



# Canada Infrastructure Bank Annual Public Meeting June 13, 2023

## **Corporate Participants:**

Frédéric Duguay – General Counsel & Corporate Secretary

Tamara Vrooman – Chair of the Board

Ehren Cory – Chief Executive Officer

## **Frédéric Duguay:**

Welcome to the CIB's annual public meeting. My name is Frédéric Duguay. I'm the CIB's General Counsel and Corporate Secretary, and I will be your MC today.

As a Crown Corporation, we understand that this annual public meeting is important for all Canadians. This event is as an accountability initiative that we take very seriously. It is also available in both official languages. We thank you very much for joining us today.

I'd like to begin by acknowledging that the land we are hosting today's meeting from is the traditional territory of many nations, including the Mississaugas of the Credit, the Anishinaabe, the Chippewa, the Haudenosaunee, the Wendat people, and is now home to many diverse First Nations, Inuit and Metis people.

We also recognize that our other participants on today's call are joining us from other territories, and we respect and acknowledge their lands and their people.

Today's session will proceed as follows, we will have remarks by the chair of our board, Tamara Vrooman, followed by a presentation by our Chief Executive Officer, Ehren Cory.

He will cover the accomplishments of the CIB over the past year, and talk about what lies ahead for the CIB for the future. This presentation will be followed by a question-and-answer session that is available to all participants today.

We also invited all attendees that registered as of Thursday, June 8, to submit any questions in advance. Thank you, to all of those who took the time to submit questions in advance.

This session will last 60 minutes.

The meeting is presented in English and French. If you prefer to participate in the other language, please visit [CIB-BIC2023.com](https://CIB-BIC2023.com) and choose the button to join the stream in the language of your choice.

For your awareness, today's session is also being recorded.

If you are joining us via webcast, and would like to ask a question, please use the Q&A box on your screen to type and submit your questions.



If we have any members of the press joining us today, we welcome you to address your questions directly to the CIB's media team at [media@CIB-bic.ca](mailto:media@CIB-bic.ca).

Now let's proceed. To share more information on the accomplishments of the past year, please welcome the chair of our Board, Tamara Vrooman.

**Tamara Vrooman:**

Thanks very much. Good afternoon. We welcome the opportunity to hold this public forum each year, providing our stakeholders with an update on our progress and creating an opportunity for you to ask questions that you have for the board or for management and the team.

My name is Tamara Vrooman, and I'm the chair of the Board of Directors of the Canada Infrastructure Bank, and I'm coming to you from Vancouver in the Vancouver International Airport, where my office is located. Vancouver International Airport or YVR is located on the traditional, unceded and continuously occupied territory of the Musqueam, and I'd like to take an opportunity to pay my respects to elders, past and present.

As the Canada Infrastructure Bank moves past its fifth year of operation, it is an opportunity to reflect on the incredible journey that we have been on to get more infrastructure built.

We all know that infrastructure is critical to our well-being and prosperity.

It connects us to communities, powers our homes and businesses, and moves the information and goods that we depend on each and every day.

The CIB was established as an innovative financing tool to work with the public sector and private and institutional investors, to grow and accelerate the pace of infrastructure development across our country. It was a new approach to a long-standing challenge.

And today the results are clear. We established a team of experts and built a presence across this nation.

We are incredibly proud to be reaching the key milestone of \$10 billion dollars in investment commitments. Together with a growing list of private and public sector partners, we have combined our total capital invested to \$27 billion, representing 46 projects from coast to coast to coast.

Behind these headline numbers is the story of the continued maturation of the CIB. The Board is pleased to see management advancing key initiatives that address, among other things, enterprise risk, streamlining of investments, review processes, and an enhanced focus on sustainability. In the last fiscal year, the management team sharpened its focus on enterprise risk management on a number of fronts.

Led by a new senior leader with responsibility for implementing ERM across the organization, we are focused on identifying, assessing, mitigating and monitoring risks that may present both threats and opportunities when it comes to meeting our objectives.

Through the ERM program, management tracks potential issues on a risk register and provides quarterly enterprise dashboard results to the Impact and Risk Committee of our Board of Directors. These include reporting on the CIB's top and emerging risks, performance against risk appetite and key risk indicators.



We're in the process of building a strong risk culture with the goal of addressing and mitigating potential challenges early and efficiently to support informed risk-based decision making.

One of the Board's key responsibilities is oversight of investment activity. This year we worked with management to further streamline the review process. To do this we conducted reviews of 43 investments, including preliminary investment proposals, backstop commitments and final investment commitments.

We received regular updates on the CIB's response to managing any exposure due to increased fiscal impacts in projects, and we reviewed and recommended adjustments to the investment policy to update the decision-making process for previously approved investment commitments.

Turning to the organization's commitment to sustainability: we believe it's at the core of what we do. Our investments reduce greenhouse gas emissions, connect Canadians through broadband and transit, grow our economy through trade, and close the Indigenous investment gap.

With respect to climate, this means deploying significant capital towards projects that help reduce GHGs and support the federal government, in its efforts to reach its climate goals. The bulk of what we do is through investments, but we understand we need to keep our own house in order too. We have advanced our efforts this year by calculating our own carbon footprint and issuing our first climate-related disclosures.

Moving forward, we will build on this foundation by including financed emissions in our profile and enhancing our climate-related disclosures. We understand that infrastructure plays a crucial role in building the sustainable future we want and contributes to our transition to a net-zero economy.

We're at the beginning of an important sustainability journey for the CIB. We're proud of our contributions and results so far, but we have significantly more to do. We're excited where we're going - this past year saw the release of our sustainability and impact report which can be found on our website. Going forward, we will integrate our sustainability reporting into our annual report document.

Turning to our relationship with the Government of Canada as a federal Crown Corporation, we continue to engage directly with the Infrastructure Canada Minister, Dominic LeBlanc, Deputy Minister Kelly Gillis, and their teams. In addition to regular tables at which we discuss investments, communications, research and corporate reports, a five-year review of the CIB, as required by our legislation, was initiated in June of 2022. The Minister undertakes a review of the legislative provisions and operations of the CIB Act every five years.

The legislative review is meant to assess whether the policy premises and contexts that underpin the creation of the CIB are still sound and relevant, whether the CIB's legislated mandate and authorities to support its operations remain relevant in the context of an evolving policy and infrastructure landscape, and whether changes or clarifications are needed to position the CIB going forward.

The CIB provided input into this exercise, in response to an open consultation undertaken by Infrastructure Canada. We have been informed that the Minister intends to table a report on the review in Parliament this month. We welcome the report and the opportunity to continue working with Infrastructure Canada and our many stakeholders to advance our important mission.



I would like to close today by thanking our Board of Directors. This is a board with deep knowledge of Canada's infrastructure, landscape as well as governance and financial expertise.

I'd like to once again thank two departing board members, James Cherry and Chris Hickman, who both joined the Board back in 2017. Both Jim and Chris made significant contributions and brought regional perspectives from Quebec and the Maritimes that were highly valued.

We also welcome to new board appointments, Andrée-Lise Méthot and Michael Bernstein, who were appointed on December 2nd 2023, and they've already demonstrated a strong acumen for infrastructure investment on our board.

With that I'd like to congratulate Ehren and his team for their exceptional progress at this five-year mark. I will now turn the microphone and screen over to Ehren to provide his update. Thank you again for the opportunity to address you today, and I now turn it over to our Chief Operating Officer, Ehren Cory. Ehren, over to you.

**Ehren Cory:**

Thank you very much, Tamara. Merci Tamara.

Bonjour à toutes les personnes qui nous ont rejoints aujourd'hui venues de tous les coins du pays. Nous vous remercions de l'intérêt que vous portez à la Banque de l'infrastructure du Canada. Merci de nous avoir rejoints aujourd'hui d'un océan à l'autre.

Thank you for your interest in the Canada Infrastructure Bank. Thank you for joining us today from coast to coast to coast to coast.

As Tamara indicated, I'm here and pleased to be here representing our entire organization, and I really look forward to the opportunity today to discuss our progress and where we're headed, and to field your questions.

I'm going to start with a review of our progress and highlights from the past year. We have continued to invest in critical infrastructure projects across the country. Some quick stats. First, as you can see on your screens, in this past year, we made investment commitments to 22 projects, with more than \$3 billion dollars in financing. We reached financial close on 25 projects which represented over \$4.5 billion dollars in committed loans. As of today, we have 29 projects in active construction, and we had our first project reach completion. Our investment with Edmonton in zero-emission buses, with the full complement of 20 buses purchased and on the road. So we have reached the other end of an investment in 2023, for the first time.

The picture on the screen shows a ribbon cutting. Ribbon cuttings happen at the very start of infrastructure projects. This is with our partner, Dream, where we're working on an energy retrofit. I mentioned this picture happened earlier this year, and as of today, the program they're working on is a retrofit of 19 buildings across the country. 13 of those buildings are currently in construction, being renovated, being converted to net-zero ready buildings with significant benefits for climate, for livability, and for our cities. Our projects really are making the move from investment commitment into construction and active operation quickly.

Now, let's look at bit more at the cumulative effect of those investments. If that's the past twelve months, you will have seen, during Tamara's comments, the map with a lot of red dots on the left-hand side of your screen. This does represent the 46 individual investment commitments we have made since inception, and those represent real projects with real partners across this



country. They also represent real impact, and the right-hand side of the side of this slide speaks to those benefits.

Given our mandate as an investor in public good, and infrastructure that delivers public benefits, we take these numbers extremely seriously, and you will have seen in our previous annual reports, and in our corporate planning. As we look forward, we set targets for ourselves, not only on capital deployment but on benefits and impact.

We measure things like the annual GHG impact of the investments we make in clean power and green energy. Currently, we estimate that the investments we have already made will deliver 5.1 million tons of annual GHG reduction.

We measure transit ridership and the way we are accelerating the move to common transit systems which are better for the economy and livability of cities. Right now we estimate we've invested in projects that deliver about 175,000 daily new trips. We've invested in agriculture projects which increase land productivity and GDP. We've invested in 27 Indigenous communities across this country who are directly benefiting from our investments in water and wastewater, green energy, clean power, transit and transportation systems. And we've connected nearly 350,000 households to broadband, who did not previously have access across the country through our partnership. both with the Federal Government, with ISAID and with our many ISPs, broadband delivery partners across the country.

Those impacts are as important or more than talking about the number of projects. When we talk about the value of impact, we really do take that seriously.

I mentioned this earlier, but each of those dots represent real partnerships. That's what I'd like to speak about now, if I may.

All of our work, whether it's to drive reduction in the GHG emissions of our transit systems by working with municipalities; driving building energy retrofits in partnership with building owners; working with power developers, public utilities, private power companies, all of those projects are aimed to both drive prosperity and competitiveness of Canada, and deliver on moving us towards a net-zero world, and all of them happen in partnership.

The pictures on your screen are the most important thing to remember. Every one of those are posed pictures, and I get the privilege of being in them. They are the result of the work of an incredible team and the result of months – sometimes years – of collaboration, negotiation and partnership.

These represent from the picture on the right, which is with the Grasswoods Reserve. This is a water treatment facility and enabling infrastructure to allow for urban reserve development just south of Saskatoon. It's a project that the CIB invested about \$30 million dollars in, and it will grow a community.

On the left-hand side of your screen, we're standing in a field outside Darlington, where we're celebrating the investment of the CIB along with our partners in the Ontario government, the Federal Government and OPG in the new nuclear reactor which will provide new, clean power for another generation – in fact, generations to come in Ontario.

The pictures in between represent two of our other many partnerships with the City of Calgary and the University of Toronto. I give you those examples only to highlight the real and richness of the partnerships we're building with municipal leaders, public sector leaders, Indigenous leaders and private companies across this nation.



Our mandate has continued to expand and grow, and Tamara talked about some of the steps that we have taken as an organization, and that the Board has taken to continue to mature our organization. It's also we're just reflecting on how our mandate has continued to shape and evolve.

A year ago, when we conducted this meeting, we talked about how budget 2022 in the spring of 2022 expanded our mandate in some important ways, clarifying the role for the CIB and clean fuel, hydrogen, carbon capture and small modular reactor investments across the country. Since then, we have responded quickly and definitively with making investments in a number of those areas. We have now made investments in our first electric vehicle charging network with our partners at FLO.

We made an investment in our first biofuel facility at Varennes with a series of partners in a facility that will deliver a biofuel product and replace a fossil fuel. And we have, of course, as I mentioned previously, made our first investment in a small modular nuclear reactor.

All of those are examples of us taking the mandate and the challenge given us, working really closely with our partners in the private sector, and importantly with the rest of the federal government, to determine how best to implement the direction of the budget and turn it into real action in projects.

We're taking the same tack now to budget 2023. The most recent budget had a number of additional areas of focus and new areas for the CIB. There's an even greater - the biggest conclusion of course, from this year's budget, is the even greater focus around the CIB's role in accelerating energy transition and the path to net-zero. The CIB was given long-term targets from the Government of Canada to invest up to \$10 billion dollars of our money in both the clean power and green infrastructure spaces, and to take more aggressive stances in doing so across the country.

There was also a clear direction around supporting Indigenous communities in participating in the economic benefits of their projects through equity participation in projects where the CIB is an investor, and this is a new tool that allows us to bring more projects to completion more quickly and in participation with Indigenous partners.

We are also making progress in another area that wasn't specifically highlighted in the budget, but it's another example around critical mineral strategy. The Government of Canada has a clear priority around critical minerals, and this is actually an interesting example where it's not a new mandate for the CIB. In fact, what we'll be doing is investing in roads, in power, clean power, in broadband connectivity, in wastewater treatment, so all forms of infrastructure that we invest in, but doing it and packaged in unique ways to support the development of this critical sector for the country. This is another example where we are quickly aligning our resources, skills and partnerships to deliver on national priorities.

I want to talk about our financial results for a moment - an important part of any annual public meeting. As I mentioned, we had 25 projects this year that advanced to financial close. Those total 4.6 billion dollars. Those are firm investment commitments; we have signed a lending agreement, there's a credit agreement behind those, and money will flow behind them. As you can see, life to date, our funding is about \$1.7 billion dollars of actual cash that flowed - \$261 million in the most recent year. As projects advance and as the construction that I described continues to accelerate, the dollars and of funding will continue to grow in proportion.



We have appropriations, of course, of \$4.5 billion dollars which match the financial closes we reach. That's the money that we now have committed to those projects and under contract, if you will.

We realized \$29.7 million dollars of interest income which represents projects that are now well into their life and are realizing interest back to the CIB.

And, as you can see, our operating expenses totaled \$46 million dollars for the year, and it is worth just reflecting on what that means. If you compare that to whether the total assets under management, which are, as Tamara mentioned, approaching \$10 billion, or, if you compared it to the annual activity of investment of 4.6 billion, it's actually a convenient number. You can do the math quite clearly – that represents 1% of annual activity. It represents less than half of a percent of our cumulative investment activity. This is by benchmark a very lean organization, one we are proud of and continuing to invest in and grow, but where we take the treatment of taxpayer dollars really seriously, and our goal is to maximize the new infrastructure we're getting built.

I talked earlier about partnerships and their importance to us. I'd like to just reflect a bit more on the increasing role the CIB has been playing and engaging with stakeholders in the market at large, not only in partnerships on individual projects, but on trying to move sectors and regions of the country forward.

With the relaxing of travel restrictions, and our ability to be more out in the world, it has given us the opportunity to engage in new ways with our stakeholders. We have spent time touring the country; we've spent regional meetings in Vancouver, Montreal, Edmonton, and Calgary and more recently, but in this current year in Saskatchewan. Last week I was in Saskatchewan for a week, and each of those places we're taking the opportunity to meet with private sector potential infrastructure investors, with governments, both municipal and regional, with key stakeholders like chambers of commerce, the Federation of Canadian Municipalities, the Canada Green Building Council, and with many Indigenous leaders and Indigenous partners. All in the name of better understanding infrastructure needs across the country, helping to explain and clarify the role of the CIB, and how we can help accelerate.



As you can see from the pictures on this screen – including one of Tamara – one, not two faces on a screen, but actually two human beings standing beside each other. We had the chance last year at this time, with Chief Sparrow of the Musqueam when we were in Vancouver. A chance to learn from, and hear from leaders in the Indigenous community, in the business community and in governments across this country has really helped sharpen our focus, and I think, helped to build an awareness and understanding of the role of the CIB as well. Those will lead to partnerships and projects down the road.

We've also been investing more than ever in our knowledge and research activities, and I think it's important to point out a few recent examples of that. We have done work in 2023 – a few important research projects that we released. One was around the green retrofit economy; we did that in partnership with Delphi and the Building Council.

We also did a project with TMU around how to secure critical infrastructure from cyber threats, an increasing challenge in many of the projects we invest in.

I'd also point out some research that was published in April but was heavily invested in and completed during the course of 2022-2023, and that was in partnership with UofT around land value capture and the role that it can play in accelerating our transit investments.

All of these are examples of how our research can help lead to unlocking new sectors of infrastructure investment across the country.

Finally, I'd like to just mention, as it says on the slide we have, we created a really innovative partnership with the AFOA, and this is around building Indigenous capacity in the financial sector and project management sector. It's a certification program where we're partnering with TD Bank and the AFOA to deliver a mini certification to financial officers, economic development leaders in the Indigenous communities so that they have the capabilities and resources to lead projects in their communities.

I'd like to end with a little note about our team. Tamara showed the pictures of our board members, and they really do represent incredible expertise, representation from across our country from different pieces of the infrastructure, landscape transit and energy and broadband and transportation and trade, and we are privileged to have them. I cannot show you pictures of all of our employees, and that's because we've continued to grow as an organization. You can see a picture of a few of them on your screen.

The CIB today is about 120 people. We come from incredible range of backgrounds, most from the private sector, but some importantly, with public sector experience as well. We really are trying to live a vision of making Canada better -- a more prosperous, competitive, clean country, breaking new ground while we do it, being innovative and being willing to try new things, bringing the best of public and private, celebrating and learning from our differences. Those are part of the core values that we, as an organization, have adopted.





This picture of employees at a table was actually talking about those values and how best to phrase and encapsulate them, that captures the spirit of the CIB. We have a workforce, as I said, that comes from a range of places, but what draws them here is the mission of the CIB. The idea that we can invest in building this country to be prosperous, competitive, and successful in the transition towards net-zero that we can invest in connecting every Canadian, making sure we have access to the infrastructure that leads to great quality of life and social health.

That's what draws the many CIB employees together. I know that's what motivates our Board members to join and be part of our board as well, I want to say, thanks to all employees. I'm sure some are listening today, and I'll say we would be nowhere without the hard work, dedication, and effort of our employee group and a big thank you for that.

Thank you so much everyone for listening and for joining us today. Merci tout le monde. We're looking forward to your questions.

***Transcript has been edited for clarity.***

***Due to time constraints, not all participant questions were answered live on the meeting.***

***For the full list of participant questions and answers, please see the Question and Answer document.***