



# Canada Infrastructure Bank

Public Impact Management Policy



Canada Infrastructure Bank | Banque de l'infrastructure du Canada

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## Accessibility

The CIB is committed to creating a barrier-free experience for all employees, job-seekers, clients, suppliers and other stakeholders. For any questions about Accessibility or to request any accommodations, please contact your CIB representative or email [accessible@cib-bic.ca](mailto:accessible@cib-bic.ca).

# 1. Introduction

## 1.1 Purpose

1.1.1 The Canada Infrastructure Bank (“**CIB**”) is a federal Crown corporation established by the *Canada Infrastructure Bank Act* (the “**CIB Act**”). Pursuant to Section 6 of the CIB Act:

*“The purpose of the Bank is to invest, and seek to attract investment from private sector investors and institutional investors, in infrastructure projects in Canada or partly in Canada that will generate revenue and that will be in the public interest by, for example, supporting conditions that foster economic growth or by contributing to the sustainability of infrastructure in Canada.”*

1.1.2 In carrying out its mandate in the public interest, the CIB pursues investment opportunities in alignment with the Government of Canada’s public policy objectives, which are communicated to the Board of Directors in the form of a Statement of Priorities and Accountabilities from the designated Minister, acting as the CIB’s shareholder. This includes supporting infrastructure projects that are within the CIB’s priority sectors for investment, and achieve meaningful economic, social and/or environmental Public Impact Outcomes.

1.1.3 To guide its decision-making the Board of Directors has adopted the CIB’s Investment Framework, which clearly defines and articulates the Public Impact Outcomes, including the characteristics, thresholds and risks, that the CIB seeks to achieve for investments or initiatives. These Public Impact Outcomes are aligned with government policy priorities for the CIB and are set in the CIB’s Corporate Plan describing the Corporate Objectives and the results the corporation expects to achieve.

1.1.4 The purpose of this Public Impact Management Policy (“**Policy**”) is to describe the CIB’s approach to identify, define, measure and monitor Public Impact Outcomes consistent with its Investment Framework. This Policy will evolve over time as the corporation and its activities mature.

- 1.1.5 The capitalized terms used but not (otherwise) defined in this Policy are defined in section 5.

## 1.2 Scope

- 1.2.1 This Policy applies enterprise-wide to the CIB. It is recommended by the Chief Executive Officer to the Board of Directors, through the Portfolio and Impact Committee, for approval.
- 1.2.2 This Policy applies to the CIB's investment activities to carry out its mandate, including with respect to the following core functions in subsection 7(1) of the CIB Act:
- » structure proposals and negotiate agreements, with the proponents of infrastructure projects and with investors in infrastructure projects, with regard to the Government of Canada's support of those projects;
  - » invest in infrastructure projects, including by means of innovative financial tools, and seek to attract investment from private sector investors and institutional investors in infrastructure projects;
  - » support infrastructure projects by, among other things, fostering evidence-based decision making.
- 1.2.3 This Policy reflects the CIB's mandate to invest in infrastructure projects that will be in the public interest, including infrastructure projects that support broad-based economic, social and/or environmental outcomes in alignment with the principles of this Policy. This Policy is not intended to restrict the CIB's investment-related activities carried-out in a manner that is consistent with its mandate and the government's public policy objectives.

# 2. Principles

This Policy is based on the following guiding principles.

## 2.1 Setting Clear and Measurable Public Impact Outcomes

- 2.1.1 In accordance with its public interest mandate and consistent with the Investment Framework, the CIB will define clear and measurable Public Impact Outcomes that will guide its investment decision-making activities.
- 2.1.2 Public Impact Outcomes will be evaluated based on Measurement Standards that have a high degree of rigour, consistency and are set in accordance with recognized national and international standards.

## 2.2 Aligning CIB's Practices to the Operating Principles for Impact Management

- 2.2.1 This Policy is guided by the Operating Principles for Impact Management (the “**Impact Principles**”). The Impact Principles were developed by a group of leading impact investors, convened by the International Finance Corporation, a member of the World Bank Group. The Impact Principles are a framework for investors for the design and implementation of their impact management systems, ensuring that impact considerations are integrated throughout the investment lifecycle. The Impact Principles do not prescribe specific tools and approaches, or specific impact measurement frameworks.
- 2.2.2 In developing its approach to identify, define, measure and monitor public impact, the CIB will align to the nine (9) Impact Principles, through the activities further described in section 4:
  - » *Define strategic impact objective(s) consistent with investment strategy*
  - » *Manage strategic impact on a portfolio basis*
  - » *Establish the manager's contribution to the achievement of the impact*
  - » *Assess the expected impact of each investment, based on a systematic approach*

- » *Assess, address, monitor and manage potential negative impacts of each investment*
- » *Monitor the progress of each investment in achieving impact against expectations and respond appropriately*
- » *Conduct exits considering the effect on sustained impact*
- » *Review, document and improve decisions and processes based on the achievement of impact and lessons learned*
- » *Publicly disclose alignment with the Impact Principles and provide regular independent verification of the alignment*

## **2.3 Transparency and Accountability**

- 2.3.1 The CIB will be open and transparent with Canadians about its decision-making processes, including the Public Impact Outcomes guiding its investment decision-making and the results achieved. The CIB will track its impact performance and will report publicly on its performance on an annual basis, the timing of which will be coordinated with the CIB's other annual reporting obligations.
- 2.3.2 The CIB's transparency and accountability practices will aim to provide access to information about its operations, investments and decision-making processes, while respecting the confidentiality of commercially sensitive information obtained from counterparties, as required under the CIB Act.

# 3. Activities

## 3.1 Impact Management Practices

3.1.1 Consistent with the CIB's Investment Framework and the Impact Principles, the CIB considers the public impact in its investment decision-making with respect to the four (4) following stages:

- » as part of the CIB's Corporate Objectives and Portfolio Allocation;
- » when making investment decisions;
- » as part of the monitoring, verification and management of its investments to measure public impact performance; and
- » at the time of exit of an investment, including the evaluation of the achievement of the initial estimated Public Impact Outcomes.

The CIB's impact management practices with respect to each of these stages are described in sections 3.2, 3.4, 3.5 and 3.6.

## 3.2 Corporate Objectives and Portfolio Allocation

3.2.1 The CIB's definition of public impact is formalized through the annual Corporate Plan approval process, which includes the recommended Corporate Objectives and Portfolio Allocation to achieve these Corporate Objectives. The Corporate Plan is submitted annually to the designated Minister, who may, with the concurrence of the Minister of Finance, recommend it for the approval of the Governor in Council. The approval of the Corporate Plan confirms the alignment of the Corporate Objectives and Portfolio Allocation with government's public policy objectives and priorities communicated to the CIB.

3.2.2 The Group Head, Strategy, leads the development of the proposed Corporate Objectives, which are recommended by the Chief Executive Officer to the Board of Directors (through the Portfolio and Impact Committee) as part of the approval of the Corporate Plan.

- 3.2.3 The CIB will develop its proposed Corporate Objectives and Portfolio Allocation based on the government's priorities and expectations concerning the CIB's public policy objectives (communicated through a variety of mechanisms, including mandate letters or statements of priorities and accountabilities), and other broader government policy commitments. These public policy objectives and commitments translate into specific, measurable Public Impact Outcomes for which the CIB can be held accountable.
- 3.2.4 The Corporate Objectives will include defined Public Impact Outcomes with measurable planned results and targets.

### **3.3 Public Impact Outcomes and Measurement Standards**

- 3.3.1 The CIB's Public Impact Outcomes are included in the Corporate Objectives. Each investment made by the CIB should be structured to achieve one or more of the CIB's Public Impact Outcomes. The CIB's Public Impact Outcomes will evolve from year to year based on:
- a. evolving government priorities for the CIB;
  - b. the identification of new outcomes within existing or proposed subsectors of investment activity which the CIB believes are aligned to government priorities; and
  - c. the assessment of the potential targets for Public Impact Outcomes, based on the CIB's pipeline of investment opportunities and Portfolio Allocation.
- 3.3.2 In particular, new Public Impact Outcomes may be developed as part of the development or review of an investment strategy or program against the Investment Framework. New Public Impact Outcomes included within an investment thesis will be tracked provisionally until the CIB's next annual Corporate Objectives are approved by the Board of Directors.
- 3.3.3 The CIB will develop Public Impact Outcomes that:
- a. are aligned to government priorities and public policy objectives communicated to the CIB;
  - b. are comparable across projects within a priority area subsector and, where possible, across the CIB's investment portfolio; and



- c. focus on the material impacts of the project proposed for investment to support the transparency and accountability of the CIB's decision-making processes.

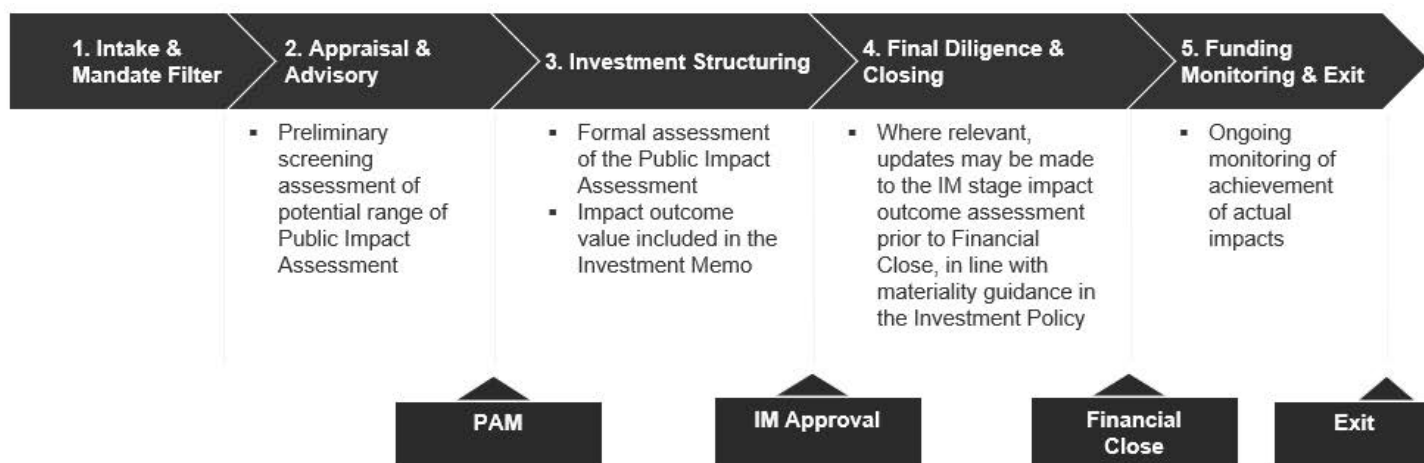
3.3.4 The CIB will develop and maintain a Measurement Standard for each Public Impact Outcome that details how the Public Impact Outcome will be assessed and estimated at the time of investment decision, how it will be monitored and evaluated through the investment's lifecycle, and how it will be considered at investment exit. Measurement Standards will:

- a. provide guidance to investment teams and their technical advisors on the appropriate calculation for the Public Impact Outcome;
- b. identify consistent sources of data and assumptions to underpin the Public Impact Outcome (e.g., electricity grid emissions intensity factors);
- c. be consistent with federal and international standards for measurement, including, where possible, those of the International Standards Organization, the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB);
- d. outline the required level of diligence of the Public Impact Outcome at each stage in the investment process; and
- e. provide guidance on appropriate monitoring and verification of the Public Impact Outcome.

3.3.5 Measurement Standards developed will be recommended by the Chief Executive Officer and approved by the Portfolio and Impact Committee, under delegated authority from the Board of Directors.

3.3.6 The Head, Portfolio Strategy will maintain a library of approved Measurement Standards. The approved Measurement Standards will be reviewed every two years or more frequently as deemed necessary by management, or following issuance of new guidance from the federal government. Any amendments will be recommended to the Portfolio and Impact Committee for approval.

### 3.4 Making Investment Decisions



3.4.2 The Investments function, with support of the Strategy function as necessary, will conduct a preliminary screening assessment of the potential range of Public Impact Outcomes for infrastructure projects under appraisal. The results of the preliminary screening assessment will be included in a project appraisal memo to the Investments leadership team.

3.4.3 At the Investment Memo and financial close approval stages, management will prepare an assessment of the Public Impact Outcome(s) of a proposed investment as part of the memorandum to the Management Investment Committee for review and recommendation to the Investment Committee. This assessment of the Public Impact Outcome(s) will be prepared by the Investments function and reviewed and approved by the Strategy function as the second line of defense in the CIB's Enterprise Risk Management model.

3.4.4 The assessment described in section 3.4.3 will include:

- a. a description of the Measurement Standard used to quantify the Public Impact Outcome;
- b. a quantification of the estimated Public Impact Outcome based on the applicable Measurement Standard;
- c. a description of the key assumptions and their sources in support of the assessment;
- d. a description of the key sensitivities and risks to the achievement of the Public Impact Outcome; and

- e. a description of the planned approach to assess, monitor and verify the actual achievement of the Public Impact Outcome.

3.4.5 In accordance with its mandate and public policy objectives, the CIB's investments are sized to correspond to the gap related to the infrastructure project's viability or affordability that precludes the project from proceeding. Given that the CIB's capital is the catalyst for advancing the infrastructure project, and pursuant to the CIB's mandate to attract investment from private sector investors and institutional investors, the CIB's participation in the infrastructure project secures the achievement of the Public Impact Outcomes. As such, the CIB will account for the full Public Impact Outcome of the project in its assessment of the project.

3.4.6 Through the CIB's integrated investment process, management will assess and, where necessary, adopt a monitoring plan to manage the potential risks and negative impacts of its investments. The guidelines for developing the monitoring plans are under development and will be included in the next review cycle for this Policy.

### **3.5 Monitoring, Verification and Management of Public Impact Performance**

3.5.1 The Head, Asset Management leads the CIB's activities for active CIB investments, including monitoring and verifying public impact performance against the estimate made at the time of investment. The Head, Asset Management also manages the CIB's investment to ensure the Public Impact Outcomes are achieved and leads the identification of opportunities to further increase the Public Impact Outcomes of the project, where the investment structure permits.

3.5.2 The Head, Asset Management will ensure that financing documentation contain appropriate provisions to:

- a. ensure an appropriate public impact monitoring, verification and management plan is in place;
- b. obtain information and access rights to all necessary data, to support the CIB's reporting on the Public Impact Outcomes achieved;
- c. ensure the CIB has the right to publicly report on the Public Impact Outcomes achieved from the project; and

- d. provide sufficient public impact monitoring and verification, and access to data for the CIB to obtain third-party review and assurance on the actual Public Impact Outcomes achieved.

3.5.3 The requirements for monitoring, verification and management of public impact performance will be further detailed in the Measurement Standard adopted for each Public Impact Outcome.

### **3.6 Exit and Evaluation**

3.6.1 The CIB's approach to the investment hold period is described in the Investment Policy. In the normal course, the CIB may hold an investment to maturity, or seek to exit prior to maturity.

3.6.2 In circumstances where the CIB decides to exit an investment prior to maturity, in full or in part, the CIB will prepare an assessment, consistent with the procedures described in section 3.4, describing the consequences of the CIB's exit to the project's estimated Public Impact Outcomes.

3.6.3 The Head, Portfolio Strategy, will lead initiatives to review and document lessons learned from the actual public impact performance of CIB investments to refine and improve the CIB's approach to evaluating future investments.

### **3.7 Reporting on our Public Impact Performance**

3.7.1 The CIB will report annually on its performance with respect to its identified Public Impact Outcomes, alongside broader reporting on the CIB's impact and sustainability initiatives. The CIB will develop a strategy to promote continuous improvement of its public impact and sustainability reporting practices, which will be informed by the Impact Principles and best practices adopted by other Crown corporations, private and institutional investors in infrastructure projects.

3.7.2 The CIB's internal audit function will review periodically, as part of its risk-based workplan, the CIB's impact management processes.

3.7.3 CIB's public communication, media and stakeholder relation activities with regards to its public impact initiatives and performance will comply with the *Official Languages*

*Act* and the CIB's *Transparency Framework and Policy*. As appropriate, the CIB will consider a variety of communication methods to report on its public impact activities, which may include independent publication(s), digital media, and participating in conferences and seminars. Results and reports may also be shared with policy makers and government officials to inform policy development.

3.7.4 Reports that are available to the public will be posted on the CIB's website ([www.cib-bic.ca](http://www.cib-bic.ca)) when available.

3.7.5 The CIB will not disclose confidential information obtained in relation to its public impact activities without the required consents, unless required by law. Section 28 of the CIB Act precludes the CIB from disclosing information obtained in relation to the proponents of, or private sector investors or institutional investors in, infrastructure projects without the required consents or where there is a legal requirement or responsibility to disclose.

# 4. Governance – Roles and Responsibilities

## 4.1 Board of Directors

4.1.1 In accordance with the *Financial Administration Act* and the CIB's By-laws, the Board of Directors is responsible for the management of the businesses, activities and other affairs of the CIB. Consistent with its governance and stewardship role, the Board of Directors approves:

- a. CIB's Corporate Plans and Annual Reports;
- b. investment proposals having regard to the recommendations of the Investment Committee; and
- c. CIB's corporate governance policies.

## 4.2 Portfolio and Impact Committee

4.2.1 The Board of Directors has established the Portfolio and Impact Committee, with the authority under the terms of its Charter to provide oversight in respect of the CIB's Investment Framework. Among the responsibilities set out in its Charter, the Portfolio and Impact Committee:

- a. reviews and recommends to the Board of Directors for approval, the Investment Framework for assessing, targeting, managing and measuring investment performance against impact outcomes and financial performance in relation to the CIB's public interest mandate and to government priorities;
- b. reviews the investment Public Impact Outcomes, expected results and performance indicators recommended by management for inclusion in the Corporate Plan, and makes recommendations to the Board as necessary;
- c. monitors the performance of the investment portfolio against the estimated medium- and long-term Public Impact Outcomes in the Corporate Plan and makes recommendations to the Board as necessary; and

- d. reviews and approves this Policy and the Measurement Standards adopted pursuant to section 3.3.5.

### **4.3 Investment Committee**

4.3.1 The Board has established the Investment Committee, with the authority under the terms of its Charter to oversee the CIB's investment activities. Among the responsibilities set out in its Charter, the Investment Committee reviews investment proposals in accordance with the eligibility criteria and due diligence activities including estimated Public Impact Outcomes, as further described in the CIB's Investment Policy, which outlines the CIB's Investment Framework and how Public Impact Outcomes are taken into account in investment decision-making.

### **4.4 Chief Executive Officer**

4.4.1 The Chief Executive Officer is accountable to the Board for the day-to-day management of the CIB's business and activities and ensuring that the CIB's activities respect the Corporate Plan and the policies approved by the Board. In this role, the Chief Executive Officer:

- a. provides leadership and direction on the execution of the CIB's strategy, projects and activities;
- b. recommends the Public Impact Outcomes and appropriate long-term targets for Corporate Objectives for inclusion in the Corporate Plan; and
- c. is responsible for ensuring that the CIB achieves the Corporate Objectives set out in the Corporate Plan.

### **4.5 Group Head, Strategy**

4.5.1 The Group Head, Strategy, is the owner of this Policy and is accountable for the following responsibilities:

- a. leads the identification of Public Impact Outcomes and setting associated long-term targets for inclusion as Corporate Objectives in the Corporate Plan;

- b. ensures that proposed Public Impact Outcomes are consistent with the government's public policy objectives;
- c. ensures that appropriate Measurement Standards are in place for each Public Impact Outcome to estimate the Public Impact Outcomes at the time of investment, and evaluate actual public impact performance over the life of the investment pursuant to a monitoring plan;
- d. serves as the second line of defense within the CIB's Integrated Investment Process on the assessment of Public Impact Outcomes in investment decision-making;
- e. reports on the individual investment and aggregate/overall Public Impact Outcomes achieved by the CIB's investments; and
- f. implements the learning and evaluation systems to improve the CIB's ability to estimate the Public Impact Outcomes of its investments and better target the CIB's support to increase public impact.

## **4.6 Head, Asset Management**

4.6.1 The Head, Asset Management, is accountable for the implementation of ongoing monitoring plans, verification, review and assurance of investments' realized impact performance against the applicable Measurement Standards established in accordance with this Policy at the individual and aggregate investment level.

## **4.7 Head, Portfolio Strategy**

4.7.1 Reporting to the Group Head, Strategy, the Director, Portfolio Strategy is the Policy's monitor responsible for the execution of the activities described in this Policy. In this role, the Head, Portfolio Strategy:

- a. develops and maintains the set of Public Impact Outcomes aligned with the public interest, and facilitate management and board discussion to ensure continued alignment;
- b. develops and maintains the Measurement Standards for the quantification of Public Impact Outcomes;



- c. provides guidance and support to investment teams in their analyses of the Public Impact Outcomes for specific infrastructure projects, and reviews analyses performed for consistency with the applicable Measurement Standards;
- d. leads evaluation initiatives that capture lessons learned to further refine our Impact Management Practices.

# 5. Definitions

In this Policy:

**CIB:** means the Canada Infrastructure Bank.

**Board of Directors:** means the Board of Directors of the CIB, as set out in subsection 8(1) of the CIB Act.

**CIB Act:** means the *Canada Infrastructure Bank Act*, S.C. 2017, c. 20, s. 403.

**Corporate Objectives:** means the CIB's planned results as included in Appendix C of the Corporate Plan.

**Corporate Plan:** refers to the corporate plan that the CIB must annually submit to the designated Minister, who may, with the concurrence of the Minister of Finance, recommend it for approval of the Governor in Council, as set out in section 16 of the CIB Act and further described in Part X of the *Financial Administration Act*, R.S.C., 1985, c. F-11.

**Integrated Investment Process:** refers to the process described in section 3.4.1.

**Investment Framework:** refers to the framework for making investment decisions approved by the Board of Directors based on setting clear Public Impact Objectives, tying the use of the CIB's capital to these outcomes within clear guardrails, and managing public impact and financial performance at a portfolio level.

**Measurement Standard:** means the standard approved by the Portfolio and Impact Committee for each of the CIB's defined Public Impact Outcomes.

**Portfolio Allocation:** means the planned portfolio allocation included in the Corporate Plan.

**Public Impact Outcomes:** means the set of metrics included in the CIB's Corporate Objectives that mean to capture the primary benefits of the CIB's investment activities.

## 6. Supporting Policies

This Policy is supported and supplemented by the following policies, as described in the table below:

Policy	Description
Investment Policy	The Investment Policy elaborates on the investment mandate of the CIB and provides the basis on which the CIB pursues investments consistent with the <i>Canada Infrastructure Bank Act</i> and the authorities delegated by the Board of Directors. The Investment Policy describes the roles and responsibilities of the CIB board and management when it comes to investment oversight and decision-making. It also describes the CIB's investment practices and guidelines, including sourcing of investment opportunities, the types and sizing of investments, and our project assessment and approval process. The Investment Policy also outlines the CIB's Investment Framework and how public impact outcomes are taken into account in investment decision-making.
Enterprise Risk Management Policy	The Enterprise Risk Management Policy describes the CIB's overall enterprise risk management function, risk taxonomy, Risk Appetite Statement and Three Lines of Defense risk governance structure.
Transparency Framework and Policy	The <i>Transparency Framework and Policy</i> describes the roles and responsibilities and the principles to the CIB's management of the proactive disclosure of information, including with respect to enhancing transparency and accountability in respect of the CIB's operations, investments and decision-making processes.

## 7. Review

The Portfolio and Impact Committee will evaluate at least every two years the effectiveness of this Policy and, as appropriate, recommend changes to the Board of Directors for approval.

## 8. Questions

Questions concerning the interpretation of this Policy should be addressed to the Head, Strategy or the Director, Portfolio Strategy.

# 9. Review and Effective Date

This Policy was reviewed and approved by the Board of Directors on February 13, 2025.

Control Table	Description
Policy Name	Public Impact Management Policy
Policy Owner	Group Head, Strategy
Policy Monitor	Head, Portfolio Strategy
Version	2.0
Prior Versions	November 17, 2021
Approved by (date)	Impact and Risk Committee (to be renamed as the Portfolio and Impact Committee) (February 13, 2025)
Next Review Date	February 2027 or earlier
Filename	Public_Impact_Management_Policy_FINAL_02-13-25_EN

History	Version	Action Taken	Date	Comments
1.0	Approved by the Impact and Risk Committee	November 17, 2021	Inaugural Policy	Inaugural Policy
2.0	Approved by the Impact and Risk Committee	February 13, 2025	Amendments following scheduled review of the policy to confirm alignment with existing processes.	

