



# 2023 2026 BUSINESS PLAN



IN·NO·VATE:

**VERB.** MAKE CHANGES,  
ESPECIALLY BY  
INTRODUCING NEW  
METHODS, IDEAS  
OR PRODUCTS.

SEE ALSO:

ALBERTA INNOVATES.

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# MESSAGE FROM THE BOARD CHAIRPERSON

THE ALBERTA INNOVATES 2023–26 BUSINESS PLAN CONTINUES TO BUILD ON AND ADVANCE GOALS AND PRIORITIES TO FOSTER RESEARCH AND INNOVATION TO BENEFIT ALBERTANS, CONSISTENT WITH THE ALBERTA TECHNOLOGY AND INNOVATION STRATEGY (ATIS).



**Brenda Kenny PhD**

Alberta Innovates is leading the Hydrogen Centre of Excellence which is building a hydrogen ecosystem and the technology innovation needed to support a new hydrogen economy in Alberta and Canada.

The five Alberta Innovates Scale Up and Growth business accelerators are beginning their second year of programming and have graduated more than 200 companies so far, helping them grow and contribute to a thriving innovation system.

Alberta Innovates is continuing to anchor and coalesce the many moving parts in the province's innovation ecosystem so Albertans can access programs and assistance where and when they need it.

Commercialization of artificial intelligence and machine learning as a tool for business and industry by Alberta Machine Intelligence Institute (Amii) and others is advancing new, real-world applications for this powerful technology.

Beyond ATIS, Alberta Innovates' priorities are driving innovation and the adoption of digital tools across sectors, including agriculture and food production. On the health side, we're advancing technologies aimed at improving the patient experience, outcomes, and enhancing access to the health system. We're also setting the foundation for whole new industries using oilsands as feedstock for advanced materials like carbon fibre.

It's also no secret that innovative economies create highly skilled jobs, higher wages, more productivity and exports, and are generally more competitive.

Alberta Innovates remains firmly focused on the future and the transformative growth opportunities that lead to sustainability, prosperity and health solutions for the people of Alberta.

# MESSAGE FROM THE CEO

INNOVATION IS KEY TO GROWING THE ECONOMY, EXPANDING MARKETS  
AND CREATING NEW AND BETTER OPPORTUNITIES FOR ALBERTANS.



**Laura J. Kilcrease**

Clean technologies, digital health solutions and agriculture technologies are taking off in Alberta, and it's being noticed.

Alberta is becoming recognized as a growing innovation hub and we're seeing some great early results in entrepreneurial growth and investment. Alberta companies have attracted \$729 million in investment, and more than 40 per cent of tech startups are reporting annual revenues of \$1 million or greater.

This hasn't happened overnight. It takes time, intention, collaboration and significant ongoing investment to build momentum.

As the province's innovation engine, we will keep driving that momentum and deliver results for Albertans.

Working with our partners and stakeholders, we will continue focusing efforts on relevant and emerging opportunities that have potential to provide high value for the province.

We will:

- Seek pathways to a lower emissions energy future, including decarbonization of hydrogen, energy sources with net-zero emissions, and hydrocarbon products with low or no emissions.
- Test and advance health technologies that improve patient and health outcomes through digital health simulations.
- Support environmental innovations and climate adaptation.
- Increase market adoption of artificial intelligence across sectors.
- Continue scaling and growth of technology-based SMEs.
- Support agri-food, forestry and bioindustrial innovation to increase yields, capacity and competitiveness.

However, it's people who are behind these innovations and are creating impact. Alberta's entrepreneurs, intrapreneurs and researchers are its greatest resource.

We will continue to provide funding, connections and supports to enable Albertans to convert ideas into innovations, and possibilities into opportunities. Their curiosity, creativity and can-do spirit are shaping the future economy and influencing technologies on the world stage.

We've been here for our people for over a century, and together we will create a better tomorrow.



# LAND ACKNOWLEDGEMENT

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WE ACKNOWLEDGE THE MANY FIRST NATIONS, MÉTIS AND INUIT WHO HAVE LIVED ON AND CARED FOR THESE LANDS FOR GENERATIONS. WE ARE GRATEFUL FOR THE TRADITIONAL KNOWLEDGE KEEPERS AND ELDERS WHO ARE STILL WITH US TODAY AND THOSE WHO HAVE GONE BEFORE US.

ALBERTA INNOVATES RESPECTFULLY ACKNOWLEDGES THAT WE ARE SITUATED ON TRADITIONAL TERRITORY OF THE TREATY 6, TREATY 7 AND TREATY 8 FIRST NATIONS; HOME TO MÉTIS SETTLEMENTS, THE MÉTIS NATION OF ALBERTA, AND REGIONS 2, 3 AND 4 WITHIN THE HISTORICAL NORTHWEST MÉTIS HOMELAND.

WE RESPECT THE HISTORIES, LANGUAGES AND CULTURES OF FIRST NATIONS, MÉTIS AND INUIT WHOSE PRESENCE CONTINUES TO ENRICH OUR VIBRANT COMMUNITY.

# EXECUTIVE SUMMARY

THE ALBERTA INNOVATES 2023–26 BUSINESS PLAN MAINTAINS AND BUILDS ON STRATEGIES AND INITIATIVES DESIGNED TO FOSTER RESEARCH AND INNOVATION (R&I) TO BENEFIT ALBERTANS. IN THE COMING YEAR WE WILL SUPPORT R&I ALIGNED WITH GOVERNMENT OF ALBERTA PRIORITIES, INCLUDING THOSE IN THE ALBERTA TECHNOLOGY AND INNOVATION STRATEGY (ATIS), TO STRENGTHEN AND DIVERSIFY OUR ECONOMY.

We will contribute to ATIS and other relevant government strategies by continuing to invest in five areas of significant economic opportunity for the province – **artificial intelligence, clean resource technologies, digital health, the entrepreneurial ecosystem** and **smart agriculture**. Our contributions will build on the skills and supports we have developed in the R&I system through past investments over many years.

## Key initiatives

These include, but are not limited to:

- Contributing to Alberta's lower-emission future through programs and supports focused on clean energy technologies. We'll advance our Bitumen Beyond Combustion strategy; carbon capture, utilization and storage; building a hydrogen economy in Alberta; and other cleantech, renewable and alternative energy initiatives.
- Scaling and growing companies, attracting technology firms and investment to Alberta, and building a thriving provincial technology and innovation ecosystem via the Alberta Scaleup and Growth Accelerator Program (Scaleup GAP).
- Stimulating digital health innovation by delivering programs, supports and services for researchers and innovators in Alberta.
- Enhancing patient and health outcomes by providing innovators access to a simulated health IT environment (a "digital health sandbox").
- Continuing to support the Alberta Machine Intelligence Institute (Amii), a stand-alone institute, and directly funding projects across several industry sectors that leverage artificial intelligence.
- Participating in a new artificial intelligence (AI) consortium targeted specifically at increasing adoption of AI for health solutions.
- Delivering programs designed to support environmental innovations related to water, land and biodiversity. We'll focus on climate change and adaptation, and the needs of Indigenous, remote and rural communities, among other things.
- Supporting agri-food, forestry and bioindustrial innovation to increase yields, capacity, competitiveness and product value. We'll also explore opportunities to support agriculture cleantech and sustainability activities.
- Driving entrepreneurship and company growth in technology and knowledge-based SMEs by continuing to deliver and enhance our suite of Coaching, Community and Capital programming, which provides support from development to scaling.

We recognize the need to increase the size and depth of Alberta's technology and innovation workforce. We'll continue to develop and grow Alberta's R&I talent pool in digital health, artificial intelligence, and other emerging technology areas, with targeted supports for post-secondary institutions and companies.

## Applied research and testing services

We recognize the crucial role that applied research, development and specialized engineering services have in moving innovation into real-world use. Our two subsidiaries – C-FER Technologies (1999) Inc. (C-FER), and InnoTech Alberta Inc. (InnoTech) – work closely with businesses and industries to develop their new ideas through testing, mitigating risk and helping to scale up their processes and products. Their focus on client-driven, productive commercial applications, that generate solutions to complex challenges on an industrial scale, further assists in Alberta meeting its goals.

Our subsidiaries are transitioning some operations to support and align with the activities of the Alberta Innovates Hydrogen Centre of Excellence. C-FER will expand testing capabilities to allow for small- and large-scale testing equipment in hydrogen environments. InnoTech will ensure facility upgrades are in place to support the Hydrogen Centre and pursue collaborations on relevant initiatives.

InnoTech will also secure support to expand its carbon fibre facility in support of our Carbon Fibre Grand Challenge, and grow its services into areas of emerging opportunity.

## Collaborations and connectivity

We will carry on with building our stakeholder relations, partnerships and collaborations across sectors and strategic areas.

This includes collaborating and partnering with organizations that support our efforts in areas of strategic importance. The Canadian Agri-Food Automation and Intelligence Network (CAAIN),

the Clean Resource Innovation Network (CRIN) and the Canadian Emission Reduction Innovation Network (CERIN) are important drivers for innovation in our province.

Multi-partner collaborations we're involved with to support health innovation include the Alberta Support Unit for Patient Oriented Research; ARECCI, (A pRoject Ethics Community Consensus Initiative); and the Alberta Clinical Research Consortium.

Once again we'll bring together innovators, investors, stakeholders and thought leaders at our in-person INVENTURE\$ conference in 2023 – as we continue to foster connectivity among stakeholders across the innovation ecosystem. Throughout the coming year we'll provide ongoing opportunities for interaction and knowledge-sharing through our Unbound virtual event platform.

Within our organization we will continue operational improvements that create added value for taxpayers and our clients, and promote equity, diversity and inclusion in our workforce and programs.

**INNOVATION DOES NOT HAPPEN OVERNIGHT BUT THROUGH A SERIES OF PLANNED AND STAGED ACTIONS ACROSS AN ENGAGED R&I ECOSYSTEM.**

**PLEASE BROWSE THROUGH THE 2023–26 ALBERTA INNOVATES BUSINESS PLAN TO FIND OUT MORE ABOUT THESE KEY INITIATIVES AND MANY OTHERS. FIND OUT HOW THEY ALIGN WITH OUR GOALS AND OBJECTIVES TO DELIVER IMPACT IN ALBERTA AND BEYOND.**



# MANDATE AND STRUCTURE

INNOVATION IS THE CATALYST FOR ECONOMIC GROWTH AND DIVERSIFICATION, IMPROVED HEALTH AND WELL-BEING, AND ENVIRONMENTAL BENEFITS. AS THE ONLY CROSS-SECTORAL RESEARCH AND INNOVATION (R&I) AGENCY IN THE PROVINCE, ALBERTA INNOVATES IS UNIQUELY POSITIONED TO PROPEL GREAT IDEAS FORWARD TO IMPROVE THE LIVES OF ALBERTANS.

Alberta Innovates steers the innovation system to bring benefits to Albertans, within our [mandate](#) as set by the Government of Alberta and in alignment with priorities of the [Alberta Technology and Innovation Strategy \(ATIS\)](#) as well as the province's [Investment and Growth Strategy](#). Our activities and impacts also contribute to work being done in several areas of government to build a lower-emission future that: includes a [hydrogen economy](#); helps [Albertans develop new skills and grow careers](#); and [strengthens and diversifies the economy](#).

We are governed by a government-appointed board and report to the Minister of Technology and Innovation. Our activities are funded in large part through the ministry with a budget approved by the legislative assembly. We augment this with additional funding from other provincial and federal government entities, industry and non-governmental organizations (NGOs), and revenues generated through contract services provided by our two subsidiaries, C-FER Technologies (1999) Inc. (C-FER) and InnoTech Alberta Inc. (InnoTech).

## What we offer

We support and accelerate innovation across multiple sectors through our strategic investments in R&I projects and initiatives. Our investments span the R&I continuum from creation of new ideas to applied testing, to commercialization, end use and scaleup.

Our support and state-of-the-art facilities accelerate our clients' journey along the R&I continuum. Internationally recognized applied research, development and engineering services offered by C-FER and InnoTech provide a critical 'bridge' that validates, tests and translates innovation into real-

world use. Our strategic partners in government, industry and academia value our expertise and ability to improve co-ordination and results within the innovation system.

## Equity, diversity and inclusion

Alberta Innovates is committed to fostering a work environment and an innovation ecosystem built on the principles of equity, diversity and inclusion (EDI). We believe EDI enhances the R&I ecosystem and our positive impact on the province.

## WE ARE

### A funder and service provider:

- We support researchers, entrepreneurs and companies of all sizes with our investments.
- We offer targeted funding programs, services and expertise to achieve the province's research and innovation (R&I) priorities.
- We offer applied research and advanced manufacturing expertise and industrial facilities at our two subsidiaries – to help clients test, scale and validate ideas and prototypes.

### A partner and collaborator:

- We support networks and collaborations to ensure our clients are connected to the right resources at the right time – helping them succeed (or fail) faster.

### A convenor and connector:

- We advance the growth and scale of innovation by bringing together innovators, industry and thought leaders.

# ALBERTA INNOVATES AT A GLANCE



11 Locations



2 Subsidiaries

*InnoTech Alberta Inc.  
C-FER Technologies (1999) Inc.*



Employees

596\* *full-time equivalents*



Operating Budget

*of \$253 million for 2023–24*



\$1.2 billion

*Total value of nearly 1,320 active  
projects in 2021–22 funded by  
Alberta Innovates grants*

\*Alberta Innovates, C-FER Technologies (1999) Inc., InnoTech Alberta

# STRATEGIC CONTEXT

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THIS BUSINESS PLAN OUTLINES HOW WE WILL MEET OUR ORGANIZATIONAL MANDATE AS SET OUT BY THE GOVERNMENT OF ALBERTA, THROUGH OUR STRATEGIC DIRECTION, INVESTMENTS AND ACTIVITIES.

WE RECOGNIZE NO SINGLE TECHNOLOGY OR INDUSTRY CAN PLACE ALBERTA ON THE ROAD TO LONG-TERM ECONOMIC PROSPERITY AND ENHANCE THE WELL-BEING OF OUR CITIZENS. RATHER, A CONVERGENCE OF EMERGING TECHNOLOGIES, PLATFORMS, APPLICATIONS AND INDUSTRIES IS NECESSARY.

This understanding is reflected in the integrated approach we take to our programming and as driven by our five-year strategic plan. Alberta Innovates aims to capitalize on Alberta's current strengths while leveraging technologies and innovations with the highest promise for adoption. These activities are essential to driving the economic diversification and growth critical to our province's continued economic recovery.

We have seen an increase in provincial GDP of nearly five per cent in 2021 over 2020, and a decrease in the unemployment rate to 5.6 per cent in December 2022.<sup>1,2</sup> These trends are positive, but there are other pressures that cannot be ignored. Increased inflation and the cost of living are having a major impact on everyday Albertans.

Global forces also influence and shape how we think about our business. Blackrock, a multinational investment company, has identified global "megatrends" that affect how people live and work, as well as corporate strategies and government policies.<sup>3</sup> Megatrends include the widespread emergence of disruptive new technologies; demographic and social change; emerging global wealth; climate change and resource scarcity; and rapid urbanization.

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*These "powerful, transformative forces" have created challenges in Alberta and beyond, but also investment opportunities.*

<sup>1</sup> <https://economicdashboard.alberta.ca/GrossDomesticProduct>;

<sup>2</sup> <https://economicdashboard.alberta.ca/Unemployment#interprovincial>

<sup>3</sup> <https://www.blackrock.com/hk/en/literature/brochure/megatrends-insights-hk-en.pdf>

## AREAS OF SIGNIFICANT ECONOMIC OPPORTUNITY

WE HAVE IDENTIFIED **FIVE AREAS** OF SIGNIFICANT ECONOMIC OPPORTUNITY FOR ALBERTA TO ACHIEVE OUR PRIORITIES, AND HELP ADDRESS GLOBAL CHALLENGES.

Our investments in these areas build on skills and supports we have developed in Alberta's R&I ecosystem over time, since the provincial government of the day established our predecessor organization in 1921.



### Artificial Intelligence

We are building on our past successes in creating world-recognized artificial intelligence capacity in Alberta by supporting further development and application across sectors.



### Clean Resource Technologies

We invest in R&I that transforms bitumen into non-combustion, value-added materials, and clean technologies that improve environmental sustainability and economic diversification.



### Digital Health

We are advancing digital health technologies to accelerate improvements in the quality and long-term sustainability of our health system and the health of Albertans.



### Entrepreneurial Ecosystem

We continue to support a growing entrepreneurial ecosystem in Alberta through the programs, networks and connections we provide to entrepreneurs and startups to commercialize their innovations and scale their businesses.

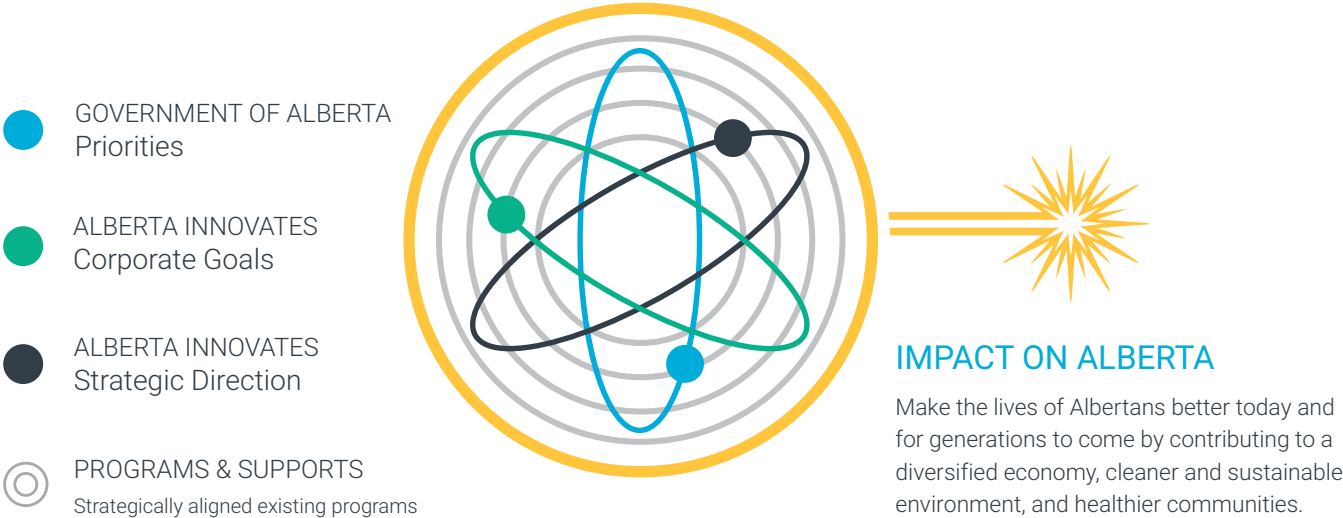


### Smart Agriculture

We lead smart agriculture R&I and address food security challenges through adoption of technology for significant impact in Alberta and beyond.

# ACTIONS FOR IMPACT

THE DIAGRAM BELOW SHOWS THE INTERCONNECTED RELATIONSHIPS BETWEEN THE GOVERNMENT’S R&I PRIORITIES AND OUR CORPORATE PRIORITIES, GOALS, AND BUSINESS AND OPERATING PLANS.





## THE R&I CONTINUUM

THE INVESTMENTS WE MAKE THROUGH OUR FUNDING PROGRAMS AND SUPPORTS SPAN THE DISCOVER, DEVELOP AND USE STAGES OF THE R&I CONTINUUM. WE PLAN OUR INVESTMENTS ACROSS THE CONTINUUM BY TAKING INTO CONSIDERATION THE CURRENT STATE OF KNOWLEDGE, TECHNOLOGY AND INNOVATION, NEED, AND THE STATE OF READINESS AND CAPABILITY IN THE R&I ECOSYSTEM.

Innovation inherently requires a tolerance for risk throughout the R&I continuum as new ground is forged and boundaries are pushed. In addition, complexities associated with the discovery, development and use of innovations require ongoing commitments and patience until larger-scale benefits are realized for the province.

Our operational and resource allocation planning is informed by the types of outcomes we anticipate and when – appreciating that near-term activities frequently set the stage for mid- and longer-term actions and their outcomes.

Collectively, our key initiatives will be designed to create a pipeline of opportunity for the province, with the goal of a more diverse, sustainable and healthy future – moving innovations into the hands of Albertans and the world.

### THE R&I CONTINUUM



**Discover** – aims to create new knowledge or understanding that may or may not have specific applications in mind from the outset. This type of research is usually performed at universities.



**Develop** – involves developing knowledge gained during the Discover stage toward a particular use. This development work typically occurs in applied research areas at universities, colleges and polytechnics, as well as industrial research laboratories.



**Use** – is about translating and applying developed research to address needs in the 'real-world.' This activity focuses on processes for the uptake, spread and scale of application-ready innovations. Examples include technology adaptation, technology commercialization, product and market innovation, and translational research in health care.

## DEVELOPING AND DEPLOYING TECHNOLOGY

OUR TWO SUBSIDIARIES ARE UNIQUELY POSITIONED TO FACILITATE TECHNOLOGY DEVELOPMENT AND DEPLOYMENT THAT SUSTAINS AND GROWS THE PROVINCE'S CORE AND EMERGING INDUSTRIES. C-FER AND INNOTECH WILL CONTINUE TO DELIVER VALUE AND SOLUTIONS THAT MEET THE NEEDS OF THEIR CLIENTS.

**C-FER** delivers value to energy and industrial-sector stakeholders by providing a broad range of engineering and testing services which help de-risk new and innovative products, services and approaches to business. C-FER differentiates itself by having unique capabilities related to applied research and development in various areas of engineering, including:

- Finite element analysis
- Material fatigue and erosion
- Concept or process validation
- Risk assessment
- Complex modeling
- Software development
- Field/industrial-scale simulation testing
- Facilitator and executor of joint industry projects

C-FER's industrial laboratories are capable of small, medium and field-scale simulations. These services are focused on advancing operational, environmental and safety performance in relevant industry and emerging areas. C-FER's researchers focus on opportunities and problems relating to:

- Geothermal applications
- Production enhancement
- Hydrogen energy
- Carbon capture, utilization and storage
- Repurposing under-utilized or suspended oil and gas assets for other functions as part of the energy transition
- Inland waterway spill mitigation and response

[InnoTech](#) provides leading-edge expertise and industrial-scale facilities and equipment to test, de-risk, scale and accelerate the development of innovative technologies for innovators and industry. In doing so, they bridge the gap between early-stage R&I and commercial application or industrial end-use.

As a key contributor to Alberta Innovates' mandate, InnoTech convenes and connects industry and ecosystem partners. It also conducts applied R&D to support strategic policies and programs intended to foster Alberta's economic growth and sustainment – thereby ensuring that strategic investments made to advance promising technologies ultimately benefit Albertans.

InnoTech will continue these **core areas** of business:

- Bioindustrial Product and Process Development
- Biocomposite Material Development, Processing, Research and Analysis
- Plant Sciences
- In-Situ Recovery Process Development and Optimization
- Mined Oil Sand Bitumen Extraction and Processing
- Integrated Environmental Monitoring and Analysis
- Environmental Impacts Research and Risk Evaluation
- Asset Retirement and Restoration
- Smart Industrial Solutions
- Chemical Testing and Analysis

InnoTech will also conduct activities in these **growth areas**:

- Bitumen Beyond Combustion
- Carbon Capture, Utilization and Decarbonization
- Hydrogen Technologies
- Advanced Manufacturing and Materials

# CORPORATE GOALS AND TARGETS

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THIS BUSINESS PLAN OUTLINES HOW ALBERTA INNOVATES INTENDS TO CONTRIBUTE TO THE CONTINUED RECOVERY AND GROWTH OF ALBERTA'S ECONOMY. OUR CORPORATE GOALS AS OUTLINED IN THIS PLAN REFLECT OUR CURRENT BUSINESS AND ORGANIZATIONAL FOCUS. THESE GOALS ARE ACCOMPANIED BY OBJECTIVES, RELEVANT METRICS, BASELINES AND TARGETS.

ALBERTA INNOVATES IS WORKING DILIGENTLY TO FURTHER STRENGTHEN OUR ABILITY TO QUANTIFY OUR OUTCOMES AND ASSESS PERFORMANCE RELATIVE TO TARGETS. THE PROGRESS WE ARE MAKING ENABLES US TO BETTER DEMONSTRATE THE VALUE AND COST-EFFECTIVENESS OF OUR PROGRAMS AND SERVICES TO ALBERTANS. THIS HAS RESULTED IN SOME OF THE PREVIOUS OBJECTIVES, PERFORMANCE MEASURES AND TARGETS BEING UPDATED TO ENSURE STRONGER ALIGNMENT WITH OUR BUSINESS OPERATIONS, AND THE STRATEGIES AND PRIORITIES OF THE ORGANIZATION AND ALBERTA GOVERNMENT.

## GOAL 1

RESEARCH AND INNOVATION IS STIMULATED IN AREAS OF STRATEGIC IMPORTANCE BY INVESTMENT IN PROGRAMS, SUPPORTS AND SERVICES.

Objectives	KPIs	Actuals 2021–22	Targets		
			2023–24	2024–25	2025–26
<b>1.1</b> Strategically invest in research & innovation that aim to benefit Alberta.	<b>1.1.1</b> \$ invested in areas of research, innovation and commercialization	\$156M	\$161M <sup>†</sup>	\$159M <sup>†</sup>	\$154M <sup>†</sup>
	<b>1.1.2</b> # of clients supported through grant investments (excluding trainees)	974	≥970	≥970	≥970
	<b>1.1.3</b> Projected annual GHG emission reduction (Mt CO <sub>2</sub> e) by 2030 by all completed and active projects	18Mt	21Mt	25Mt	27Mt
<b>1.2</b> Support SMEs to develop and commercialize innovations.	<b>1.2.1</b> # of new hires (jobs) in Alberta in SMEs funded by Alberta Innovates	3,197	3,100	3,250	3,400
	<b>1.2.2</b> % difference in year-over-year job growth for SMEs funded by Alberta Innovates, compared with all Alberta companies	4.9%	≥10%*	≥10%*	≥10%*
	<b>1.2.3</b> % difference in survival rate for SMEs funded by Alberta Innovates, compared with Canadian SMEs after 6 years	27.6%	≥25%*	≥25%*	≥25%*
	<b>1.2.4</b> % difference revenue-generating SMEs funded by Alberta Innovates that export, compared with all Alberta companies that export	52.5%	≥40%*	≥40%*	≥40%*

<sup>†</sup> Targets are aligned to the approved budget amounts on the most recent Consolidated Statement of Operations.

\* We aim to assist SMEs to consistently achieve a minimum threshold of performance above the identified comparison group.



Objectives	KPIs	Actuals 2021–22	Targets		
			2023–24	2024–25	2025–26
<b>1.3</b> Enhance Alberta's research and innovation system by providing expertise and supporting capacity development.	<b>1.3.1</b> # of clients supported through in-kind supports and services	4,162	≥4200	≥4200	≥4200
	<b>1.3.2</b> # of trainees supported to enhance the knowledge workforce in strategic areas	1574	≥1650	≥1650	≥1650
	<b>1.3.3</b> # new research studies submitted to Health Research Ethics Boards of Alberta (HREBA) to safeguard the rights and welfare of individuals volunteering to participate in research	621	630	1,000*	1,000*

\*Number of cancer research studies anticipated to increase with the opening of the Calgary Cancer Centre.

## Key Initiatives

- Stimulate digital health innovation by delivering programs, supports and services for researchers and innovators in Alberta.
  - > Our Accelerating Innovations Into CarE (AICE) programs provide innovators with a co-ordinated series of enabling mechanisms to support them in advancing product-market fit, business readiness, regulatory compliance and product development.
  - > Support through programs such as Partnership for Research and Innovation in the Health System (PRIHS) and ImplementAB.digH allow innovators to test and validate digital health solutions that will provide new and better ways of caring for patients.
- Continue to develop and grow Alberta's R&I talent pool in digital health, artificial intelligence and other emerging technology areas at post-secondary institutions, through programs such as the Post-doctoral & Life Sciences Fellowship programs and Graduate Student Scholarships. We'll continue to grow the talent pool in SMEs and larger companies with our Industry Commercialization and Industry r&D Associates programs. These programs support the priorities of ATIS and Alberta at Work.
- Enhance patient and health outcomes by providing health innovators with access to a training and technical simulation environment (Digital Health Sandbox). The aim is to accelerate their digital technologies into market in Alberta.
- Support health-care transformation through artificial intelligence. Through demonstration projects, the program aims to address gaps and barriers, reduce ethical risks, and assess technology that will increase market adoption.
- Support agri-food, forestry and bioindustrial innovation to increase yields, build capacity, competitiveness and product value through our Agri-food and Bioindustrial Innovation program. We'll also seek opportunities to support agriculture cleantech and sustainability activities.
- Contribute to Alberta's lower-emission future through programs and supports focused on clean energy technologies. These include the decarbonization of hydrogen, new net-zero emission (NZE) energy sources, and value-added hydrocarbon products with no or low emissions.

- > For example, the Hydrogen Centre of Excellence managed by Alberta Innovates will accelerate technology and innovation across the hydrogen value chain. The aim is to position Alberta as a world leader in the innovative production, deployment and use of hydrogen.
  - > Our Bitumen Beyond Combustion program focuses on making products from bitumen in Alberta's extensive oil sands instead of burning it as fuel, and their production technologies. This opens up new economic opportunities for Alberta and Canada and reduces carbon emissions.
  - > We'll enhance the economic and GHG competitiveness of Alberta's oil and gas industry through our Cleaner Hydrocarbon Production program.
  - > We'll focus on grid modernization, energy storage and electricity generation with our Renewable and Alternative Energy program.
- Deliver programs designed to support environmental innovations and climate adaptation.
  - > Our Water Innovation program will refocus its portfolio to address emerging stakeholder priorities. These include integrated water management; climate change and adaptation; and rural, remote and Indigenous water security.
  - > We'll encourage proposals that involve indigenous partners in our Land and Biodiversity program. We'll also explore a funding call for projects that focus on nature-based solutions that promote resilience to climate change - such as afforestation, restorative agriculture and wetland restoration - and identify digital technologies for environmental monitoring.
- Continue investment in the Alberta Scaleup and Growth Accelerator Program (Scaleup GAP) to focus on scaling and growing Alberta, Canadian and global ventures; attracting global technology firms and investment to Alberta; and building a thriving technology and innovation ecosystem within the province.
- Drive entrepreneurship and company growth in technology and knowledge-based SMEs by continuing to deliver and enhance our suite of Coaching, Community and Capital programming, which provides support from development to scaling. These include programs such as Micro Vouchers, Vouchers, Technology Development Advisors and Capital Access.
- Safeguard the rights and welfare of individuals who volunteer to participate in medical studies by ensuring researchers have considered and applied ethical principles before and throughout the conduct of research. We host the Health Research Ethics Board of Alberta (HREBA), and work closely with the University of Alberta and the University of Calgary and other research institutes. HREBA streamlines the ethics review process for multi-site studies in Alberta.

## GOAL 2

APPLIED RESEARCH, DEVELOPMENT AND ENGINEERING SERVICES ARE PROVIDED THAT VALIDATE, TEST AND TRANSLATE INNOVATION INTO REAL-WORLD USE.

Objectives	KPIs	Actuals 2021–22	Targets		
			2023–24	2024–25	2025–26
<b>2.1</b> Increase proportion of revenue generated by InnoTech and C-FER from sources other than Government of Alberta.	<b>2.1.1</b> % increase in revenue generated by InnoTech and C-FER from sources other than Government of Alberta	-3%*†	4%	5%	6%
<b>2.2</b> Optimize use of InnoTech and C-FER resources.	<b>2.2.1</b> % of capacity utilized to enhance and deliver services to clients (effective utilization)	76.5%	75–80%	75–80%	75–80%
<b>2.3</b> Leverage partner relationships and funding to advance technology development in Alberta.	<b>2.3.1</b> \$ (external) leveraged for each \$1 invested by InnoTech	\$4.98	\$4.10	\$4.20	\$4.30
	<b>2.3.2</b> \$ leveraged for InnoTech's growth focus areas** for each \$1 invested by InnoTech	\$0.2	≥\$0.5	≥\$0.5	≥\$0.5
	<b>2.3.3</b> \$ leveraged for InnoTech's core areas*** for each \$1 invested by InnoTech	\$2.5	≥\$2.5	≥\$2.5	≥\$2.5
<b>2.4</b> Transition technologies and products to market through our applied R&D expertise and services.	<b>2.4.1</b> # of jobs created by clients accessing InnoTech's applied R&D services	350	≥300	≥300	≥300
	<b>2.4.2</b> Advancement of InnoTech-supported technologies along Technology Readiness Levels	1.5 levels	1.5 levels‡	1.5 levels‡	1.5 levels‡
	<b>2.4.3</b> GDP impacts resulting from InnoTech-supported advancement of technologies, products, processes, job creation or maintenance	\$794M	\$750–850M	\$750–850M	\$750–850M

\*Due to the impact of the global economic downturn.

† Baseline year 2020–21.

\*\* See p. 16 for growth areas.

\*\*\*See p. 16 for core areas.

‡ We aim to assist our clients to consistently achieve a minimum threshold of technology advancement.

## Key initiatives

- C-FER will expand testing capabilities to allow for small- and large-scale testing equipment in hydrogen environments. This work is aligned with the Alberta Innovates Hydrogen Centre of Excellence.
- Pursue new projects that support the energy industry in achieving net-zero targets.
- Contribute to joint industry projects that address areas of interest for industry and generate economic value in priority sectors.
- InnoTech will ensure facility upgrades are in place to support the Hydrogen Centre of Excellence and pursue collaborations on relevant initiatives.
- Secure support to expand the carbon fibre facility in support of the Carbon Fibre Grand Challenge.
- Grow InnoTech's services into areas of emerging opportunity while continuing to provide expertise in current priority areas.
- Advance technologies supporting industry environmental, social and governance (ESG) requirements in areas such as non-aqueous extraction or solvent SAG-D. Also explore opportunities in critical minerals, syngas or hydrogen production, and hydrogen storage.
- Use client insights to enhance content marketing and optimize the sales funnel to grow opportunities for our subsidiaries.

## GOAL 3

ALBERTA'S R&I SYSTEM IS STRENGTHENED THROUGH OUR STRATEGIC PARTNERSHIPS AND COLLABORATIONS.

Objectives	KPIs	Actuals 2021–22	Targets		
			2023–24	2024–25	2025–26
<b>3.1</b> Leverage partner relationships and funding to support the R&I system in Alberta.	<b>3.1.1</b> \$ attracted to Alberta Innovates from external sources	\$44M*	\$45.6M	\$45.6M	\$45.6M

\* Targets are aligned to the combined budget amounts for (i) Federal Government Transfers, and (ii) External Revenue and Industry Funding on the most recent Consolidated Statement of Operations.

### Key initiatives

- Focus partnership efforts on relevant and emerging industry organizations that provide high value to the business of our subsidiaries.
- Alberta Innovates is taking a co-ordinated 'one-government' approach to the Hydrogen Centre of Excellence through collaboration and partnership with seven Government of Alberta ministries. There are two Oversight and Steering Committees providing strong governance to support the acceleration of technology and innovation across the hydrogen value chain, with the goal of supporting Alberta's Hydrogen Roadmap to build a hydrogen economy in our province.
- Maintain existing and develop new strategic partnerships and collaborations with provincial and national funders to support all areas of strategic importance for Alberta Innovates.
- Commission a report ranking the Canadian Future 50 sustainability ventures, for release at Inventures 2023. Launch a Global Future 50 ranking.
- Continue to collaborate and partner with organizations that support our efforts in areas of strategic importance. Partnerships and collaborations such as Canadian Agri-Food Automation and Intelligence Network (CAAIN), the Clean Resource Innovation Network (CRIN) and the Canadian Emission Reduction Innovation Network (CERIN) are important drivers for innovation in our province.
- Lead the Alberta digital health ecosystem and partner with like-minded entities locally, nationally and globally to create a 'Path to Partnership' that allows innovators to validate their technologies and expand market access.
- Continue to build ecosystem capacity that enables patient-oriented research and a learning health system, through multi-partnered programs such as the Alberta Support Unit for Patient Oriented Research (ABSPORU).
- Increase researchers' understanding of ethical considerations in health research through online tools, training and collaborations. These include A pRoject Ethics Community Consensus Initiative (ARECCI), and the Ethics of Innovation Consortium.
- Set strategic direction through the Alberta Clinical Research Consortium (ACRC) and leverage Alberta's strengths in clinical health research to attract investment and trials to Alberta.



## GOAL 4

### ROBUST STAKEHOLDER CONNECTIVITY EXISTS ACROSS ALBERTA'S INNOVATION SYSTEM.

Objectives	KPIs	Actuals 2021–22	Targets		
			2023–24	2024–25	2025–26
<b>4.1</b> Provide opportunities to strengthen the innovation journey by bringing together entrepreneurs, investors, researchers and global thought leaders.	<b>4.1.1</b> #/% of local, national and international participants attending INVENTURE\$	*	3,800	4,000	4,000
	<b>4.1.2</b> # of subscribers to Alberta Innovates' Unbound platform for virtual engagement events	10,000	10,500	11,000	≥11,000
	<b>4.1.3</b> # of Alberta entrepreneurs/ventures featured on our LearnHow platform	160	≥180	≥210	≥250
<b>4.2</b> Build increased recognition and support for Alberta Innovates' value in the provincial R&I system.	<b>4.2.1</b> % of Albertans aware of Alberta Innovates	54%**	≥54%	≥56%	≥59%

\*INVENTURE\$ was not held in person in 2021.

\*\*Public opinion survey conducted in October 2022.

### Key initiatives

- Bring startups, entrepreneurs, investors and global thought leaders together for learning, inspiration and creative collisions through continued success of our INVENTURE\$ and INVENTURE\$ Unbound events.
- Establish an industry technical advisory committee to build relationships with industry leaders and facilitate the work of our subsidiaries in new and emerging areas such as clean technology and net-zero greenhouse gas emissions.
- Increase national and international awareness of the expertise and opportunities offered by Alberta Innovates, InnoTech and C-FER through targeted and strategic marketing and communication activities.
- Strengthen innovation and entrepreneurship provincewide by engaging regional economic development partners and communities through targeted marketing strategies, including the Alberta Innovation Network.
- Grow the reach of the Alberta Innovates website, Learn How campaign and Unbound events and partnerships.
- Build stakeholder connectivity through collaborations, programming and opportunities for thought leadership to accelerate the adoption of innovation in Alberta and beyond.
- Enhance Alberta's leadership position in digital health and showcase our success through stakeholder connectivity on a global scale.

## GOAL 5

VALUE FOR OUR ORGANIZATION AND CLIENTS IS CREATED WITH FUTURE-FOCUSED BUSINESS PRACTICES AND CONTINUOUS IMPROVEMENTS IN OPERATIONAL EXCELLENCE.

Objectives	KPIs	Actuals 2021–22	Targets		
			2023–24	2024–25	2025–26
<b>5.1</b> Build a future-focused organization grounded in continuous improvement.	<b>5.1.1</b> Cumulative % reduction in client requirements for accessing Alberta Innovates programs and services (Red Tape Reduction)	61.7%	55–60%	≥60%	≥60%
	<b>5.1.2</b> % of clients with a positive client experience	90%	≥90%	≥90%	≥90%
<b>5.2</b> Promote a culture that attracts, engages and retains top talent.	<b>5.2.2</b> Overall employee engagement rating on biennial survey*	69%	72%	72%	72%
<b>5.3</b> Develop Equity, Diversity and Inclusion (EDI) framework for the organization to drive lasting change.	<b>5.3.1</b> % of applicants who identify as a member of a visible minority	42%	≥23.5%**	≥23.5%	≥23.5%

\* Data collected in Q3 of every other fiscal year.

\*\*Based on most recent Census of Canada data for visible minorities in Alberta (2016).

### Key initiatives

- Commission environmental, social and governance (ESG) research to map strategic innovation priorities and social trends.
- Develop a leadership training program to advance leadership competencies relevant to our organization.
- Align our programs and services to ESG and EDI principles and foster a culture of inclusion in the organization. Support Truth and Reconciliation by recognizing and acknowledging the history, heritage, diversity and contributions of First Nations, Inuit and Métis peoples of Canada.
- Continue to standardize our reporting requirements and forms to make it easier for our clients to access Alberta Innovates programs and services, as part of the government's Red Tape Reduction initiative.
- Build Alberta Innovates and our subsidiaries into data-driven digital organizations, with benefits such as enhanced project management and stronger data-informed investment strategies and processes.

# OPERATIONS AND GOVERNANCE

## CONSOLIDATED BUDGET & STATEMENT OF OPERATIONS

THE CONSOLIDATED STATEMENT OF OPERATIONS REFLECTS THE CONSOLIDATION OF ALBERTA INNOVATES WITH ITS TWO WHOLLY OWNED SUBSIDIARY CORPORATIONS, C-FER TECHNOLOGIES (1999) INC., AND INNOTECH ALBERTA INC., ALONG WITH THE ALBERTA FOUNDATION FOR HEALTH RESEARCH.

Alberta Innovates receives budgeted revenue and expense targets from the Government of Alberta. These targets are adjusted each year for life-cycle changes in new or expiring initiatives. The funding for several of these initiatives, as well as those funded by external dollars, is restricted. This limits the flexibility within Alberta Innovates to shift funding between these initiatives and others.

### Revenue

Total budgeted revenues for Alberta Innovates in 2023–24 are \$247.2 million, an increase of approximately \$20 million over the 2022–23 budget of \$227.3 million.

This increase is primarily due to the Technology and Innovation Ministry providing an additional \$20 million of base operating grant funding beginning in 2023–24 for Alberta Innovates to continue with its approved budget expenditures. In 2022–23 and prior years, Alberta Innovates was drawing down its internal cash reserves (and accumulated surplus) to fund a portion of the approved budget expenditures.

In addition to the above, Alberta Innovates will also receive \$1.571 million in base grant funding in 2023–24, and \$2.117 million in base grant funding in each of 2024–25 and 2025–26 to address increases in public-sector compensation and other inflationary pressures.

There are several fluctuations (i.e., increases or decreases) within other revenue categories, including strategic relationship grants and deferred grants from prior years. Alberta Innovates is continuing to work on new key initiatives while other existing initiatives are nearing the end of their life cycle.

For example, starting in 2022–23, there is a budget increase of \$10 million per year over a four-year period for the Hydrogen Centre of Excellence. There is also a \$7-million budget increase in 2022–23, with a further increase of \$3 million beginning in 2023–24 for the Alberta Technology Innovation Strategy (ATIS).

These revenue increases, totaling \$20 million over two years, are offset by budget reductions of \$15 million in 2022–23 with a further decrease of \$5 million in 2023–24 for the Technology Innovation and Emissions Reduction (TIER) program ending March 31, 2023.

External revenue and industry funding, generated primarily by our two subsidiaries InnoTech and C-FER, is projected to remain stable at \$42 million per year. All other changes are minor and reflect small adjustments to align with the organization's portfolio and the current economic situation.

## Expenses

The expenses have been expressed in terms of Alberta Innovates business lines:

- **Research, Innovation & Commercialization:** Includes investments in Health, Clean Resources, Entrepreneurial Investments, Post-Secondary Investments & Emerging Technologies, Accelerators and Strategic Opportunities.
- **Applied Research:** Includes expenses for C-FER and InnoTech.
- **Administration:** Includes all corporate services such as finance, marketing and communications, information technology services, facilities, legal, human resources, and corporate planning and reporting. Administration serves a critical function in the Corporation by providing essential supports to the operational business lines (Research, Innovation & Commercialization and Applied Research). These corporate services enable the operational business lines to work productively and efficiently toward achieving Alberta Innovates' strategic priorities and goals. Corporate services play a direct role in advancing Alberta Innovates strategic priority to embrace the digital future, given that many of them will be leading and/or actively participating in streamlining and automating our internal processes and operations.

Total budgeted expenses remain relatively constant for 2023–24 and subsequent years. Similar to revenue, Alberta Innovates received an increase in budgeted expenses starting in 2022–23 for the Hydrogen Centre of Excellence (\$10 million per year) and ATIS (\$7 million in 2022–23 with a further \$3 million for the subsequent three years) while there was a decrease in expenses for TIER of \$15 million in 2022–23 with a further decrease of \$5 million in 2023–24.

Total expenses are split into three categories – amortization, inter-governmental transfers and net operating expenses. Inter-governmental transfers are grants or contracts to other government entities that are then eliminated upon consolidation by the Government of Alberta. Net operating expenses is spending that the organization can direct to strategic priorities and operations. The net operating expense target for 2023–24 is \$183.4 million, comparable to the target for 2022–23 of \$181.7 million.

	2022–23 Budget	2023–24 Budget
<b>Total Expenses</b>	\$ 250,722	\$ 252,896
Amortization	\$ (8,400)	\$ (8,900)
Inter-governmental transfers	\$ (60,610)	\$ (60,610)
<b>Net Operating Expenses</b>	<b>\$ 181,712</b>	<b>\$ 183,386</b>

# CONSOLIDATED STATEMENT OF OPERATIONS

(Dollars in Thousands)

	2021–22 Actual <sup>(1)</sup>	2022–23 Budget <sup>(1)</sup>	2023–24 Budget	2024–25 Budget	2025–26 Budget
<b>Revenues</b>					
Government Transfers					
Funding from Technology & Innovation					
Base Operating Grant	\$ 127,635	\$ 140,772	\$ 162,346	\$ 162,892	\$ 162,892
Strategic Relationship Grants	25,632	20,000	18,000	17,500	21,000
Deferred Grants from Prior Years	11,142	8,403	12,100	11,600	4,100
Deferred Capital Contribution	2,208	2,500	3,000	3,000	3,000
Funding from Other Government of Alberta Entities – Other Grants	6,198	5,260	4,260	4,260	4,260
Federal Government Transfers	5,442	5,600	3,600	3,600	3,600
External Revenue and Industry Funding	38,551	42,000	42,000	42,000	42,000
Investment Income	229	500	500	500	500
Other Government of Alberta Revenue	1,936	2,223	1,426	1,426	1,426
<b>Total Revenue</b>	<b>\$ 218,973</b>	<b>\$ 227,258</b>	<b>\$ 247,232</b>	<b>\$ 246,778</b>	<b>\$ 242,778</b>
<b>Expenses</b>					
Research, Innovation and Commercialization	\$ 157,674	\$ 160,669	\$ 160,769	\$ 158,769	\$ 153,769
Applied Research	51,220	49,522	49,522	49,522	49,522
Administration	27,806	32,131	33,705	34,251	34,251
Amortization	7,542	8,400	8,900	9,327	9,327
<b>Total Expenses</b>	<b>\$ 244,242</b>	<b>\$ 250,722</b>	<b>\$ 252,896</b>	<b>\$ 251,869</b>	<b>\$ 246,869</b>
<b>Annual Deficit</b>	<b>\$ (25,269)</b>	<b>\$ (23,464)</b>	<b>\$ (5,664)</b>	<b>\$ (5,091)</b>	<b>\$ (4,091)</b>
<b>Accumulated Surplus, Beginning of Year</b>	<b>\$ 59,876</b>	<b>\$ 34,607</b>	<b>\$ 11,143</b>	<b>\$ 5,479</b>	<b>\$ 388</b>
<b>Accumulated Surplus (Deficit), End of Year</b>	<b>\$ 34,607</b>	<b>\$ 11,143</b>	<b>\$ 5,479</b>	<b>\$ 388</b>	<b>\$ (3,703)</b>

<sup>(1)</sup> Certain prior year figures have been reclassified, where necessary, to conform to the 2023–24 presentation



## CAPITAL PLAN AND LEASING ARRANGEMENTS

ALBERTA INNOVATES AND ITS SUBSIDIARIES OCCUPY A SIGNIFICANT INVENTORY OF RESEARCH AND OFFICE FACILITIES, MOST OF WHICH ARE OWNED AND OPERATED BY ALBERTA INFRASTRUCTURE. IN ADDITION TO THE GOVERNMENT OF ALBERTA FACILITIES, WE ALSO OCCUPY SPACE WITH COMMERCIAL LEASE ARRANGEMENTS AS SHOWN IN THE TABLE BELOW.

We currently operate across 11 locations: Edmonton (5), Calgary (3), Devon, Vegreville and Victoria, B.C., with well over 1.2 million square feet of space and 600 acres of research farmland. In addition to our facilities, we also possess a substantial inventory of research equipment with an estimated replacement asset value well over \$180 million. Adequate infrastructure is a vital requirement to support our vision, sustain program effectiveness and manage program growth aligned to corporate and provincial priorities. We have secured \$89.4 million over the next three years to support implementation of priority capital projects.

Our Facility Services team works with the Ministry of Technology and Innovation, the Ministry of Alberta Infrastructure, and Alberta Innovates Corporate Finance to offer strategic and operational support for program accommodation, capital project planning, budgeting and implementation for Alberta Innovates and its subsidiaries. The following is a table summarizing all capital categories and funding allocation over the next three years. All selected projects have gone through a stringent review process to ensure they align and support priority program requirements.

<i>(Dollars in Thousands)</i>	2023/24	2024/25	2025/26
Capital Maintenance and Renewal (CMR)	4,807	7,347	6,944
Self-financed Capital Investment	8,500	8,500	8,500
Clean Hydrogen Centre of Excellence (Total Approved Budget: \$10M)	5,000	-	-
Pressure Reaction Tower (Total Approved Budget: \$2M)	1,000	-	-
Capital Planning	800	-	-
Fume Hood Replacement Program <i>(Total Approved budget: \$88.3M – in Infrastructure financial statements)</i>	14,032	12,000	12,000
<b>Total</b>	<b>34,139</b>	<b>27,847</b>	<b>27,444</b>

### Commercial Lease Arrangements

Location	Size	Termination Date	Scope of Operations
Victoria Group	5,030 square feet	July 31, 2023 (extension in negotiation)	InnoTech Alberta – Water Characterization
Edmonton Pylypow	12,925 square feet	June 30, 2024	InnoTech Alberta – Industrial Sensor Technologies Team
C-FER East Pylypow	36,650 square feet	May 31, 2023 (extension in negotiation)	C-FER Engineering Consulting and Full-Scale Testing for C-FER's Pipelines and Structures
Edmonton Bell Tower	31,490 square feet	March 31, 2028	Alberta Innovates
Calgary AMEC Place	5,945 square feet	Lease in overhold, pending Alberta Infrastructure review	Alberta Innovates

## ENTERPRISE RISK MANAGEMENT

ALBERTA INNOVATES IS COMMITTED TO ENSURING THAT RISK MANAGEMENT PRACTICES ARE EMBEDDED IN THE DEVELOPMENT OF STRATEGIC, BUSINESS AND OPERATIONAL PLANS. THIS DRIVES CONSISTENT, EFFECTIVE AND ACCOUNTABLE ACTION AND DECISION-MAKING IN MANAGEMENT PRACTICE AND BOARD GOVERNANCE OVERSIGHT.

We have designed our risk management framework to be consistent with the practices of generally accepted global risk management standard frameworks and in alignment with the Government of Alberta's risk management framework.

Our risk management standard is based on five key principles:

1. Focus resources and mitigation activities to address significant near-term corporate risks, with ongoing monitoring of all other identified and potential risks.
2. Commit to implementing the Enterprise Risk Management (ERM) standard in a staged fashion, allowing for continuous improvement and efficiencies.
3. Operationalize the standard across the organization through Alberta Innovates' operational, business and long-term strategic plans.
4. Administer the risk management standard in a cost-effective manner by embedding it in the corporate planning processes.
5. Commit to enhanced transparency and shared understanding between our organization and our stakeholder as to our organization's key risks and mitigation strategies.

### Key Risks

Our key risks are identified based on their potential impact and likelihood they will affect our ability to deliver on our business plan:

- **Budget Reductions and Limitations on Expenditures:** Our organization's ability to fund and transform Alberta's R&I system is adversely affected by reductions to our budget and limitations on expenditures. Our Board and senior management continue to work closely with the Ministry to minimize these impacts. Our organization's relationships with other partners and stakeholders are also leveraged to bring in additional revenue and contracts for both Alberta Innovates and our subsidiaries.
- **Resource Recruitment and Retention:** Our workforce is key to our efforts to transform the R&I system in Alberta. Limitations such as labour market conditions, budget reductions, legislative directives (including salary restraints) and other mandates can affect our ability to recruit and retain highly qualified staff. Tools such as our Employee Engagement Survey assist us in understanding how we can continually improve our workplace and drive our performance forward. Our brand marketing strategies also provide an effective way to continue to build and reinforce our positive reputation in the ecosystem.
- **Reporting Complexities and Investment Model:** Reporting complexities, competing demands on our resources – and, in some cases, longer-term investments required to advance innovation – affect our ability to deliver on our objectives and adequately demonstrate the impact of our investments within yearly budget cycles. This could potentially lead to a loss of confidence about the impacts made by Alberta Innovates. In response, we continue to maintain and build relationships with our colleagues in the Ministry. Our senior management engages in various discussions with the Ministry and provides important input into several guiding strategies. We are continuously improving our processes to measure, monitor and report on the value we generate, including target-setting and more in-depth analyses.



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