REPORT FOR INFORMATION

Chief Executive Officer's Report

Date: November 7, 2025
To: Board of Directors of the Toronto Atmospheric Fund
From: Chief Executive Officer

GOVERNANCE MATTERS

Board and Committees

At their most recent meeting, City Council appointed three members to the TAF Board of Directors. Jean Olemou has been re-appointed for a second term; his commitment and expertise is deeply appreciated. And please join me in welcoming two new members.

Jehad Aliweiwi, CEO of the Laidlaw Foundation, brings over 25 years of senior leadership and experience in social, settlement, philanthropic, and community service organizations. He is a long-time advocate for equity, inclusion, and diversity, and has served on numerous boards including the Ontario Science Centre and FCJ Refugee Centre.

Elizabeth McCallion is Executive Director of the Peter Gilgan Foundation, where she leads grantmaking and investment strategies focused on health, sustainability, and prosperity. She brings a strong background in public sector leadership on climate, international relations, and inclusive economic development, and currently serves as Vice Chair of Environment Funders Canada.

Appointments to TAF Committees are recommended in a separate report (Item TA12.5)

Risk Register

With 20 direct investments totalling 16.5% percent of the total portfolio and a further 13% approved and pending, a portfolio risk profile has been developed to support the Direct Investment Committee in taking the appropriate level of risk, balancing protection of the endowments and TAF's direct investment objectives of both impact and return and the strategic objective of mobilizing capital for low-carbon solutions. For instance, investments using innovative financing structures and strategies can be expected to start out as higher risk but will de-risk over time; ESPAs are a good example. Similarly, investments that may have been categorized initially as lower risk but facing market, regulatory or internal headwinds might have to be re-categorized as higher risk. This internal tool will facilitate evaluation of new opportunities and monitoring the Direct Investment portfolio overall and will be updated as risk profiles evolve.

We continue to maintain open dialogue and a learning mindset regarding the use of GenAI tools within our work and among our partners. This includes risk identification, internal monitoring and disclosure, and a review of TAF's data-sharing and NDA contracts to identify if there are additional terms or conditions we need to include on how our data may or may not be used by partners. Various TAF staff are testing GenAI tools as well as attending courses and webinars to stay informed about this rapidly evolving area.

As shown in the 2026 Budget presented for Board approval (Item TA12.7), approximately 40 percent of TAF's current activity is supported by external revenues. While previously most was from government, contributions from foundations have been increasing in the past year. Future fundraising and revenue planning will be focused on attracting multi-year funding commitments from external sources, as well as strategies to build up the endowment to tilt towards investment proceeds as the core operating revenues. This is vital to provide us with stability and sustained resources required for achieving TAF's objectives.

There is no material non-compliance in respect of The Atmospheric Fund's (TAF) legislative, regulatory or contractual obligations of which I am aware. To the best of my knowledge, this confirms that TAF is in compliance with the terms of the Ontario TPA.

STAFF AND OPERATIONAL MATTERS

TAF is excited to welcome new team members this fall who bring deep expertise and fresh energy to our climate work across the GTHA.

Chris Caners has joined TAF as Director of Clean Electrification. During his nine years as General Manager of SolarShare he led strategy, finance, and operations for one of Canada's largest renewable energy co-operatives. A professional engineer, he brings nearly two decades of experience in climate and energy solutions, public engagement, and a deep commitment to collaborative approaches to advancing low-carbon solutions.

Adam Rosenfield has joined TAF as Director of Clean Transportation. A professional engineer and urban planner, he brings over ten years of experience in transportation policy and planning, including with the Ontario Ministry of Transportation, WSP and MIT Transit Lab, and a focus on integrating technology, policy and behaviour change.

Maria Rumeo has joined TAF as Technical Services Manager on the Retrofit Accelerator team. She brings more than seven years of expertise in building science and retrofit project delivery including work that focused on multi-unit residential and public-sector buildings. She will lead the technical implementation of retrofit projects while supporting market development.

We recently bid farewell to Dave Manzo, Impact Investing Analyst. This junior position and experience in TAF's Impact Investing team has repeatedly proven to be a valuable

learning experience and career stepping-stone for strong climate impact investing minds; Dave is the third staffer to move to BDC. Recruitment is underway to fill the role.

Ben Knaggs has joined the Impact Investing team as an intern. He will support due diligence, market research, and the monitoring and reporting of existing investments.

STRATEGIC PROGRAMS

Accelerating Retrofits

With TAF support and involvementn, an unique and groundbreaking report on an air-to-water heat pump retrofit of the French Quarter Shared Facilities condos has been published by the Toronto and Region Conservation Authority's Sustainable Technologies Evaluation Program (STEP) team. It includes financial and energy analysis from two continuous years of monitoring and optimization of this innovative heat pump system, highlights key lessons learned, and demonstrates the effectiveness of replacing an existing chiller with an air-to-water heat pump system -- a relatively simple retrofit with impressive results.

A Project Services Agreement has been signed with WoodGreen Community Housing to provide financial and retrofit delivery support for a deep retrofit of 444 Logan Ave, a 22-storey seniors' building with 160 homes in Toronto. This project will utilize prefabricated overcladding panels (from our prequalified panel roster) and introduce cooling through heat pumps, providing much-needed relief to vulnerable residents. As the sister building to the Ken Soble Tower in Hamilton, involving the same design team, this project will benefit from lessons learned on that precedent-setting retrofit.

TAF partnered with ERA Architects on a webinar, hosted by our LC3 partners Alberta Ecotrust and the Zero Emissions Innovation Centre, focused on the developing market for retrofit panelization. We featured two real-world overcladding case studies: one a low-rise retrofit project with Toronto Community Housing (575 Danforth), and the 444 Logan Project with WoodGreen.

TAF continues to collaborate with the City of Toronto and key stakeholders to advance a Building Emissions Performance Standard (BEPS) for existing buildings. With input from stakeholders, including those focused on equity and tenant protection, TAF has identified key approaches to mitigate potential affordability impacts and strategically support the buildings that need it most. Smart by-law design will exclude all smaller buildings, provide appropriate compliance timeframes and flexibility mechanisms, and ensure technical and financial support for building operators. We have identified the funding, financing and technical support available to building owners and continue to advocate for recapitalization of important sources of funding (like CMHC) for rental and affordable housing. Buildings represent 59% of Toronto's emissions, and without BEPS, there is no viable path to meeting TransformTO climate targets. A recent public poll showed 84% of Torontonians support local governments implementing requirements

that reduce greenhouse gas emissions from buildings. We are urging a wide range of stakeholders, including those who have engaged in the consultative process over the past couple of years, to indicate their support for timely adoption of a well-designed BEPS in this term of Council.

Electrification of Transportation

TAF's federally funded EV-Ready MURB demonstration program continues to move forward. TAF has selected two electrical engineering firms, who will complete the site assessments, feasibility studies, and EV-ready design options. TAF is also in the process of finalizing a Service Agreement for a Charging Service Provider who will provide and operate the EV chargers. Definitive Agreements have been finalized and are with building owners for review and signing. Next steps include launching a procurement for electrical contractors, who will complete the infrastructure upgrades and charger installations, and executing the legal agreements with building owners.

In response to a request by Toronto City Council from October 2024 TAF is leading development of an action plan to accelerate the strategic rollout of public EV charging in Toronto. The plan will leverage the input and commitments of public and private players and will focus on public EV charging that complements the City of Toronto-operated network of chargers on its own properties. Working with Dunsky Energy + Climate Advisors, research has been completed regarding best practices, demand and costing, and spatial analysis. Interviews with key experts representing charging network providers, potential site hosts, and mega users have been conducted to understand needs, opportunities, pain points and ideas for implementation. Next steps will involve developing a strategy for further stakeholder engagement, and convening stakeholders to identify viable business models, which will inform development of a stakeholder-endorsed action plan.

Accelerating Clean Electrification

Home Solar Accelerator – TAF's 'concierge service' to support residential uptake of solar and storage -- is moving towards a full launch throughout the GTHA in Q1 2026. A Request for Proposals to secure a service provider who will undertake the customer-facing support and liaison with installers received four qualified proposals and a contract is expected to be awarded in November. TAF is coordinating closely with the City of Toronto and Toronto Hydro to support the program promotion in Toronto, and developing similar efforts with other municipalities and local distribution companies (LDCs).

TAF continues to advocate for clean energy at all levels of government. The current IESO procurement for new energy and capacity resources includes municipal endorsement as a prerequisite and TAF worked with the Association of Municipalities of Ontario to produce and distribute a multi-criteria analysis tool to assist municipalities in evaluating the merits of both clean and conventional generation proposals. To date, four

solar proposals have received municipal approval, and no fossil fuels projects have been proposed as of yet in the GTHA. This is despite the government's shift in direction from "non-emitting" resources to an "all of the above" approach and a weighted criteria that scores gas projects more favourably than renewable generation and storage projects.

Over the summer TAF worked with the City of Toronto to review and comment on draft materials for the IESO's Integrated Regional Resource Plan (IRRP) for Toronto with a focus on ensuring a central role for Distributed Energy Resources (DERs) including conservation, peak shaving, solar and storage. The IRRP published includes a larger role for DERs than previous versions.

Climate Policy

Recommendations for the Federal Budget were submitted to the Finance Committee's Pre-Budget Consultation.

With support from a summer policy intern, a review of current regulation and gaps in Mississauga and Hamilton was completed. Based on this analysis, discussions are underway with municipal staff in multiple municipalities to prioritize and advance policy initiatives that remove barriers to climate action, including:

- Residential heat pump restrictions preventing adoption
- Floor Space Index requirements for exterior cladding to improve building envelope performance
- Outdated restrictions on ground-mounted solar installations
- Parking minimums restricting private lot installation of EV parking stalls.

TAF's 'red tape reduction' brief, aimed at addressing key barriers to climate action in Toronto, is now progressing with dedicated capacity in place. Updated zoning by-laws are expected in 2026, along with a roadmap for further 'red tape reduction' in 2027 and beyond. This work to review and flag regulatory barriers has garnered external recognition, including an invitation to present findings and share insights with the Canadian Zoning Officials Association.

Research & Innovation

The 2025 edition of Ontario's Electricity Emissions Factors and Guidelines has been published featuring expanded factors, projections, and practical use cases for practitioners. We supported the City of Toronto in finalizing its electricity emissions approach using this methodology.

Analysis of 2024 GTHA carbon emissions has been finalized the Inventory will be published on November 18. Regional and municipal staff have been or will be pre-briefed. TAF has been invited to contribute to an academic paper on Durham region emissions and there will certainly be other opportunities to leverage the findings and insights of this inventory.

The carbon reduction potential of 14 expressions of interest and six full applications was evaluated during the third grants intake, and of two potential Direct Investments.

The cumulative carbon and utility cost savings from the Toronto Green Standard (TGS) were quantified which shows that between 2010 and 2024, versions 1, 2 and 3 of the TGS contributed to reducing carbon emissions by one million tonnes and generated over $407 million in utility savings. As requirements became more stringent, projected impacts to 2040 are expected to be considerably higher, underscoring the critical importance of this policy in helping meet TransformTO climate targets and the challenge in meeting these targets without local, above-Ontario Building Code requirements for new construction.

TAF has presented on carbon quantification at several conferences and events including the University of Toronto's Air Quality Conference, the Nonprofit Data Capacity Summit and Electricity Transformation Canada.

The Research & Innovation team completed the Principles of Ownership, Control, Access and Possession (OCAP) of First Nations Data course, and shared best practices on Indigenous data governance with staff. A reference guide to Indigenous organizations/rightsholders, governance, and climate-related organizations/stakeholders has been developed to support outreach and engagement, which will be continuously updated.

Campaigns & Communications

Since the last report to the Board, TAF published thought-leadership blogs including articles about underrated DER programs in Ontario, analysis of the Build Canada Homes strategy, the benefits of green standards in mitigating extreme heat, reducing red tape to advance climate solutions in cities, perspectives on the workforce and affordability protections in Toronto's Building Emissions Performance Standards, and a joint statement with health groups defending the federal EV Availability Standard. We also published investment announcements on Jule, Kite Mobility, and Assembly Corp, which received moderate coverage from targeted industry publications.

Top earned media coverage included interviews on the EV Availability Standard in the National Observer and The Pointer, and an interview debunking misinformation about the cost of heat pumps in the Toronto Star.

TAF convened a webinar on our recently published Ontario Electricity Emissions Factors and Guidelines, targeted to municipal staff, energy consultants, and policymakers, and drawing attention to the province's increasing electricity emissions. This year's launch had record attendance, with 224 registrants and 324 report views in the first two weeks.

Impact Investing
TAF is at approximately 16% of net assets invested in the Direct Investments asset class, with another 12% approved and waiting to be deployed which shows we are tracking well toward achieving the target asset class level of 30%. Most of our Direct Investments demonstrate solid progress on their operational plans and/or additional investments being made in them which indicates market confidence and value.

Since the last report, 59 potential investment opportunities were reviewed and declined due to lack of fit with TAF's investment thesis or misaligned investment timelines. There are 20 active leads in our investment pipeline. Two of these leads were introduced to the Direct Investment Committee at the October meeting and will undergo further due diligence. One company has developed a replacement for metallurgical coal and aggregates with a wood-based biocarbon product, while the other company manufactures and supplies more advanced heat pumps, which our Retrofit Accelerator team is investigating to deploy in a project. The active lead with an innovative structure to deliver affordable housing, highlighted to the Board at the July meeting, has also continued to progress in due diligence and is expected to be presented as a formal investment request to the Direct Investment Committee at the first scheduled meeting next year.

Working with a long-term project partner, we're close to renegotiating the terms of a revolving finance facility which is expected to reinvigorate our direct investment activity in energy efficiency projects, having two lined up to seek approval as soon as the revised finance facility is closed.

We completed a working capital guarantee for Assembly, a mass timber prefabricated building company, and a direct investment in Jule, a company that delivers integrated EV fast-charging battery energy storage solutions.

TAF supports investees in a variety of ways in addition to investment. In collaboration with the Research & Innovation team, we also held a workshop to support Jule report on their impact and GHG emissions reduction potential.

Based on research prepared by our investment advisor to substantiate the impact assessment of our Public Equities, the Investment Committee endorsed a comparative review of our four fund managers to determine if any changes or additions could support better impact – both GHG reduction potential and performance.

Grants, including summary of completed Grants

A summary of six recently completed grants is provided below.

Town of Caledon
Green Development Standard for the Town of Caledon
$30,000 over 16 months, approved April 2021

The objective of this project was to design and implement a community-wide Green Development Standard (GDS) for Caledon. The program was approved unanimously by Council and came into effect July 1, 2024. Caledon incorporated some unique elements into their green standard including mandatory embodied carbon reporting, building resiliency measures, and a flexible pathway to meeting the operational energy and emissions target which includes a prescriptive option. Caledon's GDS has been designed as a single tier with one set of performance requirements. It will be reviewed and updated every three years. See the website: https://www.caledon.ca/en/town-services/green-development-standards.aspx and GDS Guidebook: https://www.caledon.ca/en/town-services/resources/Energy-Environment/Caledon-GDS-Guidebook_Final.pdf

Hamilton Community Enterprises
Hamilton Energy Harvesting Project - Feasibility Study
$150,000 over 12 months, approved July 2022
This grant supported a comprehensive study on the technical feasibility and commercial viability of harvesting waste heat from Hamilton's Bayfront Industrial Area as a "fuel source" for an expanded low-carbon district energy system serving buildings along a proposed thermal corridor extending from the city's port lands to the downtown core. Over 25 organizations representing industry, business, developers, government, NGOs and academia were involved in the study. Working with these diverse stakeholders highlighted that the study was more about advancing a "cultural shift" needed to make energy conservation and energy sharing a mainstream priority and less about technological innovation. The 2025 Hamilton Energy Harvesting Feasibility Study was released in June 2025 and confirmed the feasibility and viability of the project. Over the course of the project, HCE supported work that led to the embedding of district energy systems within Hamilton's newly created Green Building Standards. HCE and its partners are aiming to act on the positive findings of the Energy Harvesting Study by launching the commercialization phase of the project. See the HCE Energy Harvesting Study here: https://hce.net/energy-harvesting-study

Toronto Region Board of Trade
SuperCharge: Municipal Electric Vehicle (EV) Deployment Advocacy
$178,000 over 24 months, approved July 2022 and Rescinded Fall 2025
These funds were granted to the Toronto Region Board of Trade (TRBoT) to collaborate with municipal decision-makers to support implementation of high-impact policies and programs to facilitate the uptake of electric vehicles. Not long after the grant agreement was signed, TRBoT's project lead – and initiator of the project – left the organization. A new lead was eventually identified but progress on the initial grant deliverables (establishment of local stakeholder coalitions in Toronto, Mississauga and Hamilton, baseline report and advocacy strategy for each municipality) was slow to start and later ground to a halt. By 2025, it became clear that TRBoT's priorities and capacities had shifted from when the original agreement was signed in 2022 and that it is was no longer feasible to achieve the aims as set out in the agreement. In May 2025, TAF and TRBoT mutually agreed to close out the project.

Environmental Defence Canada
No More Gas Plants in the GTHA
$300,000 over 24 months, approved April 2023
This project aimed to mobilize stakeholders and build support for clean energy in the provincial electricity system and phase out the use of natural gas generated electricity in Ontario by 2035. Over the course of the grant, EDC's intervention at the municipal level helped ensure that Toronto, Brampton, and Halton Hills municipal councils voted against proposals for new or expansions of existing gas plants. They also launched several public engagement initiatives to educate and mobilize supporters and concerned citizens – both in the GTHA and beyond – to ensure that visible opposition to increasing gas power was present in communities adjacent to gas plants and beyond. EDC developed several communications and public engagement strategies and tactics to improve public and media literacy on why "natural" gas is neither clean nor green, and that there are cost-effective, non-emitting options for power generation. EDC garnered substantial media coverage with their campaign including four opinion editorials. EDC noted that this grant allowed them to create a playbook to oppose gas projects or support (good) renewable energy projects with ready-to-deploy resources allowing them to invest their capacity to seek and support local champions. Key content can be found here: www.environmentaldefence.ca/nomoregasplants; Ontario's Gas Problems: The Issues with Fracked Gas; Toronto's Next Electricity Plan

Pollution Probe
Pathways to affordable reliability in a net-zero electricity system in Ontario
$75,000 over 12 months, approved July 2023
The objective of this project was to research and model clean energy-based pathways required to achieve a reliable net-zero grid in Ontario by 2035. The project engaged key stakeholders including representatives from IESO, the OEB, Ontario based electric utilities, industry associations including Canadian Renewable Energy Association (CanREA), and provincial government representatives to identify priority actions and feasible approaches required to meet this objective in a timely and cost-effective manner. Pollution Probe published the *Achieving Reliability in a Future Ontario Power System Action Plan* report in October 2024. This report outlines plans, practices, rules, and regulations that are needed to deliver enhanced reliability and a range of benefits to Ontarians in a net-zero electricity system. The report was shared with industry, presented as a webinar in January 2025, promoted via an opinion editorial published in the National Observer in November 2024, and shared with IESO and ministry staff. This project increased the conversation around the integration of low-carbon resources and has shown that low-carbon resources can provide reliability services, something that opponents to the energy transition often highlight as a barrier to increased deployment. The results and information from this project also help create an improved business case for low-carbon distributed resources. See https://www.pollutionprobe.org/netzero-reliability-initiative/

Pembina Institute
The last mile: coalition building and federal engagement to finalize a medium- and heavy-duty zero-emission vehicle mandate

$105,000 over 12 months, approved April 2024
The objective of this project was to promote a medium and heavy-duty (MHDV) zero-emission vehicle (ZEV) mandate that aligned with the targets from the Emissions Reduction Plan (ERP) through direct engagement and coalition building. Given political developments in North America through 2024, Pembina pivoted their engagement to focusing on the promotion of “made-in-Canada” greenhouse gas regulations for MHDVs that would still accelerate movement to zero-emission vehicles. They continued to advocate for a streamlined sales mandate focused on easy-to-electrify segments (e.g. Class 3 – 5). To advance these goals, they engaged with government using their research and modelling to advocate for ways to meet the Government of Canada’s ERP goals and also engaged with key industry and health partners to build a coalition supporting the regulations. While Pembina was successful in engaging sustainability-focused, health-focused and industry-focused organizations around the benefits of new regulations, they had limited success engaging with government representatives over the period of the grant. The challenging and uncertain political context during this period hindered the effectiveness of Pembina’s advocacy efforts, which may have been more successful under more stable conditions. In their final report, Pembina noted that allyship with health organizations and industry will be key to broadening the appeal of climate policies by identifying co-benefits as in their view “the climate movement will need to increasingly rely on these narratives to be effective.”

CONTACT

Julia Langer, Chief Executive Officer, jlanger@taf.ca

SIGNATURE

Julia Langer
Chief Executive Officer