfolio and mobilize capital for low-carbon solutions, our capacity is being increased and processes are being improved. This includes standardized checklists for due diligence, templates for presentation to the Investment Committee and Board to facilitate governance and oversight, and software and incremental capacity to support origination and back-office management. This is a work-in-progress and key objective for 2020.

Communications

TAF's 2019 GTHA Carbon Emissions Inventory was released in December and received significant distribution via media – including coverage in the Toronto Star, CBC news, and the National Observer – and our networks. The data show important differences in the sources and per capital emissions between the six jurisdictions (Toronto, Hamilton, Peel, Halton, York and Durham), that emissions are declining very slowly – with reductions in emissions from heating and cooling buildings, but increases in transportation emissions – and that we'll need to pick up the pace by an average of four times in order to meet carbon-neutral targets.

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