



Fiscal 2024
Sustainability Report

Building a better
tomorrow
→ for entrepreneurs,
and for Canada



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Land 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'kehá:ka (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.

Disclaimer

We may make forward-looking statements in this sustainability report. These forward-looking statements include, but are not limited to, statements about objectives and strategies for achieving objectives, as well as statements about outlooks, plans, expectations, anticipations, estimates and intentions.

By their very nature, forward-looking statements involve numerous factors and assumptions, and they are subject to inherent risks and uncertainties, both general and specific. These uncertainties give rise to the possibility that predictions, forecasts, projections and other elements of forward-looking statements will not be achieved. A number of important factors could cause actual results to differ materially from the expectations expressed.

This report may contain or incorporate by reference third-party public information that BDC has not separately reviewed or approved. BDC makes no representation, warranty, or undertaking as to the accuracy, reasonableness, or completeness of such information.



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About BDC

The Business Development Bank of Canada – BDC – is a different kind of bank.

We are a financially sustainable Crown corporation and we operate at arm’s length from our sole shareholder, the Government of Canada. We complement the role of private sector financial institutions and work with partners to fill market gaps and increase the availability of financing and capital for entrepreneurs.

We support small and medium-sized enterprises (SMEs) with loans, capital and advice, and we’ve been championing entrepreneurship for 80 years.

In line with our development role, we act as a shock absorber during economic downturns. We also see it as our mission to empower entrepreneurs to tackle the biggest economic, social, and environmental challenges of our time.

Together, we are shaping a stronger, more resilient, more inclusive and more sustainable Canada, for all.

We are the bank for → Canadian entrepreneurs

106,475 Clients served

108

Business centres across the country and online services at bdc.ca

2,900

Highly engaged employees

140

Partners helping us to expand our reach to SMEs



First bank to be certified as a B Corp in Canada



Among Canada’s Top 100 Employers for 17 years



“We’ve been partners with BDC for at least 10 years. They really work with businesses to better their brand and better the company, so their help just betters us overall.”

Natasha Callender-Wilson
Vice-President
Bass Installation (Ontario)

[Read the full story](#)

Empowering Canadian entrepreneurs coast to coast

→ Our purpose

Empower a nation of dreamers and doers to build a better tomorrow for all.

→ Our mission

Support Canadian entrepreneurs by providing financing, advisory services and capital, with a focus on small and medium-sized businesses.

→ Our values

- United for entrepreneurs
- Powered by people
- Courageously impactful

Learn more about our mandate, corporate strategy, mission, vision and values in our [annual report](#).



BDC total direct clients

70,873

B.C. & North

10,121

Prairies

11,898

Ontario

22,331

Quebec

22,054

Atlantic Canada

4,469



A message from the President and CEO

Sustainability is not a unique formula: As this report shows, there are myriad ways to support a more sustainable Canada. Our commitment to sustainability remains steadfast — it drives us to address today’s and tomorrow’s economic challenges, stay relevant to clients and partners, and maintain an attractive workplace to recruit and retain the best possible talent.

“As Canada’s business development bank, BDC’s mission is to support Canadian entrepreneurs to build strong and resilient businesses.”

In doing so, we contribute to creating a more prosperous, competitive and inclusive Canada. That’s why our sustainability strategy is grounded in our mission to support Canadian entrepreneurs in building strong and resilient businesses.

We execute and report on our goals through four pillars: our economic impact, our social impact, our environmental impact, and our collective impact.

As this report demonstrates, there are many things to be proud of this past fiscal year.

Our economic impact

Here, the numbers speak for themselves: \$10.8 billion in new loans to entrepreneurs (the highest in our 80-year history) and 3,068 new advisory mandates. And we will add an estimated \$23.6 billion in GDP to Canada’s economy over the next five years, while supporting the creation of nearly 40,000 jobs.

Our social impact

We served the most women and Indigenous entrepreneurs in our history, with jumps of 11% and 22%, respectively, compared to last year. We authorized \$1.73 billion in loans to women-owned businesses in fiscal 2024, bringing the total portfolio amount committed to women entrepreneurs to \$7 billion. In fiscal 2024, we authorized \$208 million in loans to Indigenous clients, bringing us to a total of 1,301 Indigenous clients served. We also reached \$40 million in total commitments to support Black entrepreneurs.

Our environmental impact

We committed \$1.6 billion to innovative climate and cleantech companies across all sectors of the economy, to support entrepreneurs with the transition to the low-carbon economy. And—because we believe in walking the talk—we reduced our own carbon footprint by 39 percent, compared to our fiscal 2020 base year.

Our collective impact

We could not have achieved any of these impacts without our collective approach, which allows us to deliver a balance between economic growth, social well-being and environmental stewardship. Through our collaboration with 140 partners, we served more than a third (33%) of our clients.

While we continue to make progress on our sustainability goals, we have much more that we want to do. We will keep enhancing our processes and strengthening our relationships with all our stakeholders, because we know the only way to create a more sustainable Canada—and a brighter future for all—is by working together.

I hope the initiatives in this Sustainability Report will inspire you, just as those behind them—our clients, partners and employees—have so deeply inspired me!



Isabelle Hudon
President and Chief Executive Officer

In conversation with the Senior Vice President and Head, Sustainability, Diversity & Social Impact



Sandra Odendahl

Senior Vice President and Head,
Sustainability, Diversity & Social Impact

Q: How do you feel about BDC's sustainability progress in fiscal 2024?

A: It is a rare privilege to be part of an organization like BDC that is truly committed to living and breathing sustainability values.

In our second year executing on our sustainability framework, we've made important strides in helping Canadian business owners build stronger, greener, and more inclusive businesses: We are more rigorous in our goal setting, planning, doing, and disclosing. We are more practical and precise in helping entrepreneurs take climate action. And we are more deliberate in engaging other stakeholders in meeting our commitment to sustainability.

I am proud of the steps we have taken. But I am also humbled by the realization that, even with so much enthusiasm and effort from across the Bank, we still have a lot more to do!

Q: What are you planning for the coming year on the environmental side?

A: We will offer enhanced guidance, resources and tools to catalyze action, both at BDC and among the small and medium-sized enterprises (SMEs) we serve, ensuring a collective push toward a sustainable future. And we are strengthening our climate risk management plan to better identify, assess and manage any climate-related vulnerabilities in our portfolio.

Q: What is on the agenda in fiscal 2025 to better support underrepresented entrepreneurs?

A: Well, for one thing, we have launched a new loan program for the smallest and earliest-stage businesses that are majority-owned by women, Indigenous and Black entrepreneurs. We are also working on deploying a new community banking business line to expand and strengthen our partnerships to provide entrepreneurs with much-needed capital. We are also developing an Indigenous Reconciliation Action Plan to better guide our commitment and actions toward understanding and supporting Indigenous economies and cultures.

Q: What role do employees play in your sustainability strategy?

A: Employees are key to integrating sustainability into everything we do. Last year, we added mandatory sustainability training for all employees. Next year, we will roll out environment-related finance training for frontline staff; develop sector-specific environmental, social and governance (ESG) guidelines to help employees support clients on sustainability-related risks and opportunities; and work with our employees to optimize business travel to reduce our own greenhouse gas emissions.

Q: What about clients and entrepreneurs?

A: Canada's transition to a green economy will only be possible with the full engagement of SMEs. Our clients have told us they want practical, relevant information and tools to help guide their sustainability efforts. So, we are deploying many impactful initiatives, including free sustainability training via our online BDC Academy platform, and ongoing deployment of green loan offers with an increased lending envelope of \$200 million. And we are collaborating with experts to better understand and share the opportunities for Canadian SMEs in the energy transition supply chain.

It's going to be an exciting year!



Our approach to sustainability

In line with our role as a development bank, we are here to accompany SMEs on their sustainability journey, and help Canada achieve its sustainable development goals.

Our sustainability framework

In 2022, we launched our first sustainability framework, which supports our corporate strategic objectives and outlines the Bank’s actions and targets across its workforce, workplace, marketplace, and community.

Our sustainability framework is aligned with the United Nations Sustainable Development Goals (SDGs) – the universal call to action to end poverty, protect the planet, and ensure peace and prosperity for all by 2030.

To stay attuned to entrepreneurs’ evolving needs, we actively engage with business owners, conduct research, and collaborate with stakeholders in the entrepreneurship ecosystem. To learn more about our stakeholder engagement process, see page 3 of the Fiscal 2024 Sustainability Report Appendix.

Our fiscal 2024 report

This report provides an update on BDC’s progress toward delivering on our sustainability ambitions in the past year. Its contents have been informed by the standards established by the Sustainability Accounting Standards Board (SASB) and the International Sustainability Standards Board (ISSB). The SASB content indices are found in the Fiscal 2024 Sustainability Report Appendix.

Unless otherwise stated, data and commentary in the report are for BDC’s 2024 fiscal year, which runs from April 1, 2023, to March 31, 2024.

We welcome feedback and questions on our initiatives and progress. Please contact us at sustainable@bdc.ca.

Empower a nation of dreamers and doers to build a better tomorrow for all.

Corporate strategic objectives



Spur the growth of SMEs and the competitiveness of Canada’s economy.



Increase the reach and relevance of our support to entrepreneurs.



Empower SMEs to respond to the big challenges of our time.



Deliver a world-class client and employee experience.

Sustainability ambitions

Economic impact

Help build strong and resilient businesses

Social impact

Ensure no one is left behind

Environmental impact

Help build a clean, low carbon economy

Collective impact

Engage partners because we are stronger together



United Nations SDGs we support through our sustainability strategy.



Our fiscal 2024 sustainability impact, at a glance



Economic impact

Social impact

Environmental impact

Collective impact

106,475

Entrepreneurs as clients

\$10.8B

In loans to entrepreneurs
(acceptances in fiscal 2024)

3,068

Advisory services mandates
to support entrepreneurs

\$4.4B

The total size of our direct and indirect
equity investment portfolios

30.3%

Of our employees are visible minorities¹

\$1.73B

Term loans authorized to
women-owned businesses²

229 clients

Registered for three hours of
free therapy through our Entrepreneur
Mental Health pilot program

1,301

Indigenous clients
(record year, +22% over fiscal 2023)

\$150M

Sustainability Venture Fund launched

174,000

Visits to our Climate Action Centre

39%

Reduction in our carbon footprint compared
to our base year (fiscal 2020)

11

BDC business centres are
LEED Certified® projects

92%

Of our clients report that our services have
a positive impact on their business

33%

Of our clients are served through partnerships

85%

BDC's employee engagement score

8.3%

Of BDC's procurement spend is with
diverse suppliers

¹ Visible minorities are defined as persons, other than Indigenous Peoples, who are non-Caucasian in race or non-white in color. According to the Employee Equity Act, "the visible minority population consists mainly of the following groups: Arab, Black, Chinese, Filipino, Japanese, Korean, Latin American, South Asian, Southeast Asian, West Asian".

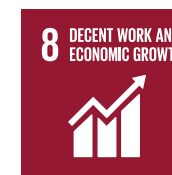
² Women-owned businesses are defined as businesses with woman ownership of 50% or more, having a loan commitment through our Financing and Growth and Transition Capital business lines.



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SDGs we support





Helping build strong → and resilient businesses

106,475 SMEs

As clients, in all industries and at all stages of growth

70,873

Direct clients

35,602

Indirect clients

\$44.6B

total loan portfolio committed

Our clients

Generate

\$435B

in annual revenues
(14% of Canada's GDP)

Employ

1.2M

Canadians
(9% of all private sector jobs)



Priscilla Sternat-McIvor
Founding Partner
Sternat Managire (Manitoba)



A key role supporting → Canada's entrepreneurs

Behind each of Canada's 1.2 million small and medium-size businesses, there are entrepreneurs with ambitions and dreams. Helping turn these dreams into reality is our job.

BDC's commitment to sustainability is rooted in our belief that economic success and sustainable practices go hand in hand: When entrepreneurs succeed and grow, they create jobs, innovation and a positive impact on Canada's prosperity.

SMEs are the backbone of our economy, contributing to 48.2% of Canada's GDP and 63.8% of private sector employment.³

We support entrepreneurs with debt financing, capital, advisory services and free resources and tools to help them make more informed business decisions.

How we deliver economic impact

1.

Providing products and services adapted to SMEs' needs

2.

Increasing SMEs' access to expert advice, knowledge and tools

3.

Equipping BDC talent to deliver on our sustainability ambitions

³ [Key Small Business Statistics, 2023](#), Innovation, Science and Economic Development Canada



1. Providing products and services adapted to SMEs' needs

Flexible financing for growth

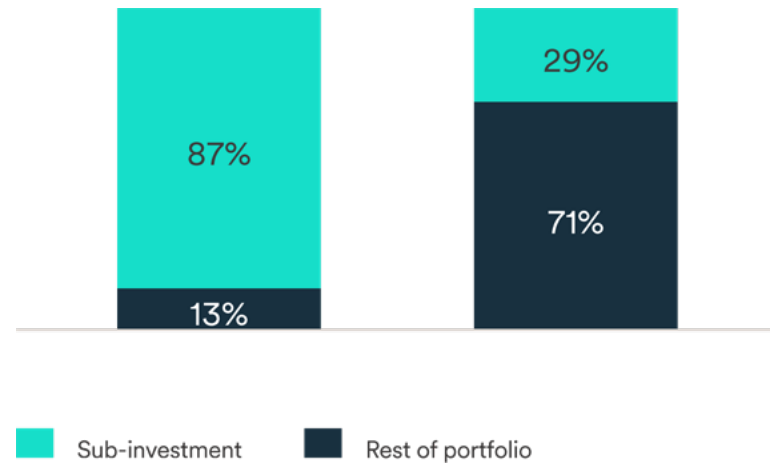
We pride ourselves in being a patient and flexible lender entrepreneurs can count on. We work with business owners in all sectors and at all stages of growth.

We take more risk than a typical financial institution. Close to 90% of our portfolio is sub-investment grade, compared to around 30% for chartered banks in Canada⁴. Our focus on sub-investment-grade loans fills an important gap, serving borrowers who may otherwise be unable to access the financing they need from the private sector. We also need to ensure that we are taking the right amount of risk and playing our role as Canada's development bank, while remaining financially responsible and sustainable.

Last year, our clients accepted \$10.8 billion in loans, slightly higher than fiscal 2023. BDC's total loan portfolio was \$44.6 billion as of March 31, 2024. These are funds that our clients used to buy or renovate existing facilities, open new markets, buy other businesses or invest in technology and equipment to make their businesses more productive.

Responsibly taking more risk for entrepreneurs

BDC's vs. chartered banks' portfolios



Outstanding credit exposures, by sector (%) on March 31st, 2024

Manufacturing	21%
Wholesale and retail trade	21%
Service industries	15%
Construction	10%
Commercial real estate	9%
Tourism	9%
Transportation and storage	7%
Resources	5%
Others	3%

→ Term loans make up 85% of our business.

Support for Canada's creative industries

Recognizing the persistent challenges in raising money experienced by companies in the creative and cultural industries, in February 2023 we announced a \$30-million financing envelope for these industries.

A year later, BDC had increased its financing of the sector by \$113 million across all of its offerings, four times greater than planned.

Over 1,000 businesses in the creative and cultural industries have benefitted from BDC's support.

This is just one example of our development role in filling gaps and supporting sectors critical to the economy.

⁴ Sub-investment-grade businesses are defined as businesses with less than an S&P Global equivalent grade of BB+, which the agency designates as having a higher degree of risk than standard commercial-grade lending. These businesses typically have less capacity to manage their financial commitments.

Entrepreneur impact story

Farming with purpose, → in unlikely places

Alida Burke and Corey Ellis were in Iqaluit, Nunavut, in 2015 for entrepreneurship training when they saw \$6 heads of lettuce in the local grocery store.

To address food affordability and its transportation in far-flung communities, the pair launched Growcer – an Ottawa-based company manufacturing hydroponic indoor farms that are housed in 40-foot containers and use nutrient-rich water, instead of soil to grow vegetables.

Alida and Corey received financing from BDC early on and after six years in business, started attracting angel investors, which allowed them to scale up their company.

The commercial farms now grow dozens of varieties of leafy greens inside a facility that's a cross between a lab and a greenhouse. The process uses less water and after six weeks, growers can feed up to 110 people a day. Their network of farms has grown about 10 million servings of vegetables to date.

[Read the full story](#)



“We went into business with a purpose-driven mindset of saying we want to solve a real problem. [...] It takes a community to help build a business and BDC was one of those folks who helped us.”

Alida Burke

Co-founder
Growcer (Ontario)



1. Providing products and services adapted to SMEs' needs

Turning great ideas → into great companies

With over \$6 billion in assets under management, BDC's investment arm, BDC Capital, serves as a strategic partner to the country's most innovative firms.

It offers businesses a full spectrum of capital, from seed investments to growth equity, as well as fund investments, supporting Canadian entrepreneurs who have the ambition to stand out on the world stage.

BDC Capital supports over 750 Canadian companies directly and indirectly, and 160 private sector funds nationwide, while also helping to ensure a healthy venture capital ecosystem in Canada.

For more information, visit bdc.ca/capital

→ BDC is Canada's most active venture capital investor. We play a catalyst role to offset the lower available capital in the Canadian market.

BDC Capital's impact

\$2.2B

Direct equity investments

\$2.2B

Indirect equity investments

76%

Direct authorizations in seed and early stage

\$5.68

Raised by other investors for every dollar we invest

\$3.2B

Authorized in investments in the past five years



“Over the past decade, the venture capital landscape in Canada has experienced remarkable growth, and BDC has played a pivotal role as a strong contributor and anchor in this evolution. Their long-term commitment to the asset class is essential to nurture our ecosystem. By staying the course, BDC will continue to ensure that innovative businesses can thrive, driving economic development across the nation. We look forward to continuing our collaboration with BDC to further advance innovation and growth in Canada.”

Kim Furlong

Chief Executive Officer, Canadian Venture Capital and Private Equity Association



2. Increasing SMEs' access to expert advice, knowledge and tools

Helping entrepreneurs overcome business challenges

Our dedicated Advisory Services team counts on the support of a Canada-wide network of nearly 500 business consultants.

Our experts help entrepreneurs solve a variety of business challenges, from sales, HR, strategy and leadership, financial management, and operational efficiency to technology, e-commerce and business certifications. BDC clients who use both financing and advisory services outperform their non-client counterparts, achieving revenue growth that surpasses that of non-clients by 6.8 percentage points.⁵

For ambitious mid-sized firms, we offer the Growth Driver Program – a two-year guided journey that prepares companies for their next level of growth.

6.8 percentage points
Higher revenue growth, on average, achieved by BDC clients who use both financing and advisory services, compared to non-clients.

⁵ BDC, Measuring BDC's Impact on Clients (2014-2018), 2022.

Free tools, resources and entrepreneurship-focused content

Our free publications reach

530,000

entrepreneurs each month, with information on the economy, articles, tools and business advice

Online library of

2,000

free articles, blogs, videos, courses, webinars, assessments, tools, templates and eBooks

BDC's Economics and Research team delivers

15+

research reports each year on issues and trends impacting Canadian SMEs

“BDC’s experts thoroughly assessed our sales processes and sales management framework for the U.S. market to ensure that we were ready to build our presence there. Working with BDC also led us to hiring our new president and put us on a strong growth trajectory.”

Eleanor Lee and Angel Kho (Choi Yuen Kho)
Co-Founders
Loulou Lollipop (British-Columbia)

[Read the full story](#)





3. Equipping BDC talent to deliver on our sustainability ambitions

Our people, our driving force

BDC’s workforce is vital to delivering progress on our sustainability ambitions.

Our employees have access to a variety of resources (e.g. videos, summaries of books and articles, financial and sales training, e-learnings, etc.) to help them develop soft and technical skills. We also partner with LinkedIn Learning, which has over 5,000 contents on diverse topics and offers an inventory of resources, including book summaries from getAbstract and Blinkist.

Last year, we rolled out mandatory Sustainability 101 training for all our employees to ensure that they have a clear understanding of our strategy and priorities, and why and how these matter to Canada’s entrepreneurs.

We also provide training to help employees counter racism, discrimination and unconscious bias, and to promote accessibility. As part of our commitment to the long journey towards Indigenous reconciliation, BDC employees are required to follow the 4 Seasons of Reconciliation training, which provides foundational knowledge on the relationship between Canada, Indigenous Peoples, and the Truth and Reconciliation Commission of Canada (TRC).

BDC’s global talent development offering is customized to address employees’ current needs. Our training programs and resources are designed to help our most valuable assets – our people – continuously develop so they can keep pace with current business realities and prepare for the future.

98%
Of our employees completed our Sustainability 101 mandatory training

(Percentage is less than 100% due to voluntary departures, leaves of absence, etc.)



“At BDC, we admire entrepreneurs. Our people are engaged and eager to make an impact on businesses’ success. We have a strong mission to help entrepreneurs as they grow their businesses, which helps strengthen the country.”

Julie Santucci

Vice President, Financing, Montreal South Shore, BDC



3. Social impact

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→ Helping entrepreneurs manage their mental health	27
→ Building more diverse and inclusive workplaces	28
→ Diversity is our strength	29

SDGs we support



Ensuring no one → is left behind

\$11.7M

In loans authorized in fiscal 2024 through the Black Entrepreneurship Loan Fund (BELF) in partnership with the Federation of African Canadian Economics (FACE)

1,301

Indigenous clients
(record year, +22% over fiscal 2023)

19,418

Women-owned businesses as clients (record year, +11% over fiscal 2023)

\$1.73B

In loans authorized to women-owned businesses in fiscal 2024

\$44.3M

In capital authorized to women-led businesses and general partners through our Thrive Platform in fiscal 2024

229 clients

Registered for three hours of free therapy through our Entrepreneur Mental Health pilot program

30.3%

Of our employees are visible minorities



Ernest Korankye
Founder, President and CEO
Asante Logistic Group (Nova Scotia)



Building a diverse, equitable → and inclusive economy

At BDC, we know that a diverse and inclusive economy is a growing economy, and we are committed to ensuring that no one is left behind – be it our employees or the entrepreneurs we serve.

Unfortunately, many people continue to face the same biases and barriers that existed a decade, or even a generation ago, impacting productivity, innovation, workplace culture, talent attraction and retention. We see these realities as a call to do more and better for underrepresented and diverse communities.

Some groups in Canada are traditionally underrepresented in the entrepreneurial community and underserved by financial services providers. These include but are not limited to women, Indigenous, Black, LGBTQ2+, persons with disabilities and entrepreneurs in rural communities.

How we deliver social impact

1.

Expanding opportunities for underrepresented entrepreneurs

2.

Supporting entrepreneurs' well-being and their social impact

3.

Fostering a diverse, equitable, inclusive and accessible workplace



1. Expanding opportunities for underrepresented entrepreneurs

Women entrepreneurs

Only 19.6% of all private-sector businesses in Canada are majority-owned by women, even though women represent more than 50% of Canada’s population.⁶

16
We partner with 16 organizations across Canada that support women entrepreneurs and leaders.

To help unlock this enormous entrepreneurial potential, we act on all fronts, by providing financing, capital, resources and networking opportunities to women entrepreneurs.

BDC partners with community and industry organizations and other financial institutions to address the inequities that many entrepreneurs still face when trying to access financing, advice, mentoring and opportunity. In fiscal 2024, we established a new partnership with the Women Presidents Organization to provide its members with value-added services and privileged access to our full range of advisory services.

⁶ Statistics Canada, [Analysis on businesses majority-owned by women](#), first quarter of 2024.

Our progress supporting women entrepreneurs

Financing

\$1.73B

In loans authorized in fiscal 2024, bringing the total amount of our loan portfolio committed to women entrepreneurs to \$7 billion.

Capital

\$44.3M

In equity investments authorized through the Thrive Platform for Women in fiscal 2024.

\$500M

Thrive Platform for Women – the largest of its kind in the world – we ensure that women entrepreneurs have access to everything they need to thrive.

“Capital and support are so critical in early-stage start-ups. It’s really encouraging for a company to know you have a partner who has the capacity to be in it for the long haul. To have an investor like BDC, which is so respected, was also super-helpful for raising funds from other investors.”

Julia Rivard Dexter
Co-founder and CEO
Shoelace Learning (Nova Scotia)

[Read the full story](#)





1. Expanding opportunities for underrepresented entrepreneurs

Indigenous entrepreneurs

Canada’s Indigenous entrepreneurs contributed almost \$50 billion to the economy in 2020⁷, and that figure is expected to continue to grow in the years to come.

Up to **\$350,000**
Our Indigenous Entrepreneur Loan

Yet, Indigenous entrepreneurs continue to face significant barriers in accessing financing and many of them say that they rely on personal savings to start their business.⁸

Committed to economic reconciliation, BDC offers financing and advice tailored to the unique needs of Indigenous business owners. We see the innovation and passion of these business owners, and we’re taking steps to listen and learn to ensure that they can excel in their business journeys.

Our Indigenous Entrepreneur Loan offers financing of up to \$350,000 to clients. The loan comes with flexible terms, with no processing or annual administration fee. BDC returns part of the interest paid on the loan to a registered charity chosen by the entrepreneur.

⁷ Source: Statistics Canada, [Indigenous Peoples Economic Account: Methodology and Preliminary Results, 2022](#)

⁸ Canadian Council for Aboriginal Businesses (CCAB), [Promise and Prosperity, 2016](#).

Our progress supporting Indigenous entrepreneurs

Financing

\$208M

in loans authorized in fiscal 2024, for a total of \$917 million in term loans committed to Indigenous entrepreneurs.

1,301

Indigenous clients in fiscal 2024 (record year, +22% over fiscal 2023).

Partnerships

SOAR

As part of our partnership with the SOAR Accelerator Program – a grassroots initiative supporting the growth of Indigenous entrepreneurs – we presented the SOAR Digital Gathering, a virtual event that brought together more than 2,000 entrepreneurs to share, learn and connect in a safe and inclusive space.

Capital

In 2021, we co-created the

\$153M

Indigenous Growth Fund, in partnership with the National Aboriginal Capital Corporations Association, to further support financing for Indigenous businesses. This is the largest Indigenous social impact fund in Canada.

Raven Fund II

We are the lead investor in Raven Fund II, led by Raven Indigenous Capital Partners, North America’s only Indigenous-led and owned venture capital intermediary.

First Nations Executive Education

We are a lead partner of the executive management program at HEC Montreal aiming to strengthen the skills of First Nations leaders by combining traditional knowledge with the best in contemporary management practices.

Entrepreneur impact story

This Indigenous entrepreneur → is paying it forward

Kendal Netmaker and his three sisters were raised in a single-parent household on the Sweetgrass First Nation reserve, near North Battleford, Saskatchewan.

When he was in Grade 5, his friend Johan asked why he wasn't involved in sports, and he replied that his family couldn't afford it. When Johann told his parents, they paid it forward and helped Kendal by paying his soccer registration fees and giving him rides to and from the reserve after games and practices. They took it a step further and gave Kendal's family a vehicle by grade 7 that allowed him and his siblings to continue to play organized sports.

Educating people about Indigenous values

This act of kindness became the inspiration for Kendal's first foray into the business world. When he started his first business in 2011, he saw retailing sports clothing as a way of connecting with Indigenous youth and putting them on the path to success.

The founder and CEO of Neechie Gear and Netmaker Enterprises Corp. sees his business as a way to educate people about Indigenous values and culture.

Giving back

Neechie is Plains Cree slang for friend – Kendal's way of honouring his friend's generous gift and paying it forward to Indigenous athletes. For over 10 years, Kendal has given back thousands of dollars to Indigenous youth through scholarships and bursaries. Since the pandemic, he has changed his business focus from retailing to Keynote speaking that takes him all over North America in-person and virtually.

He also offers training sessions in Indigenous awareness, relations and engagement, including how to hire and how to work with Indigenous people.

"The loan I got from BDC helped fuel my growth with public speaking. I had to start hiring coaches, I got mentorship, programs, books, all that type of stuff. I had to train myself to do this professionally."

With BDC's help, Kendal is bringing two worlds, two cultures and two peoples together.

[Read the full story](#)



"The world needs to start hearing more about Indigenous values. We need to start looking at how Indigenous people sustained our continents for literally thousands of years."

Kendal Netmaker

Owner
Neechie Gear and Netmaker
Enterprises Corp. (Saskatchewan)



1. Expanding opportunities for underrepresented entrepreneurs

Black entrepreneurs

Canada is home to over 66,000 Black-owned businesses and that number is growing quickly. In fact, the number of Black-owned businesses with employees has grown by 60% over the past ten years, compared to only 6% on average for the rest of the entrepreneurial population.⁹

\$11.7M in loans authorized in fiscal 2024 through the Black Entrepreneurship Loan Fund (BELF) in partnership with the Federation of African Canadian Economics (FACE).

Black entrepreneurs cite access to capital as the main barrier to success.¹⁰ To help overcome this challenge, BDC has committed more than \$40 million since 2021 in dedicated financing and capital solutions to support Black entrepreneurs. We work with national and regional partners to reach more entrepreneurs who could benefit from our services. We have tailored some of our free resources to Black business owners and we sponsor events and workshops to create meaningful networking opportunities.

BDC received the 2023 Ubuntu Maple Bridge Finance Award from the African Canadian Business Chamber for our support of Canadian SMEs.

⁹ Statistics Canada and BDC

¹⁰ Source : Abacus Data, Survey on Barriers Facing Black Entrepreneurs, 2021

Our progress supporting Black entrepreneurs

Black Entrepreneurship Loan Fund

Up to **\$250,000** in loans to help Black entrepreneurs grow their business. In partnership with FACE. [Learn more](#)

Black Entrepreneur Startup Program

Financing of up to **\$60,000** plus mentorship for entrepreneurs aged 18-39. In partnership with RBC and Futurpreneur. [Learn more](#)

Black Innovation Fund

A venture fund for black-led tech start-ups. In partnership with BKR Capital. [Learn more](#)

Byron and Dexter Peart believe consumers are overwhelmed by choice and offer them a “less but better” approach. The two Montreal-based entrepreneurs created Goodee, a B Corp-certified, socially conscious brand that carefully chooses products that are both beautiful and sustainable.

Byron and Dexter Peart
Co-founders
Goodee (Quebec)

[Listen to their story](#)



1. Expanding opportunities for underrepresented entrepreneurs

LGBTQ2+ entrepreneurs

Nearly half of Canadian LGBTQ2+ business owners have hidden who they are in business dealings in order to avoid discrimination. Sadly, more than a third have also lost opportunities due to their LGBTQ2+ status.¹¹

More must be done for Canada’s millions of LGBTQ2+ people and the country’s 28,000 companies that are LGBTQ2+-owned. These businesses employ over 435,000 Canadians and generate over \$22 billion in annual economic activity. They are not only a critical component of our economic fabric but also a testament to the rich diversity of our country.

Employ **+435,000** Canadians

Generate **\$22B** in annual economic activity

¹¹ Canadian Gay and Lesbian Chamber of Commerce, “LGBT SME Landscape Research Study”, 2019.

Our progress supporting Canada’s LGBTQ2+ community

Since

2019

We have been working with Canada’s 2SLGBTQI+ 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 April

2023

We proudly announced that we had become the largest organization in Canada—and the first financial institution—to be Rainbow Registered. The CGLCC created this accreditation to certify that an organization has shown commitment and consistency in providing a welcoming and inclusive LGBTQ2+ customer and employee experience.

“That was one of the core things about being business owners: answering to no one but ourselves, and trusting our judgment and ability to run our business ethically, responsibly and profitably.”

Sonja Mills and Alicia MacDonald

Co-owners
Port Rexton Brewing Company
(Newfoundland and Labrador)

[Read the full story](#)



1. Expanding opportunities for underrepresented entrepreneurs

Entrepreneurs in rural communities

We are committed to reaching entrepreneurs in every corner of the country, including underserved regions, new immigrants, rural Canadians, and new businesses.

With one in five of Canada’s SMEs operating in a rural area¹², we are looking for ways to increase our market penetration in these communities.

- We leverage partnerships with local chambers of commerce and associations in rural areas.
- We increase investment in technology to be more accessible where we may not have physical business centres.
- We hire more people to better cover the underserved communities.

Partnerships with impact

To help reach more entrepreneurs in rural communities, last year we teamed up with Canada Post to offer the BDC Small Business Loan, which combines an easy online application with flexible repayment options. SMEs can apply for financing from \$10,000 up to \$100,000.

For additional financing opportunities, we also redirect our clients to the Community Futures office near them. Community Futures organizations are a network of 267 non-profit offices across Canada that provide small business services to people living in rural and remote communities.

We are committed to reaching entrepreneurs where they are

Market penetration rate

Below is a map of our market penetration rate, which is defined as the number of direct BDC clients in relation to the total addressable market in that region, in keeping with our role as a complementary lender.

B.C. and North

6.2%
(5.3% rural)

Prairies

6.0%
(4.0% rural)

Ontario

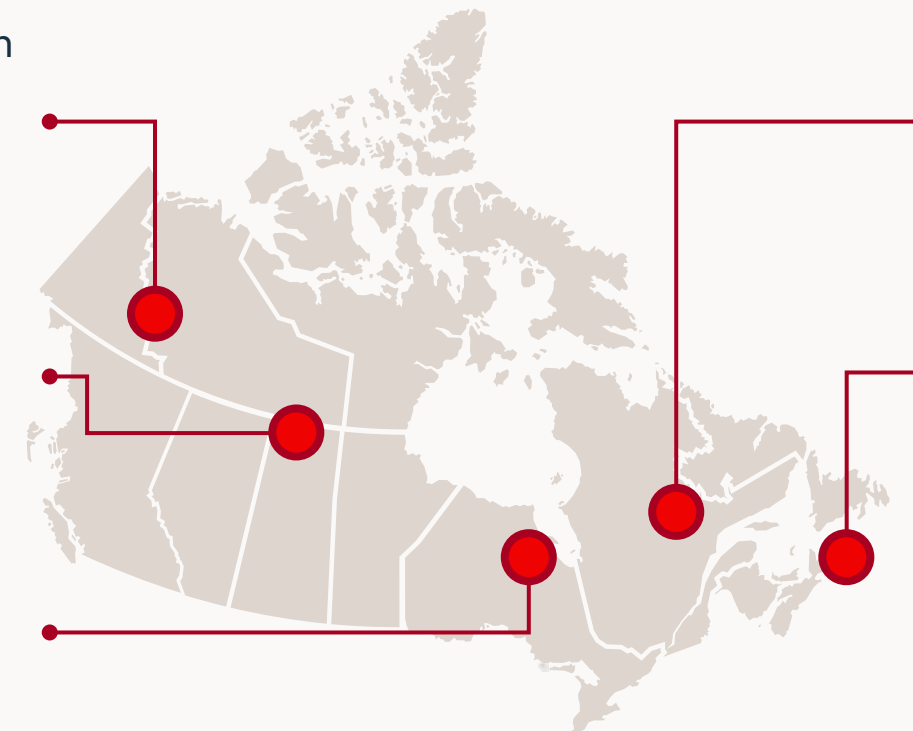
5.7%
(4.3% rural)

Quebec

9.9%
(8.2% rural)

Atlantic

7.7%
(6.9% rural)



Largest increases in clients served between fiscal 2023 and fiscal 2024:

B.C.
+17.4%

Alberta
+11.2%

Manitoba
+8.3%

¹² ISED, SME Profile: Rural enterprises in Canada, 2020



2. Supporting entrepreneurs' well-being and their social impact

Helping entrepreneurs → manage their mental health

We know not all health challenges are physical and we are committed to nurturing entrepreneurs' mental health and well-being so they can bring their best self to their business, employees, customers and communities.



“There’s a certain vulnerability when you share your own story on mental health, but the more I do it, the more other women and entrepreneurs will do it, too. When we all do it, we are able to understand each other so much better.”

Anna Sinclair
CEO
Total Mom Show (Ontario)

[Watch the full story](#)

BDC’s Entrepreneur Mental Health Initiative

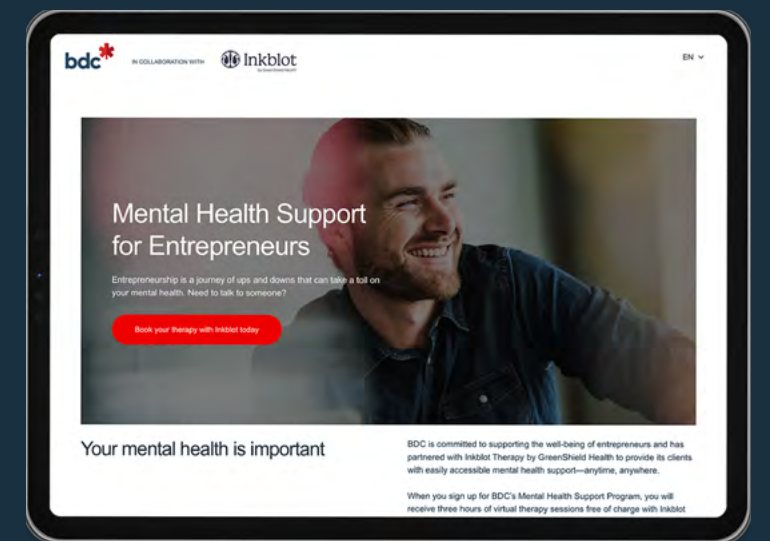
We believe entrepreneurs must be well to do well. BDC was the first financial institution in Canada to focus on mental health for its clients and has been a leading voice on the issue since 2018, through research, awareness-raising initiatives and access to support.

Raising awareness

- We conduct annual surveys on the state of mental health of entrepreneurs. Our research shows entrepreneurs often struggle in silence and are reluctant to ask for help.
- In fiscal 2024, we found more business owners are taking steps to take better care of their mental health, but 24% are still struggling.¹³
- The well-being section on our website offers free tools and resources, plus personal stories from other entrepreneurs outlining their struggles and how they cope.

Providing support

- Recognizing cost is the main barrier to mental health support, BDC wants to make it more accessible and affordable for small business owners.
- We launched a pilot program offering up to three hours of free virtual therapy through GreenShield Health. In fiscal 2024, 229 clients registered for the program.
- Entrepreneurs can easily connect with the therapist best suited to their needs.
- Clients can continue receiving care at a discounted rate once their three free hours are used.



¹³ BDC Survey on SME owners' mental health and support, May 2024

2. Supporting entrepreneurs' well-being and their social impact

Building more diverse and → inclusive workplaces

We want to also help entrepreneurs build strong, inclusive businesses that reflect the composition of Canada's diverse population.

Raising the bar on DEI in the venture capital ecosystem

A founding signatory of the Institutional Limited Partners Association (ILPA) Diversity in Action Initiative, BDC Capital is actively engaged in a dialogue to promote greater transparency and uniformity around reporting on environmental, social and governance (ESG) issues in the venture capital (VC) ecosystem.

BDC Capital created free reporting templates, following extensive industry consultations, for Canadian investment firms to track DEI and ESG metrics in their organization and across their portfolio, and to help prepare them, and VC-backed companies, to meet more rigorous reporting requirements as they scale.

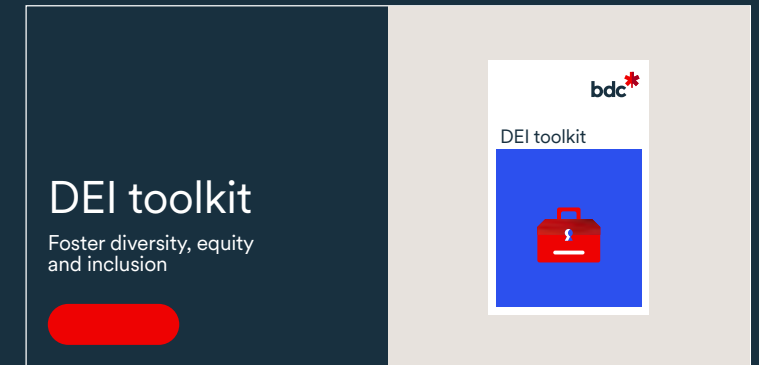
BDC uses the reporting templates to collect DEI and ESG metrics from our portfolio of external and internal funds and publishes the data. BDC Capital's portfolio data covers roughly 63% of all active VC funds in Canada. As a result, it can serve as a benchmark for both investment firms and portfolio companies looking to benchmark themselves against their peers.

While we noted significant improvements in 2023, more work needs to be done, especially in terms of increasing diversity in senior ranks in both investment firms and portfolio companies.

Tools and resources

Free DEI toolkit for entrepreneurs

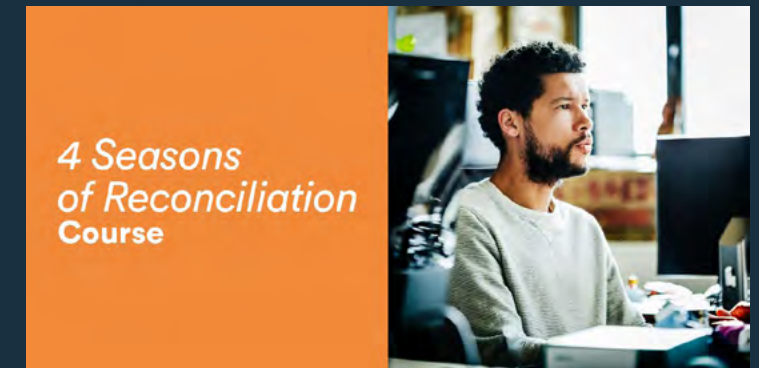
Our free, online [DEI toolkit](#) equips business owners with a deeper understanding of DEI principles and practical implementation strategies.



Entrepreneur's Learning Centre

We offer free virtual training for entrepreneurs and their employees. Our Entrepreneur's Learning Centre includes the 4 Seasons of Reconciliation training. In fiscal 2024, 2,559 Canadians registered for the 4 Seasons of Reconciliation Training through BDC. This is also a mandatory training for our employees.

[Access our online catalogue of free courses for entrepreneurs](#)



3. Fostering a diverse, equitable, inclusive and accessible workplace

Diversity is → our strength

At BDC, we know that embracing diversity, equity, inclusion and accessibility allows us to provide a stimulating work environment, empower our people and harness their collective creativity and innovation.

Our commitment

- Provide a work environment that protects and promotes the safety, health, security and general well-being of all our employees.
- Create an increasingly diverse, equitable, inclusive and accessible organization.
- Treat all people in a way that enables them to maintain their dignity and independence.
- Foster an accessible and welcoming environment for all, prevent and remove barriers to accessibility, and comply with the requirements of the *Accessible Canada Act*. and all other applicable legislation.



Steve Yan

Director, Equity,
Diversity and
Inclusion, BDC

Our actions

Understanding our employees

An impressive 95% of our employees participated in the last voluntary self-identification campaign, illustrating the strength of our inclusive culture.

Engaging our employees

We have five highly-engaged Employee Resource Groups (ERGs) across the bank – Women, Visible Minorities, Indigenous Peoples, Persons with Disabilities, and LGBTQ2+.

Focusing on accessibility

Last year, we placed a particular focus on implementing key initiatives and activities that contribute to making our workplace a safer, more inclusive and accessible one. We put in place an accessibility plan outlining our actions for the next three years.

Our progress

- Obtained Gold Level Women in Governance Parity Certification.
- Rainbow Registered through the Canadian Gay and Lesbian Chamber of Commerce for being a safe space for members of the LGBTQ2+ community.
- Continued working with partners to improve diversity, equity, inclusivity and accessibility within our organization (Pride at Work, Our Children's Medicine, etc.).
- Launched Fortes to advance women in STEM, in partnership with National Bank.
- Partnered with a sign-language firm to provide interpretation services and increase the accessibility of BDC's events.
- Improved most of our workforce diversity indicators compared to the previous fiscal year.

3. Fostering a diverse, equitable, inclusive and accessible workplace

BDC workforce diversity¹⁴

Group	Women		Visible minorities - all		Indigenous		Persons with disabilities		Visible minorities - Black		LGBTQ2+	
	F2023	F2024	F2023	F2024	F2023	F2024	F2023	F2024	F2023	F2024	F2023	F2024
All employees	50%	49%	29%	30%	1%	1%	4%	8%	4%	5%	2%	3%
People leaders	44%	44%	16%	19%	1%	0.3%	4%	8%	2%	4%	4%	4%
Senior management ¹⁵	39%	41%	15%	18%	1%	1%	8%	10%	1%	2%	2%	3%

¹⁴ Data is based on responses from BDC’s voluntary self-identification survey. We disclose representation of black employees as part of our commitment to the BlackNorth Initiative.

¹⁵ Refers to vice president level and up

→ Among Canada’s Best Diversity Employers for 14 years



“When interviewing with BDC, I asked the panel members what they were looking for in a leader and I found them open to diversity, inclusion and allyship, which is important to me. At BDC, being different is a strength. Diverse teams cover more ground and have the potential to be great.”

Sophiya Varghese

Head of Enterprise Data and Analytics, BDC



4. Environmental impact

→ Helping build a clean, low-carbon, circular economy	32
→ Fighting climate change, one investment at a time	34
→ Empowering SMEs in their transition to a greener future economy	36
→ Walking the talk in our facilities and workplaces	39
→ A pragmatic approach to climate action	41

SDGs we support



Helping build a clean, low-carbon, → circular economy

\$1.6B

In capital committed to investing in innovative cleantech companies and funds since 2018

174,000

Visits to our Climate Action Centre, an online hub of resources for entrepreneurs

1,895

Times that our Climate Action Centre tools were downloaded

\$315M

Environmental-related loans to entrepreneurs in fiscal 2024

\$7.3

In private money invested for every dollar invested by our cleantech practice

39%

Reduction in our carbon footprint in fiscal 2024 compared to our base year (fiscal 2020)

57.5 tCO₂e

Emissions avoided by giving a second life to 3,400 IT assets within BDC¹⁶



Élisabeth Bélanger

President and General Manager
Maison Orphée (Quebec)

¹⁶ All green ICT data covers the period January 1 to December 31, 2023.



Building a → greener future

As we think about what we want the future to look like for the next generations, one truth stands out: the transition to a green economy will not be possible without SMEs.

Accounting for about 40% of the country’s total GHG emissions¹⁷, Canadian SMEs have an essential part to play in building a clean, low-carbon circular economy. And while fighting climate change is one of the most pressing environmental challenges we are facing, building a greener future requires a holistic approach that includes responsible consumption and production, clean water, clean energy and ecosystem preservation.

At BDC, environmental protection is a principle that is integrated across our organization, from the entrepreneurs we support, to our own operations and employees’ practices. We aim to be an active player in reducing the environmental impact of businesses across the country and we are committed to helping Canada reach its 2030 and 2050 greenhouse gas emission reduction targets.

How we deliver environmental impact

1.

Investing in environmental leaders

2.

Accelerating environmental action by all SMEs

3.

Reducing the environmental impact of our operations

4.

Climate strategy and action

¹⁷ BDC Survey, [The Benefits for SMEs of taking Climate Action](#), December 2023

1. Investing in environmental leaders

Fighting climate change, → one investment at a time

At BDC, we have an important role to play in helping Canada meet its environmental sustainability objectives.

Over the next 30 years, we will need to rebuild and retool the way we do everything in the economy to drastically reduce GHG emissions and mitigate global climate change. Technology is key to all this, but funding gaps still remain. For example, only [5% of Canadian VC investment went toward cleantech in 2021](#)—versus 14% globally. We must accelerate investment in sustainable innovation to reach Canada’s ambitious net-zero GHG emissions goals. This is why BDC has been increasing its support for Canadian innovative firms developing technologies with the potential to reduce emissions and contribute to a cleaner economy.

→ We are one of Canada’s largest and most active cleantech investors.

In 2018, we launched our [Cleantech Practice](#): a specialized, dedicated cleantech investment team. Since then, our total cleantech-focused investment funds reached \$1.6 billion, making us one of Canada’s largest and most active cleantech investors.

Last year, we created a new \$150-million Sustainability Venture Fund that will make equity investments in companies developing sustainability-enhancing technology systems with the potential to deliver indirect GHG emission reductions. The fund complements BDC Capital’s existing sustainability-themed funds. While the \$500-million Climate Tech Fund II focuses on capital intensive and asset-heavy companies, the Sustainability Venture Fund targets asset-light software businesses.

Collaboration is central to our approach

We invest in partnership with public and private sector investors to build Canada’s cleantech and climate tech ecosystem. For every dollar our cleantech practice invested, \$7.3 of private money was invested concurrently or subsequently.



“The ingenuity of our environmental and climate-tech focused entrepreneurs will not only help us achieve our 2030 and 2050 climate targets; it will also form the backbone of Canada’s economy for decades to come.”

Susan Rohac

Managing Partner, Climate Tech Fund – BDC Capital

1. Investing in environmental leaders

\$1.6 billion dedicated to cleantech investments

Name of fund	Cleantech Fund I	VCCI Stream III	Fund Investments	Industrial Innovation Venture Fund	Climate Tech Fund II	Sustainability Venture Fund
Launch year	2018	2019	Not applicable	2020	2022	2023
Size of fund	\$600M	\$50M	\$220M	\$90M	\$500M	\$150M
Description	Fully committed to 50 portfolio companies. The fund is closed to new investments and now focused on supporting existing portfolio companies. Includes \$60 million in Cleantech funds managed by Fund Investments.	Clean technology stream aims to increase late-stage VC funding for Canadian firms to grow and compete globally. Venture Capital Catalyst Initiative (VCCI) is a Government of Canada initiative which aims to increase the availability of late-stage VC and support underrepresented groups.	Supports fund managers who invest in technology-focused companies to strengthen Canada's ecosystem for long-term growth and impact.	Targets legacy industries where enabling technologies and leading-edge innovation hold the promise to reshape Canadian companies. Estimate of the total to be committed to environment-focused investments. The total amount of the fund is \$250 million.	Invests in asset-heavy firms developing technologies that can materially mitigate GHG emissions, demonstrating high potential to grow into global champions. Climate Tech Fund II launched in fiscal 2023 with \$400 million. An additional \$100 million was added to the Fund in fiscal 2024.	Supports high-growth software and asset-light businesses with indirect GHG emission reduction potential.

Canadian innovators leading the way to net-zero



Hydrostor is an Ontario-based global developer and operator of utility-scale energy storage projects that can be flexibly sited using their proprietary Advanced Compressed Air Energy Storage technology.



Deep Sky is a Montreal-based startup focused on developing large scale projects to remove billions of tonnes of carbon from the atmosphere and permanently store it underground.



Carbon Upcycling is a Calgary-based company that has developed a commercial technology to produce a supplementary cementitious material by upcycling waste CO₂ from the cement production process.



2. Accelerating environmental action by all SMEs

Empowering SMEs in their transition to a green, → low-carbon economy

At BDC, we are right there with our clients, helping them navigate expectations for a cleaner, low-carbon economy in a pragmatic and effective manner, and turn these pressures into opportunities to futureproof their businesses.

A 2023 [BDC study](#) showed that half of Canadian business owners have already taken action to reduce their carbon footprint. These entrepreneurs saw significant benefits and it took them only 16 months on average to recover their climate investments. However, the other half of entrepreneurs have not acted yet and one third have no intention of taking action, mainly due to limited financial resources and expertise. Entrepreneurs need support to accelerate climate action.



Environment-related lending

Green taxonomy

We developed our own guidelines to identify which client business models, projects and activities are considered “green” or environment-related. This helps our lending teams to identify green financing opportunities in collaboration with our clients.

Green solutions

We piloted two Green Building Loan offerings combining favourable loan terms with free consulting to help entrepreneurs through the process of retrofitting their buildings or getting a recognized environmental certification. We were pleased with the uptake of the pilot’s \$125 million lending envelope and this success has encouraged us to expand the offering in fiscal 2025.

Advisory services

Environmental certification

We continued to guide SMEs through successful certifications, including helping clients achieve their ISO 14001 environmental management systems certification.

GHG calculator pilot

After launching an online GHG calculator tool adapted to Canadian SMEs, we tested the new tool with clients to better understand how we might integrate GHG footprint support into BDC’s advisory services.

Information and tools

Climate Action Center

We continued to add helpful materials to this online resource hub where entrepreneurs can find information, tools, advice and connections to reduce their businesses’ GHG footprint.

174,000

Visits to our Climate Action Centre.

1,895

Times our Climate Action Centre tools were used.

2. Accelerating environmental action by all SMEs

Collaborating with → stakeholders to maximize our support for entrepreneurs

We engage internal and external stakeholders to maximize our support for entrepreneurs on their journey toward a more sustainable and low-carbon future. This is how we create a greater impact, together.

Seeking insights from Canadian SMEs

Our research team regularly looks into SMEs' behaviours and sustainability-related trends. The findings inform our ongoing efforts to support SMEs' transition to a greener future.

- [The Benefits for SMEs of Taking Climate Actions](#) (December 2023)
- [Top Consumer Trends in Canada](#) (August 2023)
- [ESG in Your Business: The Edge you Need to Land Large Contracts](#) (March 2023)

Engaging stakeholders

We engage with peers and stakeholders across the financial industry, both within Canada and globally, to discuss shared challenges.

The methodology behind our GHG calculator was supported by an advisory group, composed of Canadian financial institutions and key stakeholders, including Vancity, Scotiabank, RBC, National Bank, Desjardins, Export Development Canada (EDC), Standards Council of Canada and Green Economy Canada.

We also work with key industry players such as Econoler, Plug 'N Drive, Quebec Net Positif, B Lab and Propulsion Quebec to help clients and communities to implement climate solutions.

Our progress

Helping SMEs play their critical role in the energy transition

To meet Canada's 2050 net-zero objectives, new buildings will have to be constructed to a net-zero standard, and most existing building stock in Canada will need to be retrofitted to become more energy efficient. We will also need to grow our clean electricity supply to meet the growing demands of our economy. None of this will be possible without SMEs.

BDC wants to make sure that SMEs are aware of and ready to participate in the supply chains that will be critical to the energy transition.

In fiscal 2024, we conducted extensive outreach to leading participants in Canada's energy transition to better understand the challenges and opportunities for Canadian SMEs. We prepared two framing papers to inform, inspire and mobilize stakeholders in the buildings and electricity sectors to support and strengthen these important supply chains.



Entrepreneur impact story

Green means growth → for this B.C. winery

For Teresa and Bill Townsley, co-owners of Festina Lente Estate Winery in Langley, B.C., investing in sustainability aligns perfectly with their personal and corporate values.

“Our whole business model is built on reducing our environmental footprint,” says Teresa Townsley. “For example, we don’t use traditional corks—we use compressed sugarcane corks, which are a byproduct of sugar manufacturing. Little business decisions like that can be environmentally forward without costing more.”

When undertaking some renovations, switching to LED lighting throughout their property seemed like an obvious first step, but the two entrepreneurs wanted to go further. They installed low-flow toilets everywhere because careful water use makes sense for a growing business reliant on a well and aquifer. They also decided to replace all the windows with energy-efficient ones. These changes are bringing costs down and are helping attract more customers: The company has expanded six times in eight years.

[Read the full story](#)

→ Going green pays off

According to [a 2024 BDC survey](#) of 1,500 building owners, the average payback period for those who upgraded to energy-efficient windows was about 3.5 years.



“Based on the success of our green renovations so far, we’re ready to do more. We want to be the first winery in B.C.’s Lower Mainland to be completely solar powered.”

Teresa and Bill Townsley

Co-owners
Festina Lente Estate Winery (British Columbia)



3. Reducing the environmental impact of our operations

Walking the talk in our facilities and workplaces

We aim to inspire and assist Canadian businesses in their journey towards a greener future while also championing these practices within our own operations.

Our sustainability framework focuses on reducing our GHG emissions and also on integrating green IT solutions, incorporating environmental criteria in the management of our facilities, and fostering a workplace culture that values environmental stewardship.

Greening our information technology infrastructure

Our objective is to reduce the environmental footprint of our IT infrastructure across its lifecycle. This includes integrating energy efficiency criteria in the choice of our equipment, extending the lifespan of our IT assets before replacing them, as well as refurbishing and recycling equipment.

Our strategy also extends to reducing the square footage of our data centres where possible, and offsetting the lifecycle emissions of our laptops upon purchase.

Our Green IT committee takes the lead in executing this strategy, and actively engages employees to encourage responsible behavior. Last year, they organized an e-waste collection event for employees that collected 280 kg of e-waste.

We also organized our first Green Hackathon – a day dedicated to building knowledge about climate change. The Hack & Learn – Green 2023 Edition brought together our entire IT group of experts, who worked to find innovative solutions to help integrate sustainable development principles into our IT practices.

Greening our facilities

While we do not own any of our buildings, we embrace LEED® certification¹⁸, ensuring that our spaces are not only environmentally responsible but also designed to enhance the health and productivity of everyone who walks through our doors. Across Canada, 11 of our workspaces are LEED®-certified projects.

Greening IT and facilities

50%
Reduction in number of printers

3,400
IT assets reused

1,929 kg
Assets recovered

11
BDC Business centers are LEED®-certified projects, including BDC's head office in Montreal

All Green IT data covers the period between January 1 – December 31, 2023.



¹⁸ The U.S. Green Building Council's LEED® green building program is the world's most widely used and was created as a leadership standard defining best practices for healthy, high-performing green buildings.



3. Reducing the environmental impact of our operations

Reducing our GHG emissions

We are walking the talk and we are reducing the GHG emissions associated with our own operations, while maintaining a best-in-class employee and client experience.

BDC aims to reduce its operational GHG emissions, including scope 1, scope 2, and business travel emissions. Despite a 32% decrease in emissions from its facilities, the Bank’s carbon footprint decreased by only 1% compared to fiscal 2023. This was due to the post-pandemic rebound in business travel related emissions.

In the coming year, we will continue to roll out initiatives aimed at achieving our reduction target.

Source of emissions	F2024 results (compared to fiscal 2020)	Initiatives	What’s next
Facilities (scope 1 & 2 emission)	42% Reduction in emissions from facilities rented by BDC	We have reduced the square footage of the facilities we rent.	Use 100% renewable electricity and non-emitting energy for our facilities by fiscal 2026.
Business travel (scope 3 emissions)	36% Reduction in emissions from business travel	Designed Business Travel toolkits to encourage employees to make lower impact travel choices.	Pilot an internal price of carbon for business travel.

-39% Carbon footprint reduction from our base year which is fiscal 2020





4. Climate strategy and action

A pragmatic approach → to climate action

The Board of Directors has ultimate oversight of BDC’s sustainability governance and strategy, including climate action.

Our Senior Vice President and Head, Sustainability, Diversity & Social Impact is responsible for BDC’s climate change strategy and action plans. Several cross functional teams have responsibility for developing climate-related solutions across the organization. For example, the cross-functional Climate Risk Working Group is responsible for developing and deploying BDC’s climate risk management plan, while our Facilities team develops and manages initiatives to reduce the GHG footprint of our premises. See the Governance section (page 55) for details regarding sustainability governance and management.

→ Adhering to recognized guidelines

We refer to the Task Force on Climate Related Financial Disclosure (TCFD) and the International Sustainability Standards Board (ISSB), for guidance regarding our climate-related financial disclosure.

BDC’s climate action framework

BDC’s climate action framework is our strategic guide to embedding climate considerations across BDC’s business activities and internal operations. This enables us to better manage the risks and capture the opportunities related to the transition to a low-carbon economy for both BDC and for entrepreneurs.

	Ambitions	Objectives	Implementation
Opportunities	Invest in climate leaders	Invest in businesses that can scale solutions for a clean and low-carbon economy.	<ul style="list-style-type: none"> Invest in climate technology firms. Invest in early-stage businesses developing technologies that contribute to a net-zero economy.
	Accelerate climate action	Develop financial products, advisory services, and resources to support environmental and climate action.	<ul style="list-style-type: none"> Share free information and resources via our Climate Action Center. Deploy environmental lending products. Integrate climate action into advisory services.
	Inform the transition	Inform and engage employees, clients and partners to help meet climate ambitions.	<ul style="list-style-type: none"> Provide climate-related insights via our Economic Research team. Equip employees to champion best climate practices. Engage with industry players regarding the energy transition.
	Reduce our own emissions	Achieve net-zero in our operations by 2028.	<ul style="list-style-type: none"> Reduce emission related to business travel. Reduce emissions related to our facilities. Employ market mechanisms to address residual emissions.
Risks	Manage climate risks	Understand, assess, and address the risks of climate change to BDC and our portfolio.	<ul style="list-style-type: none"> Integrate climate risk into our Enterprise Risk Management Framework. Identify, assess, manage, monitor and report on climate-related risks.



4. Climate strategy and action

Managing and assessing → climate risks

We expanded our existing Environmental Risk Directive to integrate climate risk considerations into BDC’s risk management framework.

Informed by the Office of the Superintendent of Financial Institutions ‘Guideline B-15 (Climate Risk Management)’ and the Financial Stability Board’s TCFD, these climate risk considerations serve as self-imposed guidelines, tailored to accommodate the unique aspects of BDC’s mandate, nature, size, and complexity.

Environmental risk is the risk that environmental concerns associated with BDC, a client, supplier, transaction, product, or activity may give rise to credit, reputational, operational or legal risk. Within this broader context, climate risk is a type of environmental risk, and can be divided into two primary categories: risks related to the physical impacts of climate change, and risks related to the transition to a lower-carbon economy.

Physical risks

These risks arise from the physical impacts associated with a change in climate. These may include severe weather events (e.g., floods, hurricanes, extreme cold or heat), as well as the impacts of long-term climate changes (e.g., rising sea levels, higher average temperatures, drier conditions). Physical risks may have financial and operational implications for organizations, such as direct damage to assets and indirect impacts from supply chain disruption.

Transition risks

These risks are driven by societal changes that are occurring to mitigate climate change; policy/regulatory actions such as subsidies or taxes; innovation and changes in technologies; and changing market conditions. Transition risks, depending on the nature, speed and focus of the changes, may pose varying levels of financial, regulatory and compliance, operational and reputational risk to BDC, its clients and third parties.

BDC climate risk management framework

BDC continues to evolve our approach to identify, assess, manage, monitor and report on both physical and transition climate risks across our portfolio and operations. Climate-related risks arise in a range of traditional risk categories outlined in our risk management framework, as illustrated below.

Risk Category	Potential climate-related risks	Actions to mitigate risks
Credit and Market	Risk of financial losses as physical or transition risks may have a negative financial impact on our clients, investments, or the underlying value of the security held on loans.	<ul style="list-style-type: none"> We manage climate risk for our lending portfolio/investments in alignment with our environmental risk directive. Additionally, we continue to maintain a diversified lending portfolio to enhance resilience against geographical or sectoral downturns, while vigilantly monitoring portfolio exposures. BDC is advancing methodologies to identify and assess both physical and transition climate risks across the lending portfolio. To further understand our exposure to climate-related risks, the Bank conducts stress testing to evaluate the impact on BDC’s financial position, from severe but plausible scenarios arising from physical risks. We remain committed to enhancing our climate scenario analysis in the future.
Operational	Impact of physical risks including extreme weather events on operations.	<ul style="list-style-type: none"> We maintain a business continuity program to facilitate the recovery of critical business activities in the event of disruption and maintain an insurance program to mitigate financial losses.
Strategic	The risk of failing to meet evolving client expectations regarding sustainable products and services.	<ul style="list-style-type: none"> We deploy free and adapted resources via our Climate Action Center, and we integrated climate action into advisory services. We continue to develop environmental-related lending products. We continue to develop our scenario analysis and stress testing capabilities to help us identify and understand the impacts of climate change.
Legal & Regulatory	Increased potential for regulatory non-compliance given the complex and rapidly changing climate regulatory landscape.	<ul style="list-style-type: none"> As regulations and policies evolve, we continue to monitor such developments and update our processes accordingly. Our Environmental Risk Directive and supporting procedures ensure alignment with legal and regulatory requirements including adherence to the <i>Impact Assessment Act</i>.



4. Climate strategy and action

Sensitivity to → climate risk

We have developed a qualitative approach to assess climate risk sensitivity for both physical and transition risks.

For instance, we evaluated our lending portfolio’s concentration in areas with historically high flood and wildfire hazard rates to determine its vulnerability to acute physical risks. Furthermore, we evaluated our portfolio’s sensitivity to transition risk by examining our exposure to carbon-related assets, while also considering the credit risk characteristics of the portfolio. While this approach allows us to compare sensitivities across sectors, we recognize that clients within the same sector may exhibit varying sensitivities to transition and physical risks.

The process of analyzing the sensitivity of our portfolio is continuously evolving and will undergo further refinement as we move forward. The results of our analysis are summarised in the table on the right. The methodology is described more fully on page 12 of the fiscal 2024 Sustainability Report Appendix.

Sensitivity of our portfolio, by sector

Sector	Transition risk	Physical risk	Loans outstanding as a % of total portfolio
Commercial properties	(+) More sensitive	(-) Less	10%
Construction	Moderate	(-) Less	10%
Manufacturing	Moderate	(-) Less	21%
Other	(-) Less	(-) Less	3%
Resources	Moderate	(+) More sensitive	4%
Service industries	(-) Less	(-) Less	15%
Tourism	(-) Less	Moderate	9%
Transportation and storage	(+) More sensitive	Moderate	7%
Wholesale and retail trade	(-) Less	(-) Less	21%





4. Climate strategy and action

Climate targets and metrics

We strive to continually improve the climate-related information that we share with our stakeholders.

Reduction target for our operations

We are committed to reducing our own operational footprint to net zero by 2028, with interim target of 40% reduction by 2026, measured against the fiscal 2020 baseline. This target includes scope 1 and 2 emissions from the facilities we occupy, as well as business travel. See page 12 of the F2024 Sustainability Report Appendix for a summary of our results and progress.

Credit exposure to carbon-related assets

Carbon-related assets are financial assets that have a direct exposure to sectors that are GHG emissions intensive. The materials and buildings sectors are where we find most of BDC's carbon-related assets. We will continue to directly support the decarbonisation of these sectors in the future.

BDC's credit exposure to carbon-related assets as of March 31, 2024

Sector	Outstanding (\$ millions)	Loans outstanding as a % of total portfolio
Energy	\$1,250	3.1%
Transportation	\$2,576	6.5%
Materials	\$5,603	14.1%
Buildings	\$6,232	15.6%
Agriculture, Food and Forest Products	\$2,264	5.7%

Estimated financed emissions

This is our first year estimating and disclosing our portfolio or financed emissions, which are the GHG emissions associated with the companies or projects we financed through loans or investments. As a member of the Partnership for Carbon Accounting Financials (PCAF), BDC's calculations are done according to the Global GHG Accounting and Reporting Standard for the Financial Industry.

Most of our SME clients do not measure and report on their GHG emissions. As a result, much of our data relies on estimations. While this approach is imperfect, we will continue to refine our calculation methodologies, to improve the understanding of our clients' emissions and identify sectors where targeted financial products or support could encourage business owners to fast-track emission reductions plans and help accelerate Canada's net-zero ambitions.

Financed emissions for our clients' Scope 1 and 2 emissions totaled 6.95 million tonnes of carbon-dioxide equivalent (tCO₂e) as of March 31, 2024. While some sectors are more carbon-intensive, we remain committed to supporting all industries as we recognize the important role that we can play in supporting clients in their energy transition and decarbonization strategies to achieve a low-carbon economy. See page 13 of the fiscal 2024 Sustainability Report Appendix.

Estimated financed emissions by asset class as of March 31, 2024

Asset class	Scope 1 and 2 emissions (MtCO ₂ e)	Emissions outstanding per \$ in millions (tCO ₂ e/M\$)
Loans	6.40	174.42
Debt-investment	0.19	134.85
Equity	0.23	112.21
Commercial real estate	0.12	59.10
Total	6.95	163.85



5. Collective impact

→ Engaging clients, employees and partners because we are stronger together	46
→ Reinforcing collaboration and complementarity	47
→ Partnering for impact	48
→ Building Canada’s B Corp community	49
→ Supplier diversity at BDC	50
→ United for entrepreneurs, powered by our people	51

SDGs we support



Engaging clients, employees and partners → because we are stronger together

33%

Of our clients are served through partnerships

140

Partners and stakeholders we interact with to extend our reach and impact

500

Partner contacts received free BDC content that they can share with their members

85%

Our employee engagement score

8.3%

Of BDC's procurement spend is with diverse suppliers

92%

Of our clients report that our services have a positive impact on their business

1 in 4

B Corps in Canada are BDC clients

\$1.7B

In syndicated loans, helping more businesses get funding through financial intermediaries



Alain Ménard
CEO, Green Beaver
Hawkesbury (Ontario)



Reinforcing collaboration → and complementarity

Many of our economic, social, and environmental goals would be beyond our reach if we did not work in collaboration with partners, clients, suppliers, and employees. Our mission is to build an entrepreneurship-focused community, and act as a catalyst in this ecosystem to foster success for all.

How we deliver on our collective impact

1.

Leveraging partnerships to drive sustainability action

2.

Informing and inspiring sustainability leaders

3.

Fostering a diverse and sustainable supply chain

4.

Delivering a world-class employee and client experience



1. Leveraging partnerships to drive sustainability action

Partnering for impact

We have strong business relationships and referrals with Canada’s financial institutions and with many of the organizations across the country who share our commitment to SMEs.

International cooperation

Collaborating internationally to ensure we are using best practices in helping entrepreneurs build sustainable businesses.

BDC is a founding member of The Montreal Group, a global platform of collaboration that brings together 12 international development banks with a focus on mutual learning and the exchange of innovative and sustainable practices for SMEs.

We are also a founding member of the OECD Platform on Financing SMEs for Sustainability.

Our partners support our sustainability ambitions

Fuelling growth and resilience

- [Accelerated Growth Service \(AGS\)](#)
- [Atlantic Canada Opportunities Agency \(ACOA\)](#)
- [Canada Economic Development for Quebec Regions \(CED\)](#)
- [Canadian Northern Economic Development Agency \(CanNor\)](#)
- [CanExport](#)
- [Community Futures](#)
- [Export Development Canada \(EDC\)](#)
- [Farm Credit Canada \(FCC\)](#)
- [Pacific Economic Development Canada \(PacifiCan\)](#)
- [Prairies Economic Development Agency \(PrairiesCan\)](#)
- [Telefilm Canada](#)

Supporting diversity

- [Africa Centre](#)
- [Alternia Savings Credit Union](#)
- [BKR Capital](#)
- [Black Canadian Women In Action \(BCW In Action\)](#)
- [Centre for Women in Business](#)
- [Evol](#)
- [Federation of African Canadian Economics \(FACE\)](#)
- [First Nations Executive Education \(FNEE\)](#)
- [Founders Fund](#)
- [National Aboriginal Capital Corporations Association \(NACCA\)](#)
- [Réseau des femmes d'affaires du Québec \(RFAQ\)](#)
- [SOAR](#)
- [Women of Influence](#)

Empowering know-how

- [Canadian Intellectual Property Office \(CIPO\)](#)
- [Canadian Venture Capital and Private Equity Association \(CVCA\)](#)
- [Chartered Professional Accountants of Canada \(CPA Canada\)](#)
- [Communitech](#)
- [Creative Destruction Lab](#)
- [Innovation, Science, and Economic Development \(ISED\)](#)
- [MaRS Discovery District](#)

“As a business lender and leader in Canada, BDC has always respected our role in creating Indigenous businesses by deploying capital via our Indigenous Financial Institutions network. BDC has been an example in promoting reconciliation, Indigenous institution-building and Indigenous self-reliance. We are grateful for our partnership.”

Shannin Metatawabin
CEO
National Aboriginal Capital Corporations Association (NACCA)



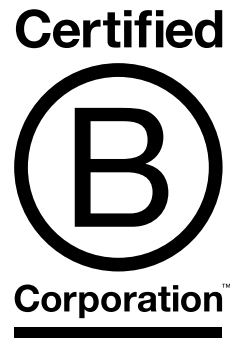
2. Informing and inspiring sustainability leaders

Building Canada's → B Corp community

In addition to being a B Corp certified since 2013, supporting certified Beneficial Corporations (B Corps) is a cornerstone of our commitment to sustainability.

B Corps are profitable companies that meet high environmental, social and governance standards. We are proud to have almost \$200 million in financing committed to 143 B Corps in our portfolio, representing 27% of all B Corp certified companies in Canada.

We are the B Corp movement's national partner. 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 the B Corps movement growth. We also encourage all companies to use the [B impact assessment](#), a free comprehensive questionnaire that examines a business's impact on its community, its employees and the environment.



1 in 4

 B Corps in Canada are BDC clients

\$196M

In total financing committed to 143 B Corps across the country

+5,400

Entrepreneurs participated in BDC's B Corp workshops and training sessions last year

“The Unscented Company is more than a soap company. It's a driving force for change that simplifies our lifestyle by minimizing our choices, as well as our collective environmental impact. B Corp helped me structure my company and grow it based on my values.”

Anie Rouleau
Founder and CEO
The Unscented Company
B Corp certified (Quebec)

[Read the full story](#)





3. Creating a more diverse and inclusive supply chain

Supplier diversity at BDC

We are committed to creating an inclusive supply chain and procurement process to increase visibility and opportunities for our clients and businesses from underrepresented communities.

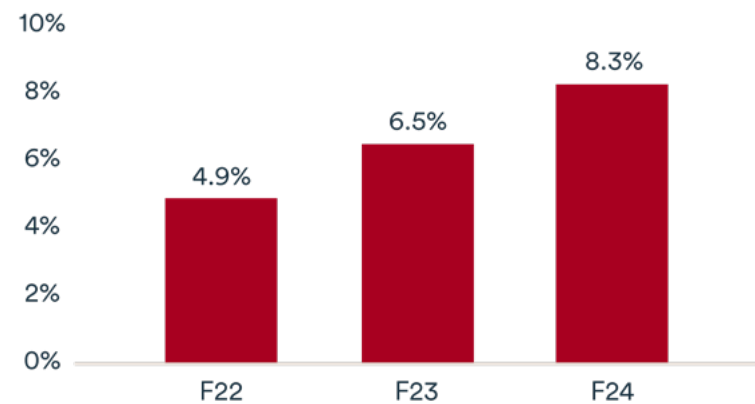
Our strategies

- Promote the benefits of supplier diversity.
- Favour working with companies that are members of or certified through recognized diversity organizations.
- Train internal buyers on the benefits of supplier diversity.

Our progress

Procurement spend with diverse suppliers increases year over year¹⁹ (see graphic below).

Total diverse procurement (% of total spend)



➔ The *Supplier* page on [bdc.ca](https://www.bdc.ca) is where it all starts! The page allows entrepreneurs to register their business to be included in our list of potential suppliers.

¹⁹ Procurement spend includes most operational expenses with the exception of leases, salaries, employee benefits, payments to governments, sponsorships, partnerships, donations and other similar expenses.

What is a diverse supplier?

A diverse supplier is a company that is at least 51% majority owned and operated by person(s) who belong to one of the following groups: women, visible minorities, Indigenous, persons with disabilities, LGBTQ2+ or veterans. Diverse suppliers can be identified by their membership in, or certification through, organizations such as the following:

- Canadian Aboriginal & Minority Supplier Council (CAMSC)
- Canadian Council for Indigenous Business (CCIB)
- Inclusive Workplace and Supply Council of Canada (IWSCC)
- National Gay and Lesbian Chamber of Commerce (NGLCC)
- National Minority Supplier Development Council (NMSDC)
- WBE Canada
- WEConnect
- Women’s Business Enterprise National Council (WBENC)
- Canada’s 2SLGBTQI+ Chamber of Commerce (CGLCC)





4. Delivering a world-class client and employee experience

United for entrepreneurs, powered by our people

With people at the centre of everything we do, we are committed to delivering a world-class client and employee experience.

Client experience

As entrepreneurs' expectations and needs continue to evolve, we listen to their feedback and strive to provide them with a seamless client experience. We work hard to serve entrepreneurs where they are, in the way that works best for them.

- 108 business centres across Canada.
- 24/7 online access to our services at bdc.ca.
- Virtual banking center.
- Virtual small business advisory solutions.

Our progress

92%

of our clients report that our services have a positive impact on their business

Employee experience

Our 2,900 employees bank at another level. They use their talent and creativity to help Canadian entrepreneurs succeed. The employee experience is intrinsically linked to our success in supporting business owners.

Compensation and benefits

- Flexible and competitive compensation and benefits package.
- Employee savings and investment plan (BDC matches part of the employees' contributions).
- Defined benefit pension plan.
- Wellness and health care spending account.



Top 100 Employers for 17 years

Employee engagement and recognition

- BDC's employee engagement score is 85%, which compares favourably to other high-performing organizations.
- Online recognition platform designed to celebrate everyday contributions, big and small, that make a real difference to our collective success.



Montreal's Top Employers for 18 years

Training and development

- Equipping our employees to better support entrepreneurs.
- Leadership development programs, including mentorship and internal and external coaching.



Top Employers for Canadians over 40 for 11 years



6. Leading with integrity

→ Governance and management at BDC	53
→ A diverse, independent Board of Directors	54
→ Sustainability governance, management and oversight	55
→ Responsible risk management practices	56
→ Acting with integrity to deliver on our purpose	57
→ Keeping our clients' information safe	57

Governance and → management at BDC

We are a financially sustainable Crown corporation and we operate at arm's length from our sole shareholder, the Government of Canada. We report to Parliament through our designated minister, currently the Minister of Small Business.

BDC's foundation is the [Business Development Bank of Canada Act](#), which created BDC and established its mission to support entrepreneurship in Canada, with a special focus on SMEs.

How we ensure good governance

1.

Sustainability
governance and
management

2.

Risk
management

3.

Responsible
business practices

4.

Cybersecurity
and data
protection



1. Sustainability governance and management

A diverse, independent → Board of Directors

BDC is governed by an independent Board of Directors, which sets BDC’s strategic direction and holds senior management accountable for fulfilling BDC’s statutory purpose.

The charters of the Board and its committees, as well as the Board’s Code of Ethics and Conduct, define the Board’s corporate governance framework, oversight responsibilities, stewardship role and decision-making authority. The Board and committee charters as well as the Board’s Code of Ethics and Conduct are available on [bdc.ca](https://www.bdc.ca).

With the exception of the President and CEO, all directors are independent. Various committees (see chart) assist the Board in fulfilling its oversight responsibilities.

Board members bring a diverse range of perspectives that help us support our clients’ goals and aspirations. Half of our board members are women and over 40% are visible minorities, including 16.7% who identify as Black.²⁰

BDC’s Board of Directors

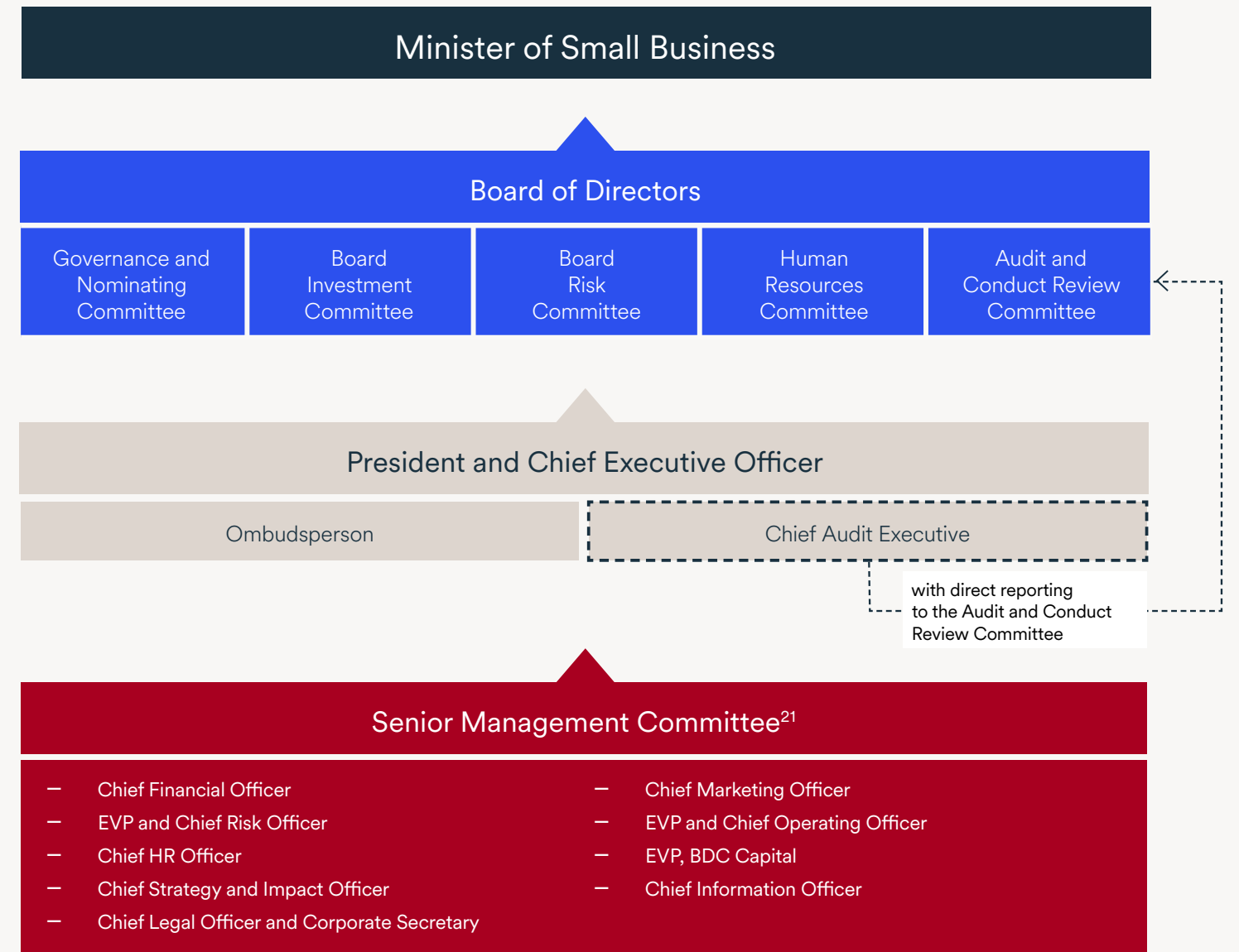
50%
Women

42%
Visible minorities

8%
Indigenous

²⁰ Based on 12 independent board members.

BDC’s governance framework



²¹ BDC’s governance framework also includes several internal committees to guide corporate decision-making in areas such as disclosure, risk management, venture capital management and pension management.



1. Sustainability governance and management

Sustainability governance, → management and oversight

Sustainability governance

The Board of Directors has ultimate oversight of the sustainability strategy. Our Board members attend training programs on different sustainability related topics, including sessions on Indigenous reconciliation, DEI and accessibility, integration of climate change risks into commercial lending, ESG issues, as well as the green taxonomy.

Sustainability management and oversight

BDC's Senior Management Team is responsible for managing BDC's day-to-day operations. It receives regular performance updates related to our sustainability strategy, including diversity, equity and inclusion and climate action and provides guidance regarding DEI and accessibility strategy implementation.

Reporting to the Chief Community Banking and Impact Officer, the Senior Vice President and Head, Sustainability, Diversity & Social Impact (SVP Sustainability) leads the team responsible for BDC's enterprise-wide sustainability, diversity and social impact strategies, objectives and action plans. Several cross functional working groups exist to advance our sustainability strategy.

Embedding sustainability into performance metrics

Sustainability objectives, including DEI and climate-related objectives, are included in our corporate dashboard to help us track progress against our long-term goals. This ensures greater alignment with and accountability for sustainability-related objectives.

In addition, sustainability metrics are part of our performance scorecard, which is the annual performance evaluation tool tied to variable compensation of employees across BDC. It ensures alignment with our corporate strategy and includes a balance of financial and non-financial metrics. Through these measures, we ensure that our leadership is incentivized to prioritize sustainability factors, which is crucial for BDC's long-term success and its commitment to responsible business practices.

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

Sustainability governance

Board and committees	Responsibilities
Board Governance and Nomination Committee	Oversees BDC's sustainability strategy, as well as reporting and disclosure. Responsible for reviewing developments and emerging issues in corporate sustainability, including climate change.
Board Risk Committee	Assists the board in overseeing the risk management framework. It ensures that all reasonable measures are taken to ensure that major risks – including climate change and social-related risks – are identified, and controls and processes are in place to manage them.
Board Investment Committee	Reviews strategic initiatives aimed at improving the VC ecosystem, including sustainability initiatives, with particular regards to DEI.
Human Resources Committee	Ensures that BDC's organizational culture is aligned with its strategy, including the aspects relating to diversity, equity, inclusion and accessibility as well as employee health, safety and well-being.

Sustainability management and oversight

Internal committees and working groups	Responsibilities
Sustainability Community of Practice	Facilitates exchange of information among sustainability practitioners in various business lines and support functions, and creates synergies across the organization with regards to environmental and climate strategy.
Climate Risk Working Group	Chaired by the SVP Sustainability, the committee is responsible for developing and deploying BDC's Climate risk management plan.
Diversity, Equity, Inclusion and Accessibility Leadership Council	Chaired by the Chief Human Resources Officer, it is composed of senior leaders and works in close collaboration with our Senior Management Committee and our employee resource groups to help implement and monitor Diversity, Equity, Inclusion and Accessibility initiatives that are aligned with BDC's mission and strategic objectives.

2. Risk management

Responsible risk management practices

Consistent with our mandate to support SMEs, BDC generally assumes more risk than a typical financial institution.

BDC's non-investment-grade exposure is significantly higher than that of the six largest Canadian chartered banks. However, BDC's strong risk management practices and culture enable it to take the risks necessary to fulfill its mandate.

From design to implementation, our strategy remains embedded in BDC's risk management framework, which guides our decision making and preserves the financial self-sustainability of BDC's operations.

The risk management framework provides a consistent and structured approach to managing the risks inherent in BDC's activities while ensuring that the outcomes of such risk-taking activities are aligned with BDC's strategy, risk appetite and mandate. BDC's approach to the management of risk is based on 4 pillars of risk management: risk identification and assessment, risk measurement, risk control and management, and risk monitoring and reporting.

For more information on our risk management practices, see [BDC's Annual Report, pages 47-55](#).

BDC's approach to managing risk is based on four pillars of risk management



“BDC’s experts truly understood what it means to run a tech company. When we were under pressure to buy out a shareholder, they were able to close the deal with an innovative solution!”

Sébastien Charland
CFO, Partner
Agendrix (Quebec)

[Read the full story](#)



3. Responsible business practices

Acting with integrity → to deliver on our purpose

We uphold the highest standards of ethics and integrity and adhere to strict legal requirements to combat tax evasion, fraud, money laundering, conflicts of interest, and corrupt practice.

The [BDC Code of Ethics \(the Code\)](#) and the [Board's Code of Ethics and Conduct](#) guide us in applying these principles throughout our organization and in all our actions. The codes are reinforced by governance documents on personal trading, disclosure of wrongdoing, anti-fraud, anti-money laundering, knowing your client, anti-terrorism financing and respect for sanctions. BDC also has an Ombudsperson, ensuring that employee, client, and supplier concerns and issues are addressed and resolved. Reporting to the Audit and Conduct Review Committee, the Ombudsperson coordinates an independent mediation process. BDC also has a Whistleblowing hotline which is administered by ClearView Connects, a system that is both secure and confidential.

→ BDC's Ombudsperson ensures that employee, client, and supplier concerns and issues are addressed and resolved.

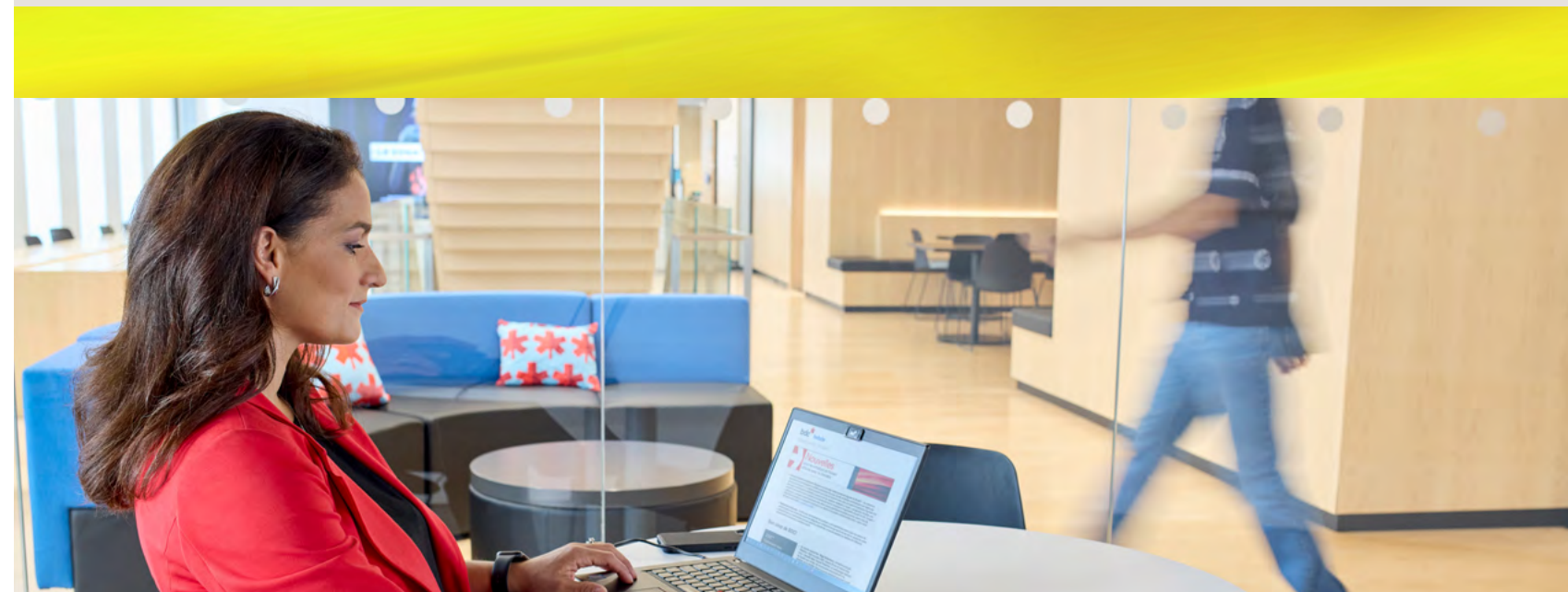
4. Cybersecurity and protection of confidential data

Keeping our clients' → information safe

BDC is committed to appropriately safeguarding our systems and information in the context of an evolving cyber threat and regulatory landscape.

– Aligned with information security best practices, we invest in our employees, processes, and technology.

- We continue to implement and maintain 24/7 security monitoring and response capabilities around our most critical systems and information, supported by tools that allow us to detect and remediate potential issues as they arise.
- Under the leadership of the Chief Information Security Officer, our information security team reports on known risks and vulnerabilities.





7. Looking ahead

➔ A lot to be proud of, a lot of work ahead of us

59



A lot to be proud of, → a lot of work ahead of us

In the upcoming year, BDC will double down on our commitment to sustainability by offering even more guidance, resources, and tools designed to make it easy for our employees, and most importantly our clients, to take action.

We will continue our work to make BDC the one-stop-shop entrepreneurs need to build more sustainable businesses.

And we will broaden our reach by working with partners to amplify our impact and ensure no entrepreneur is left behind.

Focus areas for fiscal 2025

Integrating sustainability into our business processes and strategy

- Develop an Indigenous Reconciliation Action Plan.
- Strengthen our climate risk management plan and initiatives.
- Pilot an internal price of carbon to engage employees in the reduction of business travel emissions.

Increasing our support for underrepresented entrepreneurs

- Launch a new Community Banking Unit to expand our support for underrepresented entrepreneurs through innovative tools and partnerships.
- Create a new \$100-million fund to support Black entrepreneurs.
- Create a new \$100-million fund to support Indigenous entrepreneurs.
- Launch an Inclusive Entrepreneurship financial product that combines financing, and wrap-around support for underrepresented entrepreneurs.

Increasing environment-related financing

- Develop new financial offerings to support clients' environment-related projects and initiatives.
- Strive to deliver at least \$640 million in environment-related support through loans, investments and advice.
- Expand our special financing offer for green buildings and deep energy retrofits of buildings.

Equipping and engaging our employees to deliver on our sustainability ambitions

- Equip frontline employees with a solid understanding of environment-related financing opportunities for SMEs.
- Distribute sector-specific ESG guidelines to help employees better engage clients in value-added conversations.

Supporting SMEs with relevant tools, information and resources

- Make more free sustainability training available to SMEs via our online BDC Academy platform.
- Survey and report on the current state of DEI capacity and practices of Canadian SMEs.
- Support SMEs in realizing opportunities in the energy transition supply chain.
- Assess the results of our entrepreneur mental health support pilot program, and plan next steps.
- Continue to provide free articles and publications on topical environmental and social issues that matter to Canadian entrepreneurs.



bdc.ca

