

Investing for Impact

Corporate Plan Summary
2021-22 to 2025-26

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Executive Summary

EXECUTIVE SUMMARY

An Impact Investor on Behalf of Canadians

The Canada Infrastructure Bank (CIB) is an impact investor accelerating and catalyzing new infrastructure projects that will benefit Canadians.

New infrastructure is important because it supports Canadians' quality of life and leads to even greater outcomes that strengthen Canada's prosperity, inclusivity and sustainability.



The CIB's infrastructure investments contribute to the achievement of four key outcomes: increased economic growth, connected Canadians and communities, Indigenous reconciliation and action on climate change to support a low-carbon future.

As it executes \$35 billion¹ in investments, the CIB focuses on five priority sectors to deliver these outcomes: public transit, clean power, green infrastructure, broadband, and trade and transportation. To help close the Indigenous infrastructure gap across these sectors, at least \$1 billion will be expressly invested by the CIB for this purpose in projects that benefit and/or are in partnership with Indigenous communities.

¹ All amounts are expressed in Canadian dollars unless otherwise stated.

A Collaborative Partner with a Purpose

We actively collaborate with governments across Canada at all levels and develop opportunities for the public sector to partner with private and institutional investors.

By partnering with provinces, territories, municipalities and Indigenous communities, we help all levels of government address their infrastructure priorities. We actively engage private and institutional investors and project developers who bring capital and know-how to projects. With our private sector partners, we increase the total amount of capital available to invest in Canada’s infrastructure and are further strengthening confidence in the Canadian infrastructure market.

The CIB has a strong commitment to helping to close the Indigenous infrastructure gap and is committed to developing partnerships with and for the benefit of Indigenous Peoples.

And finally, we work closely with Infrastructure Canada (INFC) and other federal departments, aligning priorities and exploring ways to ensure our respective efforts work together to leverage better outcomes. The CIB’s direct investment and partnership approach complements, yet is distinct from, government programs that provide grants and contributions.

We operate at arm’s length from the federal government. The CIB’s investment decisions are overseen and approved by our professional, independent Board of Directors (Board).

Delivering the Growth Plan and Beyond

In the near term, through our \$10 billion Growth Plan, we are accelerating investment to create jobs, build connected communities and support a low-carbon future. Over the longer term, our investments will go beyond the Growth Plan with a robust portfolio of significant projects across all priority sectors.

Public Transit	Clean Power	Green Infrastructure	Broadband	Trade and Transportation
Long-term sector target: \$5B	Long-term sector target: \$5B	Long-term sector target: \$5B	Long-term sector target: \$3B	Long-term sector target: \$5B
Sector includes: ZEBs, LRTs, BRTs, ferries, subways, commuter rail, transit-oriented development	Sector includes: zero-emission generation, small modular reactors, renewables, district energy, storage, interties, transmission	Sector includes: energy efficient retrofits, water, wastewater, carbon capture, utilization and storage, clean fuels, hydrogen, zero-emission vehicle charging	Sector includes: unserved and underserved community broadband connectivity	Sector includes: agriculture infrastructure, ports, freight, highways, roads, bridges, tunnels, inter-regional and passenger rail
Growth Plan: \$1.5B for zero-emission buses	Growth Plan: \$2.5B for clean power	Growth Plan: \$2B for energy efficient retrofits	Growth Plan: \$2B for large-scale broadband projects	Growth Plan: \$1.5B for agriculture-related infrastructure
Indigenous Infrastructure				
\$1B across all priority sectors for projects in partnership with and for the benefit of Indigenous Peoples				
Project Acceleration				
\$500 million for project development and early works to shorten critical paths to construction				



Partnerships with Provinces, Territories, Municipalities, Indigenous Communities and the Private Sector and Institutional Investors

The speed, scale and regional breadth of our investments are accelerating. To date we have a total of \$7.2 billion in investment commitments. Our commitments are a major catalyst for projects with an

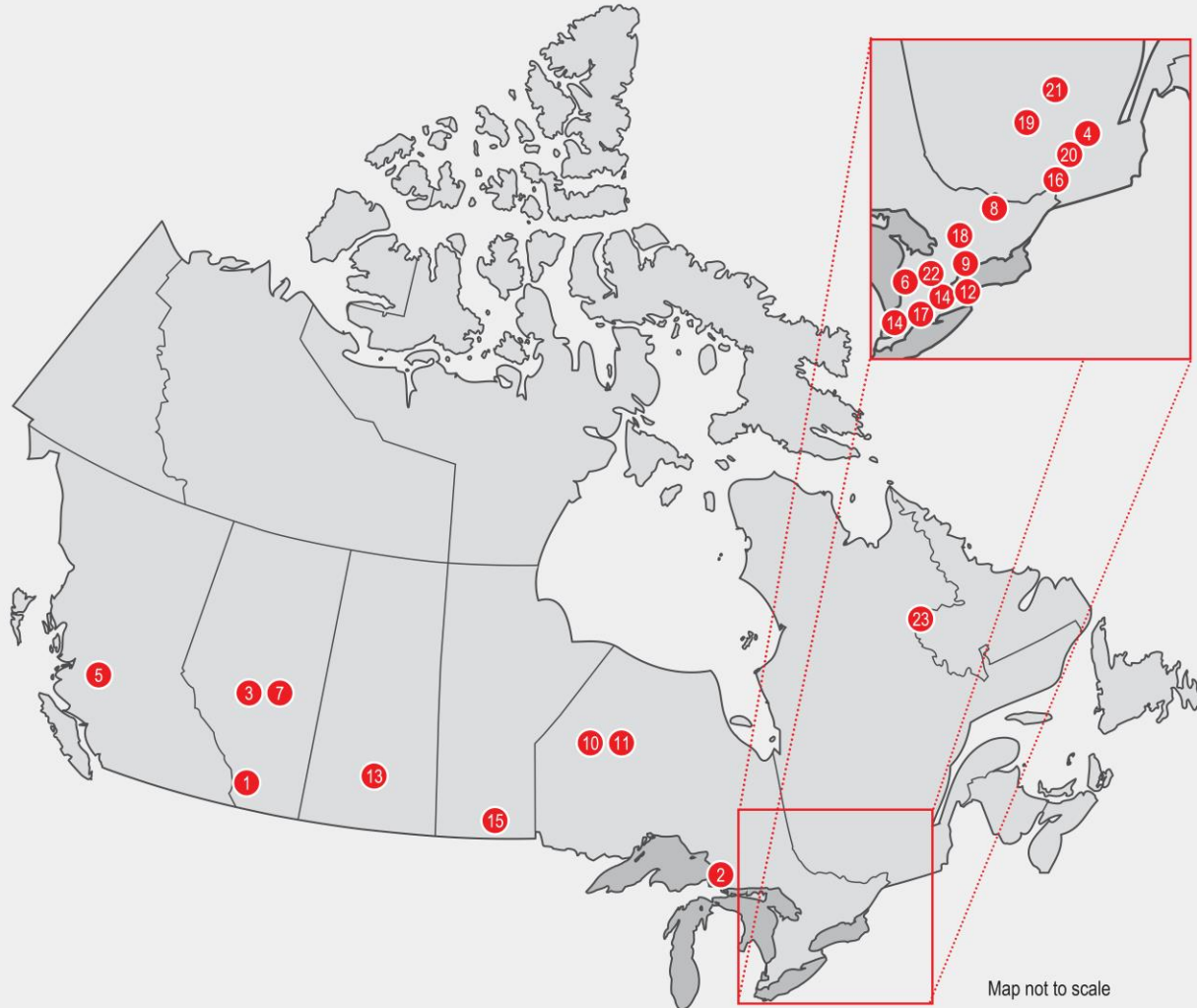
estimated total capital cost of \$20.9 billion. The total of these projects includes \$7.6 billion from private and institutional investors, with the remaining amount being from other sources of public grants.

Our momentum through impactful investments has been increasing. Since the Growth Plan was announced in October 2020, the CIB has made \$5.9 billion worth of investments across all five priority sectors and leveraged \$4.1 billion in private and institutional capital towards these projects. We launched the Indigenous Community Infrastructure Initiative (ICII) and successfully closed our first Indigenous project investment which is a meaningful first step towards the \$1 billion goal for Indigenous infrastructure.

Examples of impactful investments include the following:

- over 5,000 zero-emission buses and school buses (ZEBs) in Ottawa, Brampton, Edmonton, British Columbia and Quebec;
- one of the world's largest energy storage facilities in Ontario;
- the largest irrigation infrastructure expansion in Alberta history; and
- a new airport transit station in Montreal, adding to the largest transit expansion project in Quebec in 50 years.

Investment Comittments



Public Transit	Clean Power	Green Infrastructure	Broadband	Trade and Transportation	Indigenous Infrastructure
4. Autobus Séguin Zero-Emission Buses	12. Enwave District Energy	2. Algoma Steel Retrofit	3. Arrow Technology Group	1. Alberta Irrigation	3. Arrow Technology Group
5. British Columbia Zero-Emission School Buses	14. Lake Erie Connector	9. Dream Retrofits	15. Manitoba Fibre	13. Kahkewistahaw Landing Infrastructure	13. Kahkewistahaw Landing Infrastructure
6. City of Brampton Zero-Emission Buses	17. Oneida Energy Storage	10. Efficiency Capital	18. Ontario Rural Broadband	23. Tshiuetin Rail	14. Lake Erie Connector
7. City of Edmonton Zero-Emission Buses		11. Johnson Controls Retrofits			17. Oneida Energy Storage
8. City of Ottawa Zero-Emission Buses		21. SOFIAC Retrofits			23. Tshiuetin Rail
16. Montréal-Trudeau International Airport REM Station		22. Toronto Western Hospital Retrofit			
19. Quebec Zero-Emission School Buses					
20. Réseau express métropolitain (REM)					

Ambitious Plan to Achieve \$35 Billion in Investment Commitments Long-Term

The Corporate Plan is aligned with the CIB's purpose and authorities, and is based on clear strategic priorities designed to drive CIB progress.

CIB Strategic Priorities



As set out in the Statement of Priorities and Accountabilities (SPA) for the CIB, the Government has allocated, and Parliament approved, \$35 billion for the CIB to fulfill its purpose and functions as set out in the *Canada Infrastructure Bank Act* (CIB Act), and noted the CIB is expected to manage its portfolio so that the net fiscal expense will remain under \$15 billion.

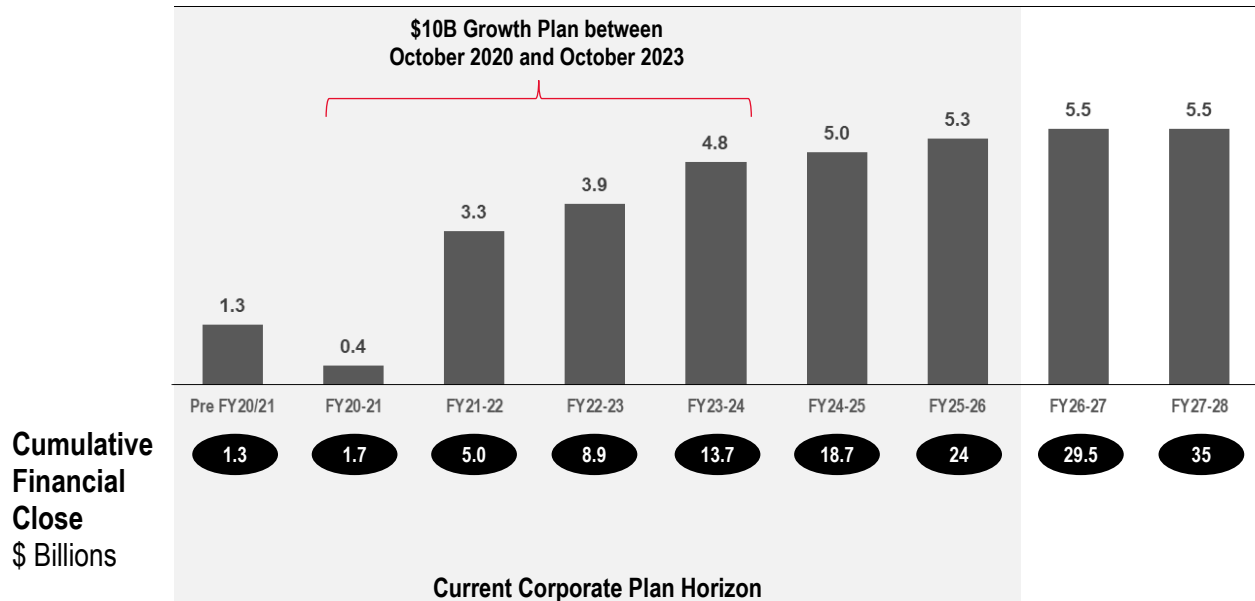
At this time, our funnel of investment opportunities includes an estimated 35 projects in investment structuring that could lead to investment commitments, subject to CIB due diligence and independent decision-making. Over 20 of these projects are in the green infrastructure and clean power sectors. We also continue to actively work with partners on large-scale projects of significance such as High Frequency Rail (HFR) and the Atlantic Loop.

We are actively developing new projects in our funnel in every part of the country. Our team of investment professionals, located in Toronto, Montreal and Calgary work with public, private and institutional partners, including Indigenous communities and organizations, to develop investible projects. We invite all partners to bring forward project ideas and opportunities to partner with the CIB and deliver outcomes for Canadians.

The CIB estimates that its capital plan will result in \$24 billion of financial closes completed by the end of the five-year planning period. This includes the \$10 billion Growth Plan commitment and sets the stage for achieving \$35 billion in financial closes by 2027-28.

Annual Financial Closes

\$ Billions



The CIB continues to evolve and update its investment approach, building on previous policies, processes and investment decision-making factors. Over the course of this year the CIB is implementing a new Investment Framework as a determining feature of our investment decision-making. The Investment Framework focuses on the relationship and interconnection between investment risk and impact outcomes to be achieved, relative to goals within sectors and the broader portfolio. The Investment Framework introduces “guardrails” to align outcomes / risks / impacts in the context of an overall portfolio, and also considers the growing importance of portfolio asset management to monitor performance over time. It will guide CIB investment decisions and ensure that our investments align with CIB outcomes, contribute to the achievement of corporate objectives and result in benefits for Canada.

There has been a concurrent evolution of the CIB’s investment decision-making and tracking / reporting activities to focus on outcomes and the risks the CIB bears to achieve them. This is alongside a further updated investment process, a deeper analysis of priority sectors and consideration of key new areas of opportunity within the priority sectors to achieve outcomes. At the same time, consideration is being given to how the CIB can adopt additional sustainability and climate best practices to be at the forefront of climate change impact, risk management and results reporting.

Preparing to Respond to Government Priorities

The CIB aims to be a nimble and effective organization that can quickly respond to government priorities in a developing investment landscape. The CIB’s objectives include action on climate change, connecting Canadians and communities, advancing Indigenous reconciliation and economic growth. In concert with the establishment of clear targets in these areas, the CIB has been exploring a range of investment opportunities within its priority sectors to achieve such outcomes. These opportunities are carefully considered to ensure they are in alignment with the policy objectives of government and will result in outcomes that grow the economy and transition to a low-carbon future.

For example, the CIB’s green infrastructure and clean power priority sectors include an evolving set of projects that support the energy transition. This includes areas such as Carbon Capture, Utilization and Storage (CCUS), Hydrogen (but not steam methane reforming production absent carbon capture, also

known as “grey” hydrogen), Clean Fuels and Zero-Emission Vehicle (ZEV) Charging and Refueling. These subsectoral opportunities within our existing green infrastructure and clean power sectors will contribute to climate action and the net zero economy and reflect the leadership role the CIB can play in both public and private sector-led infrastructure projects.

In these sectors, the CIB works closely with department policy leads to ensure policy alignment. In particular, in 2021-22, the CIB dedicated resources to building capacity in these areas by engaging with prospective project proponents to assess the potential need for investment, engaging with other federal government departments, and engaging with provinces. This market and stakeholder engagement supported the proposed approach to these subsectors outlined in this corporate plan, and the balanced scorecard provided in this plan assumes investment activities beginning in 2023.

Additional advisory, project development, acceleration and investment opportunities with Indigenous communities and project developers are also advancing in 2021. We seek to catalyze infrastructure projects in partnership with, and that benefit, Indigenous peoples. For example, we are developing new opportunities alongside Indigenous partners, including the Chippewas of Georgina Island First Nation fixed link project to accelerate project technical due diligence and business case development that could lead to future investment.

While expanding the scope of our efforts in the priority sectors, the CIB continues to be resolute in advancing the suite of existing high impact projects identified across each of its five priority sectors and in its investment funnel. The CIB has made Investment Commitments in each priority sector over the last 12 months and has dedicated teams in each priority sector and Growth Plan initiative that work with project sponsors to advance their projects. The breadth and depth of the subsectors outlined in this plan does not reflect any reduced emphasis on its existing suite of projects, but rather the organization’s continued growth and maturity.

Investment opportunities in these areas will proceed in the same manner as any other opportunity within CIB priority sectors, subject to rigorous due diligence, evaluation through the Investment Framework and ultimately independent investment decision-making by the CIB Board.

Investment-Focused Centre of Expertise: Advisory and Knowledge Activities

The CIB's focus on infrastructure investment is not limited to the dollars we invest. It is also reflected in our work to act in an advisory capacity on projects that can lead to CIB investment, to promote broader knowledge and research related to infrastructure and to act as a centre of expertise for innovation in infrastructure investment in Canada.

Our drive to make investments in our priority sectors is enabled by our ability to provide advice, particularly to public sector organizations which may have projects earlier in the lifecycle in need of robust financial, business case and procurement analysis.

Since the outset of the CIB, we have also worked with partners to identify potential investments and provide advice and input on how they may be advanced. A number of these efforts have been announced through formal advisory engagements, memorandums of understanding (MOUs) and project acceleration initiatives, as shown on the map below. Providing advice at early stages of project development has helped build a robust funnel of investment opportunities, and the CIB continues to work through the stages of its investment process towards consideration of investments in each of these projects.

The CIB plays a key role in the Canadian infrastructure marketplace through engagement with private and institutional investors. This can include a variety of activities including roundtables, market soundings, participation at industry events and market updates.

CIB MOUs and Advisory Engagements



Public Transit	Clean Power	Green Infrastructure	Broadband	Trade and Transportation	Indigenous Infrastructure
	7. Kivalliq Hydro-Fibre Link	2. City of Edmonton Building Retrofits		1. Calgary-Banff Rail	4. Georgina Island Fixed Link
	8. Lulu Island District Energy			3. Contrecoeur Port Terminal	7. Kivalliq Hydro-Fibre Link
	12. Pirate Harbour Wind Farm			4. Georgina Island Fixed Link	
	13. Taltson Hydroelectricity			5. High Frequency Rail	
				6. Highway 697 Toll Bridge	
				9. MD of Acadia and Special Areas Irrigation	
				10. New Westminster Rail Bridge	
				11. Newfoundland and Labrador Fixed Link	

The CIB also supports high-quality research across a continuum of activities including external engagements, public policy analysis, sector and market development and internal strategy. Working with academics and other thought leaders, we aim to increase broader understanding of challenges and opportunities within the infrastructure environment and in particular, provide insight on the ways in which investment can be structured and directed to address these challenges. This can lead to better informed policy by governments and investment choices by the CIB and its partners. Over the past year this has, for example, included research into the potential for micro-grids in rural and remote communities across Canada and how climate changes may impact electricity generation, transmission and distribution in regions and cities.

The CIB, through both its internal expertise and research activities, will also support engagement on Canada's long-term direction for infrastructure in support of the National Infrastructure Assessment being developed by INFC.

Operational Excellence and Organizational Development

The CIB has a statutory allocation of \$35 billion to participate in infrastructure transactions. Of the \$35 billion, the CIB has access to a maximum fiscal expense of \$15 billion to cover investment losses (concessional capital) and operating expenses. Operating budgets are aligned with resources required to execute the capital plan. Within the operating budget, primary consideration is given to what is required to achieve the capital plan.

The CIB appreciates the importance of controlling costs, calibrating resources to responsibilities and managing within a prudent operational budget. The forecasted average annual operating costs are \$69 million over the forward five-year planning period on an accrual basis (excluding work on the High Frequency Rail (HFR) project in the Quebec City to Toronto rail corridor through the Joint Project Office (JPO) with VIA Rail and other project acceleration activities). While the CIB is still ramping up its pace of capital deployment, this level of annual operating cost is in line with direct infrastructure investors of a similar scale.

Operating costs related to the CIB's project acceleration initiative, as well as the HFR project are accounted for separately in the Corporate Plan. Our JPO expenses are in response to a request from government to provide support and advice and are segregated from the operating expenses related to the CIB's other activities, including in the future any routine advisory services that may be provided to the HFR project. The CIB's project acceleration initiative, identified in the Growth Plan, is designed to advance projects through early-stage analysis prior to reaching final investment decisions. This is often third-party costs – technical, financial, and legal advisors – directly in support of the advancement of a specific project.

The CIB is modernizing employee recruitment, retention, development, and training with an increased emphasis on diversity and inclusion and an ongoing focus on operating as a bilingual organization.

To match the increasing pace of our investment activity and growth in our portfolio, we will continue to build our internal capacity, located in Toronto, with an appropriate complement of investment professionals and the necessary supporting expertise to develop, originate, monitor, manage and report to a standard expected of a multi-billion dollar portfolio. The CIB is also ensuring a national presence with regional offices in Montreal and Calgary in order to engage with partners across the country. The CIB's staff complement is expected to grow to 92 full-time employees in fiscal 2021-22.

Organizational development and improvement continue in support of this objective while successfully operating throughout the pandemic under a business continuity plan since March 2020.

Our Corporate Objectives focus on making investments and achieving outcomes. In keeping with this clear expectation, the CIB has tied organizational performance to our compensation framework for executives and all employees.

Additional Note regarding the concurrent 2021-22 and 2022-23 Corporate Plans

The CIB's 2020-21 corporate plan was approved in September 2020, with the Growth Plan released in October 2020. Since then, the CIB has changed its executive leadership and engaged a new Portfolio Minister.

For the fiscal 2021-22 year, the CIB operated under the second year of its previous corporate plan with no significant impact to its operations.

As such, the 2021-22 and the 2022-23 corporate plans have been developed concurrently and are being submitted for approval together.

Content of the two corporate plans is largely identical, except for the 2022-23 corporate plan contains references to work that is specific to the 2022-23 year and adjusted figures to reflect the additional 2026-27 fiscal year in relation to our capital plan forecast by sector, corporate objectives and financial statements.



1.0

Overview

1.0 OVERVIEW

1.1 Purpose and Authorities

The CIB Act sets out the CIB's purpose as follows:

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.

Parliament has authorized \$35 billion for CIB to deploy, and given the CIB the ability to participate in complex infrastructure deals in new and innovative ways. Of this total, the Government of Canada anticipates expensing \$15 billion against the fiscal framework.

The CIB is subject to the provisions of the CIB Act, federal legislation and policies that apply generally to Crown corporations including the *Financial Administration Act*, the *Official Languages Act*, the *Privacy Act*, the *Access to Information Act*, the *Conflict of Interest Act*, and the *Canada Labour Code*. The CIB aligns with Treasury Board Guidance and directives for Crown corporations.

The CIB is governed by an independent Board and operates at arm's length from government, ensuring that transactions are executed with commercial due diligence and discipline and high levels of expertise. The Board approves and oversees the strategy of the organization, including planned results as outlined in the annual Corporate Plan, and is actively involved in risk oversight and investment decision-making.

While independent in its operations, the CIB is accountable to the Government of Canada and Canadians. The CIB reports to Parliament through the Minister of Infrastructure and Communities (the designated Minister). The Minister establishes our high-level priorities through the SPA and other guidance provided to the Chair of the Board.

Consistent with the CIB Act, the CIB works closely with INFC and Finance Canada to seek approval of the Minister of Infrastructure and Communities and concurrence from the Minister of Finance to recommend the CIB's corporate plan for the approval of the Governor in Council, and to recommend the CIB's operating and capital budgets for approval of Treasury Board.

The public disclosure of Quarterly Financial Statements and Annual Report in addition to the Annual Public Meeting are other reporting obligations that the CIB fulfills as a matter of course. The CIB's most recent Annual Report is available on its website at <https://cib-bic.ca/en/about-us/reports-and-transparency/>.

More information on our corporate governance structure and the Board's authority and accountabilities is available in Appendix B.

1.2 Corporate Overview

Infrastructure is a powerful lever for positive change. Through infrastructure investment, Canada can advance economic development, transition to a net zero carbon future, and connect Canadians and their communities. Addressing the Indigenous infrastructure gap is an opportunity to improve quality of life with and for Indigenous Peoples and take action on reconciliation.

The CIB is an impact investor accelerating new infrastructure projects that will benefit Canadians. With a growing portfolio of infrastructure projects, the CIB is working to achieve these critical outcomes.

We are deploying the \$35 billion in funding made available to leverage additional private and institutional capital that can be invested along with public sector capital towards getting more infrastructure built.

The CIB makes projects happen by bringing together partners from across the Canadian infrastructure landscape and acting as a catalyst to fill gaps in financing that can prevent new infrastructure projects from going ahead in a timely manner. The CIB's direct investment and partnership approach complements, yet is distinct from, government programs. Each investment the CIB makes is structured to leverage revenue streams and crowd in private sector and institutional investors who are willing to share in the risk and innovate.

The CIB has five priority sectors in which it invests: public transit, clean power, green infrastructure, broadband, and trade and transportation.

The CIB has set a specific target to invest \$1 billion across all its priority sectors that is in partnership with and for the benefit of Indigenous Peoples. The infrastructure deficit in First Nation, Métis and Inuit communities is extensive, and through targeted investment the CIB can help address this gap, make progress on outcomes and contribute to reconciliation.

Part of achieving this target will be through the ICII, launched in 2021 and aimed at smaller projects with meaningful impact. To be clear, the CIB considers the \$1 billion target as a floor, not a cap.

Over the longer term, the CIB remains focused on making infrastructure investments in all priority sectors in significant projects that will enhance outcomes for Canadians.

The CIB is in the midst of implementing a \$10 billion Growth Plan, announced in October 2020, specifically designed to make investments in each sector that are targeted towards outcomes and will be advanced quickly. By doing so, this effort contributes to pandemic recovery while accelerating transition to a low-carbon economy and strengthening economic growth.

1.3 Strategic Priorities and Corporate Objectives

First and foremost, the CIB is an infrastructure investment organization – driving innovation in investment, attracting private capital, and working with public partners to achieve outcomes that benefit Canadians.

In this context, all of the CIBs' activities, comprising investment, project development, and important advisory and knowledge and research functions are aligned to support the CIB's ability to make investments.

As outlined, the CIB has established three strategic priorities to serve as a focus for the organization in executing on this vision. The three strategic priorities form the foundation upon which Corporate Objectives articulated in this plan are based, and the CIB orients all its activities to align to these strategic priorities.

STRATEGIC PRIORITY	CORPORATE OBJECTIVE OUTCOMES	EXAMPLE TARGETS*
A. Accelerating Investment to Modernize Infrastructure	1. Increase total infrastructure investment in Canada from CIB and private and institutional investors	<ul style="list-style-type: none"> ▪ \$3.33B in new financial closes ▪ 2 investments per sector ▪ 1x ratio of private and institutional capital to CIB investment ▪ 5 investments reaching financial close in each geographic region
B. Delivering Outcomes That Benefit Canadians**	2. Achieve public impact outcomes from project investments for climate action, connectivity of Canadians, economic growth, and Indigenous infrastructure.	<ul style="list-style-type: none"> ▪ Greenhouse gas (GHG) reductions of 10Mt annual CO₂e ▪ 200,000 daily trips on mass transit, passenger rail and other modes ▪ 900,000 underserved households passed by 50/10 Mbps broadband ▪ 60 Indigenous communities infrastructure gaps addressed
C. Executing as Results-Focused and Accountable Organization	3. Strengthen governance, capabilities, and process	<ul style="list-style-type: none"> ▪ Less than 15% employee turnover ▪ Diversity and Inclusion survey score

* For full list of targets see Appendix C

**When measuring outcomes, the CIB considers a project in its entirety, irrespective of the percentage share of financing provided by the CIB.

These priorities have been streamlined from those of previous years to reflect more clearly and directly that the driving focus of the organization is to make investments in infrastructure that will deliver positive outcomes to Canadians.

Specific Corporate Objectives, which are detailed in Appendix C of this plan, are measurable and quantifiable during the planning period, and will inform the evaluation of organizational performance both short- and long-term. Targets are established on a portfolio basis, as opposed to being specific to particular sectors or subsector of activity. For example, the CIB target for GHG reduction will be met through investments across the clean power, green infrastructure and public transit sectors. Maintaining targets at the corporate or portfolio level provides the CIB an opportunity to most effectively respond to potential investment opportunities to achieve outcomes for Canadians.

1.4 Alignment with Federal Priorities Including Relevant Federal Policies and Programs

The CIB Act and the 2021 SPA are central guiding documents for the CIB, as is its 2020-21 Corporate Plan that included the Growth Plan.

The SPA is clear about the authorities and accountabilities for the CIB Board, noting that “the CIB’s Board is responsible for the organization’s ongoing governance and supervision of its business, final investment decisions, and forward-planning and strategic direction, in line with the Government of Canada’s priorities.”

The SPA is specific in reiterating the CIB's five priority sectors – public transit, clean power, green infrastructure, broadband, and trade and transportation. The SPA also stated that “the CIB should establish a new investment target of \$1 billion for Indigenous infrastructure projects across the five priority areas.” Finally, the SPA referenced the Government's intention to conduct a National Infrastructure Assessment and indicated that “the CIB will be expected to participate in consultations, research and providing advice, particularly on the role of the private sector in identifying Canada's long-term infrastructure needs and priorities.”

More broadly, the federal government has set a course of direction related to climate that will inform and have a bearing on the CIB's operations. This includes increasing the target for reduction of GHG emissions by 2030 to 45% below 2005 levels and establishing a target in legislation to reach net zero emissions by 2050. For Crown corporations specifically, new federal requirements will require enhanced climate-related financial disclosures to begin in calendar year 2022.

Through its investments in priority sectors, the CIB has significant potential to contribute to and enhance the success of government policy objectives.

The CIB has continued to enhance its relationship with Infrastructure Canada, Finance Canada and other federal departments that are relevant to CIB's priority sectors of investment. Specifically, with INFC, the CIB implemented an Engagement Strategy to support effective coordination and collaboration. Under the strategy, there are four engagement tables (Advisory and Investments, Corporate, Knowledge and Research and Communications) that meet regularly to share information, discuss issues and ensure alignment with federal policy direction and activities.

Because interconnections between the CIB and other federal departments can be extensive, it is important to ensure that CIB investments and departmental policies or grant programs are complementary and not in competition, so that collaboration between the CIB and departments will maximize the benefits of all federal funds available in the CIB's priority sectors.

To that end, the CIB has also engaged relevant departments on policies and programs including:

- **Innovation, Science and Economic Development Canada (ISED)** – Universal Broadband Fund to coordinate on the deployment of large-scale broadband projects to provide minimum universal 50/10 Mbps access, and the Strategic Innovation Fund's Net Zero Accelerator with respect to opportunities in Clean Fuels, Hydrogen, CCUS and Industrial Retrofits, such as our investment in Algoma Steel.
 - This ongoing cooperation is being codified in a MOU between the CIB and ISED that will ensure a common understanding of collaboration principles and promote information sharing and collaborate on decision-making while respecting the CIB's independent investment decision-making.
- **Infrastructure Canada (INFC)** – Close coordination to design complementary programs for the funding and financing of ZEBs and public building retrofits, as well as coordinating with the priorities outlined in the Investing in Canada Plan.
- **Natural Resources Canada (NRCan)** – Financing of large, high priority clean power projects, including the Atlantic Loop, as well as aligning to government policy in CCUS, hydrogen, clean fuels and small modular reactors (SMRs).
- **Transport Canada** – Development of the HFR project, evaluation of policy alignment in context of port infrastructure investments, and development of the New Westminster Bridge replacement alongside Public Services & Procurement Canada and INFC.

Additional detail on our alignment with federal policy and priorities is included in the description of each priority sector.

1.5 Climate Action Leadership

The CIB aspires to be a leader among government and financial institutions when it comes to climate action. As a Crown corporation with a mandate to invest in sustainable infrastructure with private sector and institutional partners, we are uniquely positioned to play a driving role in the transition to a low-carbon economy.

Climate action is at the forefront of the agenda for governments, the private sector and investors in Canada and globally. Increasingly, both public and private sector entities are pledging to achieve net zero emissions, setting clear targets towards these objectives, adjusting policies, regulations and legal requirements, and developing frameworks for disclosure and transparency so that climate externalities cannot be overlooked, and capital can be deployed on the basis of sound analysis.

The CIB's climate leadership will be demonstrated in three ways:

1. As an impact investor, the CIB has set an ambitious objective to invest in projects by 2025-26 that will achieve 10Mt of annual GHG reductions. To that end, the CIB actively drives a significant portion of its portfolio towards investments with this outcome in mind.
2. As a financial institution and Crown corporation, the CIB will be a recognized leader with respect to integration of climate action into its investment activities, policies, decision-making and reporting.
3. As an employer, the CIB is committed to being a leading corporate citizen with respect to the integration of sustainability into its day-to-day activities.

The CIB has established GHG reductions as a corporate objective with measurable targets in a number of sector and subsector activities that align with the government climate priorities such as ZEBs and clean power projects to support a net zero grid and green infrastructure – including the decarbonization of large emitters. Furthermore, through its Investment Framework the CIB will explicitly consider a project's potential contribution to GHG reductions as its potential return, thereby embedding climate progress directly into our investment decision-making. In this way, the CIB expects to be a strong contributor to lower emissions and reaching climate goals.

For approved projects with GHG reduction outcomes, the CIB will track the reported GHG reductions on a consistent basis, and over the coming year will put in place clear standards for GHG accounting that will allow the CIB to measure and report on reductions to its Board and as a part of the federal framework and that is consistent with international standards.

In parallel to this GHG outcomes-oriented approach to investment decision-making, the CIB's risk team has launched an initiative to better assess climate related physical and transition risk in the consideration of all CIB investments. This will help ensure the CIB has the full consideration of opportunity and risk in all investment decisions.

Under our Investment Policy, updates will be made to include policy and guidance related to environmental, social and governance considerations.

In the area of climate related reporting, the CIB plans to begin providing climate related financial disclosures following this fiscal year using the Task Force on Climate Related Financial Disclosures (TCFD) framework. TCFD reporting is increasingly becoming the gold standard by which entities disclose the climate related opportunities and risks associated with their activities, along with the strategies, governance and metrics deployed to take climate considerations into account. Adopting TCFD will provide greater insight into the climate related considerations related to CIB activity and is aligned with

the federal government's direction in its last budget for all Crown corporations with over \$1 billion in assets to begin TCFD reporting.

TCFD reporting will be a component of a more extensive Sustainability and Impact Report, documenting the CIB's activities, objectives and progress in its efforts.

The CIB is participating in the federal government's Green Bond Initiative, providing input and information to assist with the development of the program and identification of potential investments that will advance CIB leadership in this important endeavour while supporting the goals of the larger program.

The CIB is also contributing to the federal government's effort to align and standardize aspects of GHG reporting to better inform progress towards 2030 and 2050 goals.

As a corporate citizen, the CIB is embedding climate and sustainability into its operating activities. The CIB is reviewing its corporate policies and procedures to ensure climate and sustainability is embedded throughout, consistent with *Greening Government Strategy*. As part of TCFD, the CIB will also undertake to measure and assess the climate related impacts of its corporate activities, in order to better quantify the impact of our corporate practices.

CIB Investment Commitments Contributing to Climate Action:

- **Réseau express métropolitain (REM)** – REM will contribute to decreasing 680,000 tonnes of GHGs through 25 years of operation.
- **Zero-Emission Buses** – commitments through multiple projects to finance over 5,000 buses and counting.
- **Algoma Steel Retrofit** – the conversion of blast furnaces to electric arc furnaces could meet 1.2% of Canada's 2030 GHG goal in one project through an annual GHG reduction of over 3 Mt.
- **Oneida Energy Storage** – one of the largest battery storage projects globally, it will reduce GHGs by 205,000 tonnes per year through avoidance of fossil fuel generation.
- **Enwave District Energy** – a district energy system expansion in Toronto and Mississauga that will enable 67,780 tonnes annual reduction in GHGs.
- **SOFIAC Retrofits** – enables commercial, industrial and multi-residential buildings in Quebec to be modernized and their GHG emissions reduced by 16,074 tonnes of CO₂e per year.
- **Toronto Western Hospital Retrofit** – the project will transfer thermal energy to provide low-carbon heating and cooling to the hospital for an annual GHG reduction of 8,400t CO₂e.
- **Lake Erie Connector** – The 1,000 megawatt, high-voltage direct current connection will help improve the reliability and security of Ontario's energy grid, reduce GHG emissions and be a source of low-carbon electricity in the Ontario and U.S. markets.
- **Dream Retrofits** – Decarbonizes 19 buildings in Dream's portfolio in Ontario and Saskatchewan for an annual GHG reduction of 3,400t CO₂e.
- **Johnson Controls Retrofits** – Building owners will have access to JCI's technical and financial resources to develop and implement retrofits to optimize energy performance and reduce GHG emissions by 48,000 tonnes per year.

1.6 Reviews and Related Matters

To ensure that the CIB is delivering on its mandate and government priorities, the Minister undertakes a review of the legislative provisions and operations of the CIB Act every five years. The first review is scheduled to be undertaken in 2022.

The Office of the Auditor General of Canada (OAG) and an independent external auditor jointly audit the corporation's annual financial statements to verify that they fairly reflect CIB's operating results and financial position. The OAG will conduct a special examination at least once every 10 years to confirm that assets are being safeguarded and controlled; that financial, human and physical resources are being managed efficiently; and that operations are being conducted effectively.

In 2020-21 the CIB participated in meetings of the Standing Committees of the House of Commons related to Finance (FINA) and Transport, Infrastructure and Communities (TRAN), and will continue to do so with these and other parliamentary bodies as required.

CIB List of Projects

The CIB's SPA identifies five priority sectors which the CIB should focus its investment activity in. This Corporate Plan outlines our efforts to accelerate infrastructure development in each and every one of our priority sectors. This is reflected in our Corporate Objectives which set an explicit annual target of making investments in each sector, and reflected in our dedicated Investment teams within each priority sector.

The CIB is an investor – and so it both responds to requests for investment and actively partners with project sponsors to develop projects for potential investments. The pace of the CIB's investment activity is linked to project development timelines in those sectors: a ZEB project can go from intake to financial close in the same year, while larger projects in sectors such as transit and clean power can take years to materialize.

Where the CIB is providing advisory support to advance projects, this can occur from a very early stage in the project lifecycle. Examples include the Kivalliq Hydro-Fibre link where the CIB is conducting analysis of financing options, and the Contrecoeur Port facility east of Montreal where the CIB has made a backstop commitment to the Port led procurement for a private sector partner. These projects continue to be a focus for the CIB through the CIB investment process such that they will be considered for investment commitment at the appropriate stage in their development.

The CIB no longer includes GO Transit within its active project pipeline, reflecting decisions by Metrolinx and Infrastructure Ontario with respect to long-term financing requirements. The CIB remains engaged with its partners to offer project related advice as needed.

The status of projects is detailed in the tables below, with additional information on the overall status of the portfolio in section 3.5.

PROJECTS THAT ACHIEVED FINANCIAL CLOSE				
PROJECT	PRIORITY SECTOR	STATUS	CIB PARTICIPATION	PARTNERS
Alberta Irrigation (Alberta)	Trade and Transportation	In construction	\$466 million	Government of Alberta, 10 Irrigation districts
Algoma Steel Retrofit (Ontario)	Green Infrastructure	Financial close, Nov 2021	\$220 million	Algoma Steel Inc., Innovation, Science and Economic Development Canada (Canada Strategic Infrastructure Fund)
Autobus Séguin Zero-Emission Buses (Quebec)	Public Transit	In construction	\$15 million	Government of Quebec Autobus Séguin
British Columbia Zero-Emission School Buses (British Columbia)	Public Transit	Financial close, June 2021	\$30 million	Government of British Columbia, Association of School Transportation Services of British Columbia
City of Brampton Zero-Emission Buses (Ontario)	Public Transit	Financial close, March 2022	\$400 million	City of Brampton
City of Edmonton Zero-Emission Buses (Alberta)	Public Transit	Financial close, Aug. 2021	\$14 million	City of Edmonton, Edmonton Transit Service
Dream Retrofits (Ontario, Saskatchewan)	Green Infrastructure	Financial close, March 2022	\$136.6 million	Dream Unlimited
Enwave District Energy (Ontario)	Clean Power	Financial close, Sept 2021	\$600 million	Enwave Energy Corporation, Ontario Teachers' Pension Plan, IFM
Kahkewistahaw Landing Infrastructure (Saskatchewan)	Indigenous Community Infrastructure Initiative; Trade and Transportation	Financial close, March 2022	\$13 million	Kahkewistahaw Economic Management Corporation, Indigenous Services Canada
Manitoba Fibre (Manitoba)	Broadband	In construction	\$164 million	Valley Fiber Limited, DIF Capital Partners
Montréal-Trudeau International Airport REM Station (Quebec)	Public Transit	In construction	\$300 million	Government of Quebec, Transport Canada, Aéroports de Montréal
Ontario Rural Broadband Projects (Ontario)	Broadband	Financial close, March 2022	\$655 million	Innovation, Science and Economic Development Canada (Universal Broadband Fund)
Quebec School ZEBs (Quebec)	Public Transit	Financial close, March 2022	\$400 million	Bus Carriers Federation, Government of Quebec
Réseau express métropolitain (REM) (Quebec)	Public Transit	In construction	\$1.28 billion	Government of Quebec, CDPQ Infra
SOFIAC Retrofits (Quebec)	Green Infrastructure	Financial close, Sept 2021	\$100 million	SOFIAC, Fondation, Econoler and Fiera Private Debt
Toronto Western Hospital Retrofit (Ontario)	Green Infrastructure	In construction	\$19 million	Vancity Community Investment Bank, Noventa Energy Partners, Enbridge Gas, Environment and Climate Change Canada, University Health Network (UHN)
Tshiuetin Rail (Quebec, Newfoundland, and Labrador)	Indigenous Community Infrastructure Initiative; Trade and Transportation	In construction	\$50 million	Transport Canada, Société du Plan Nord, Tshiuetin Rail Transportation Inc., Tshiuetin LP

PROJECTS PROGRESSING TOWARDS FINANCIAL CLOSE				
PROJECT	PRIORITY SECTOR	STATUS	CIB PARTICIPATION	PARTNERS
Arrow Technology Group (Alberta)	Broadband	Final due diligence in progress	\$10 million	Arrow Technology Group, Innovation, Science and Economic Development Canada
City of Ottawa Zero-Emission Buses (Ontario)	Public Transit	Final due diligence in progress	\$400 million	City of Ottawa, OC Transpo
Efficiency Capital Retrofits (Canada wide)	Green Infrastructure	Final due diligence in progress	\$50 million	Efficiency Capital
Johnson Controls Retrofits (Canada wide)	Green Infrastructure	Final due diligence in progress	\$100 million	Johnson Controls Inc.
Lake Erie Connector (Ontario)	Clean Power	Final due diligence in progress	\$655 million	Government of Ontario, ITC Holdings Corp., Fortis
Oneida Energy Storage (Ontario)	Clean Power	Final due diligence in progress	\$170 million	NRStor Inc. and Six Nations of the Grand River Development Corporation
Ontario Rural Broadband Projects (Ontario)	Broadband	Final due diligence in progress	\$522 million	Innovation, Science and Economic Development Canada (Universal Broadband Fund)

Summary of Announced Advisory, Project Development and Project Acceleration

ADVISORY, PROJECT DEVELOPMENT AND PROJECT ACCELERATION				
PROJECT	PRIORITY SECTOR	STATUS	CIB PARTICIPATION	PARTNERS
Calgary-Banff Rail (Alberta)	Trade and Transportation	Business case and financing structure	Memorandum of Understanding, Project Acceleration	Government of Alberta
City of Edmonton Building Retrofits (Alberta)	Green Infrastructure	Energy audits and business case	Memorandum of Understanding, Project Acceleration	City of Edmonton
Contrecoeur Port Terminal (Quebec)	Trade and Transportation	Procurement by partner	Up to \$300 million (pending partner decisions)	Montreal Port Authority
Georgina Island Fixed Link (Ontario)	Indigenous Community Infrastructure Initiative; Trade and Transportation	Project development	Memorandum of Understanding, Project Acceleration	Chippewas of Georgina Island First Nation
High Frequency Rail (Quebec, Ontario)	Trade and Transportation	Planning and pre-procurement work	Up to \$55 million	Transport Canada, VIA Rail
Highway 697 Toll Bridge (Alberta)	Trade and Transportation	Project development	Memorandum of Understanding, Project Acceleration	Government of Alberta
Kivalliq Hydro-Fibre Link (Nunavut)	Clean Power and Broadband	Project development	Memorandum of Understanding, Project Acceleration	Kivalliq Inuit Association, Sakku Investments Corporation
Lulu Island District Energy (British Columbia)	Clean Power	Business case and financing structure	Memorandum of Understanding	City of Richmond, Lulu Island Energy Company
MD of Acadia and Special Areas Irrigation (Alberta)	Trade and Transportation	Project development	Memorandum of Understanding, Project Acceleration	Government of Alberta, Municipal District of Acadia and Special Areas Board
New Westminster Rail Bridge (British Columbia)	Trade and Transportation	Transportation study	Memorandum of Understanding, Project Acceleration	Public Services and Procurement Canada, Transport Canada and Infrastructure Canada
Newfoundland and Labrador Fixed Link (Newfoundland and Labrador)	Trade and Transportation	Further capital and user assessment	Memorandum of Understanding	Government of Newfoundland and Labrador
Pirate Harbour Wind Farm (Nova Scotia)	Clean Power	Project development	Memorandum of Understanding	Port Hawkesbury Paper
Taltson Hydroelectricity (Northwest Territories)	Clean Power	Business case and financing structure	Advisory	Government of Northwest Territories



2.0

Operating Environment

2.0 OPERATING ENVIRONMENT

Within Canada and around the globe, infrastructure investment is valued as a means to address critical needs and as an opportunity to advance changes that can move us collectively to a more sustainable future.

We are in a unique moment in which efforts to close the infrastructure gap, which remains significant, can align with policy imperatives to address climate change, and yield outcomes that can lay the foundation for our future prosperity, much as projects like the railroads did 150 years ago. Increasingly, there is a convergence of efforts, including increased government investment, advances in technology, frameworks for reducing emissions and new paradigms for sustainable finance that point towards this shared objective. While it is an exciting and important time to be making investments, it is also a moment of increasing complexity, with uncertainty and risk also present.

At the same time, there is a strong imperative across all governments and sectors to address the impacts of COVID-19 and support an economic recovery – this means investment, job creation and economic growth. In terms of infrastructure, the implications of the pandemic are seen in calls for infrastructure investment that can play a meaningful role in recovery, an understanding that these investments need to be sustainable, and a recognition that tapping into innovative financing mechanisms to partner and build infrastructure would help get more done.

There is optimism that the ongoing efforts to maintain social distancing and use masks and other protective equipment, along with the successful rollout of vaccines, will mean pandemic restrictions and impacts will soon end. However, it remains too early to reach any definitive conclusions. The emergence of variants and successive waves of infection suggest there may continue to be both health and economic implications related to COVID in 2021-22.

This section describes trends and opportunities in the external business environment, and how the CIB's internal environment has evolved.

2.1 External Environment

2.1.1 Transition to a Low-Carbon Economy

Concerns about climate change and our collective readiness and preparedness to address these challenges continue to factor heavily into the plans and decisions of all sectors, including infrastructure. Across both the public and private sectors, concerted efforts are being put in place to advance the transition to a low-carbon future, and to do so in a manner that recognizes both the risk and opportunities that this shift presents.

In August 2021, the Intergovernmental Panel on Climate Change released its sixth update report, warning that “It is unequivocal that human influence has warmed the atmosphere, ocean and land” and that “Widespread and rapid changes in the atmosphere, ocean, cryosphere and biosphere have occurred.”

The 2021 United Nations Climate Change Conference, also known as COP26, was held in Glasgow, Scotland from October 31 to November 12, 2021. The goals of this conference were to secure net zero by mid century and keep warming to only 1.5 degrees, adapt to protect communities and natural habitats,

mobilize finance of at least \$100 billion per year, and work together to deliver. Coming out of the conference, Canada made commitments including:

- Capping oil and gas sector emissions
- Establishing a goal to sell only zero-emission cars
- Establishing a net-zero grid by 2035
- Ending exports of thermal coal and phase out coal-fired electricity by 2030
- Ending support for international unabated fossil fuels
- Investing to help remote communities transition away from diesel

Many of CIB's investment development activities within our clean power and green infrastructure sectors contribute directly to these goals. Projects in these areas often involve the participation of private sector entities, creating opportunities where the CIB can facilitate partnerships that combine private capital with CIB financing towards projects that yield greater climate outcomes than would have otherwise been the case.

For public sponsors of infrastructure projects, climate considerations have a significant bearing on the types of projects that are considered as priority and the scope and design of these projects to ensure they can withstand future climatic conditions. A substantial number of these projects, including transportation, transit, clean power and green infrastructure, fall into the CIB priority sectors.

2.1.2 Canadian Infrastructure Market Developments

While the pandemic has had a significant impact on government plans and finances at all levels across the country, the outlook for infrastructure investment remains robust, as governments endeavour to address the infrastructure gap and ensure this spending contributes to economic recovery.

The federal government's plans for infrastructure are detailed in its Investing in Canada Plan, which was launched in 2016 and through which the Government of Canada committed over \$180 billion over 12 years for infrastructure to benefit Canadians.

In the 2021 Budget, the federal government made a number of new commitments in areas such as broadband, housing, Indigenous infrastructure, disaster mitigation and trade corridors. Broadband, Indigenous infrastructure and trade in particular align to key priority sectors of the CIB.

The House of Commons Standing Committee on Transport, Infrastructure and Communities initiated a study on the mandate and activities of the CIB, including a review of the projects that the Bank has supported and possible alternate mechanisms for funding for comparable projects. The Committee held meetings on the CIB in early 2021, and issued a report in May 2022.

In March 2022, the federal government released its 2030 Emission Reduction Plan (ERP), as required under the *Canadian Net-Zero Emissions Accountability Act*. This was the first such plan setting out comprehensive details on how Canada will achieve its emission reduction targets on a sector-by-sector basis to achieve reductions of 40 to 45% below 2005 levels by 2030 and net zero emissions by 2050. It included including initiatives and investments in many areas aligned to CIB priority sectors, and identified that the CIB will invest \$500 million in ZEV charging and refueling infrastructure.

In the 2022 Budget the federal government announced a broadened role for the CIB to invest in private sector-led infrastructure projects that will accelerate Canada's transition to a low-carbon economy. This included investment in SMRs; clean fuel production; hydrogen production, transportation and distribution;

and carbon capture, utilization and storage. The budget reiterated the ERP's indication of CIB investments to come in ZEV charging.

At the provincial and territorial level, most governments also have detailed investment plans as outlined in recent budget documents. Examples include Ontario's planned investment of \$145.4 billion over 10 years, British Columbia's \$26 billion for capital investment outlined in its latest budget and Quebec's acceleration of infrastructure investment so that 60% of investment through its 10 year \$135 billion will be made by 2025-26.

This level of infrastructure investment from all levels of government, combined with broader economic pressures may lead to cost inflation for construction of new infrastructure projects. While the CIB remains confident it can achieve the targets set in Appendix C to this Corporate Plan, increasing construction costs does add additional pressure.

Interest rates are currently low, although the Bank of Canada has begun raising rates. In a low interest rate environment – the CIB's interest rates have limited concessional value. This means our capital is important to crowd in private and institutional capital – particularly where it can smartly share in risks that block projects from proceeding but is not the only determinant in investment decisions as projects may wait for grants. In a rising rate environment, the CIB has increased flexibility in structuring its financing. In projects facing an economic gap, the CIB's concessional financing can do more to close this gap before the project requires a grant, while in other projects the CIB's rate can increase alongside prevailing interest rates – allowing the project to proceed without increasing use of the CIB's fiscal expense. In all cases, the CIB follows its Investment Framework in establishing pricing in response to changes in prevailing interest rates.

2.1.3. Global Infrastructure Trends

There is increasing focus globally on the need for infrastructure investment and the opportunity to make use of models such as green banks and infrastructure banks to deploy capital.

In the U.S., the Biden administration has made increased investment in infrastructure and the need to re-engage and adopt policies to address climate change top priorities of the administration.

In the UK, the UK government has established a UK Infrastructure Bank (UKIB) to “co-invest alongside private sector investors including banks, institutional investors, sovereign wealth funds, pension funds and global infrastructure investors.” The UK has identified climate change and economic development as priorities for the UKIB. This speaks to the growing international recognition that there is an essential role for private capital in meeting the challenges of climate and recovery.

Collectively, these developments suggest potential for stronger international commitments to be made and an ongoing and increasing priority demand for investments in infrastructure that can help achieve climate outcomes, with financial structures and entities playing a critical role to mobilize the necessary capital.

Globally, governments are looking to infrastructure to form part of economic recovery. This creates increased competition for talent and materials, particularly for large scale projects which could pressure schedules and budgets.

There has been a substantial increase in attention paid to sustainable finance and investment in the path to net zero. For example, the Net Zero Asset Owners Alliance is a group of 71 institutional investors with over \$10.4 trillion in assets under management that has committed to reach net zero emissions across their portfolio by 2030. Similarly, Blackrock identifies that now more than \$4 trillion (1% of total assets) is now invested in sustainable investment products – up from \$1 trillion prior to the pandemic. Private and

institutional investors are pursuing sustainability goals through both stakeholder and improved financial returns. The CIB welcomes this increase in private and institutional capital committed to sustainability investment as it represents potential co-investment in our products. The CIB carefully monitors private and institutional investment activity to ensure that its investments remain focused on projects that face a gap preventing them from proceeding with private capital alone – as outlined in the Investment Framework (Section 3.3).

There is clear agreement that the scale of our infrastructure gap is larger than Canada can address through public capital alone. RBC Economics estimated that Canada required \$2 trillion in investment to achieve net zero by 2050 over the next years – a 4x increase. The National Infrastructure Assessment Engagement Paper identified a broader infrastructure gap in the trillions over the next 30 years. Partnerships with the private sector that catalyzes additional capital investment are required to meet the scale of our need. Delivering these partnerships that build our needed infrastructure faster to the benefits of Canadians is at the core of the CIB's purpose.

2.2 Internal Environment

2.2.1 Leadership Renewal

Tamara Vrooman was appointed Chair in late January 2021, bringing with her a wealth of experience in forming partnerships with domestic and global institutional investors on revenue-generating projects and engaging with public sector stakeholders.

CEO Ehren Cory joined the CIB in November 2020, bringing his practical infrastructure experience from Infrastructure Ontario.

Leadership changes provide an opportunity for new vision, new priorities and new approaches for the organization. In many respects, the change in leadership was a reflection that the CIB's start-up phase is over, and the organization was ready to move to a new phase in its operations and activities focused on outcomes and delivery.

This new phase is evident in the development and implementation of the Growth Plan, with its emphasis on an accelerated roll out of investments, utilizing new approaches for financing including strategies that saw greater deployment of CIB capital up front, and development of a programmatic approach providing access to capital for smaller initiatives delivering replicable beneficial outcomes.

2.2.2 Organizational Capability

The CIB, which remains a relatively new organization, continues to refine and develop its operations to ensure it can function as a respected leader in infrastructure with an admired and welcoming culture and be in a position to deliver on the capital investment that is planned.

In terms of workplace, this has meant the organization continues to take on new staff with the expertise to contribute to and deliver our program, particularly as the pace of investment activity accelerates and the size of the CIB portfolio grows. The CIB is making concerted efforts to onboard and orient new staff notwithstanding a remote work environment through both formal training on policies and procedures and informal networking and collaboration.

CIB systems and process also are being enhanced in keeping with the organization's growth. Upgrades to core systems such as IT, workforce planning and performance management are being implemented to accommodate the natural growth in the organization.

From a cultural perspective, the CIB is committed to maintaining a diverse, inclusive and respectful workplace, and has established a Diversity and Inclusion committee to play a leading role to contribute to and guide goals and actions that support this outcome.

2.2.3 Business Continuity During the Pandemic

Many organizations continue to experience disruptions due to the COVID-19 pandemic. However, the experience of the past year has shown for some sectors an ability to work remotely and maintain business operations. For the CIB, the pandemic has meant a transition to a remote working environment and an intensified emphasis on projects that can support recovery in the form of the Growth Plan.

The health and safety of the CIB's employees is a top priority in light of the COVID-19 pandemic. In its pandemic response, the CIB created a Pandemic Response Plan (PRP) together with the CIB's Business Continuity Plan (BCP). The PRP supplements the BCP by addressing considerations and elements specific to pandemic events and emerging infectious diseases.

The CIB formed a Pandemic Response Team (PRT) to monitor updates from government and public health authorities, as well as building management and local authorities; to make plans; gather information and resources to help the CIB executives in their decision-making process; and communicate with staff.

The global pandemic presented an unprecedented opportunity to test and confirm the soundness of the CIB's operational resilience and risk processes. The CIB migrated 100% of its employees to work from home, continuing to serve clients thus reinforcing our confidence and showcasing the cohesion between the CIB's business continuity plans and risk management practices. The CIB has enhanced its digital capabilities and resources to enable virtual collaboration and employee wellness. We increased our wellness and health and safety practices and revisited policies to meet the operational needs of the organization.

On August 31, 2021, the Government of Canada announced its intent to require vaccination as early as the end of September 2021 across the federal public service, including Crown corporations (such as the CIB) and other employers in the federally regulated sector. The CIB followed this announcement with its own mandatory vaccination policy.

Employees continue to work largely from home and the CIB is considering alternative work arrangements, subject to public health guidance.



3.0

Objectives, Activities, Risks,
Expected Results and
Performance Indicators

3.0 OBJECTIVES, ACTIVITIES, RISKS, EXPECTED RESULTS AND PERFORMANCE INDICATORS

Building alignment between our strategic priorities, specific corporate objectives, and measurable targets and outcomes is critical to the success of the CIB.

In the 2020-21 to 2024-25 Corporate Plan, the CIB set out a plan that took into account the unique pressures and uncertainty associated with COVID-19, recent changes in CIB leadership and a strong imperative to make meaningful contributions to and expedite climate transition. Within a framework of five strategic priorities, the organization made meaningful progress on all its identified objectives. It launched the Growth Plan, increased overall capital invested, leveraged additional investment from the private and institutional sectors, contributed knowledge and expertise and matured as an organization, implementing both an unsolicited proposals framework and publishing its Investment Policy.

Over the course of the year, under the direction of its new leadership, the CIB has challenged itself to bring even more focus to its objectives in the interest of delivering results. As a result, in this year's plan there are two notable advancements in the CIB's articulation of its objectives, activities, risks and expectations for results and performance.

First, the CIB's strategic priorities have been streamlined from those of previous years to reflect more clearly and directly that the driving focus of the organization is to make investments in infrastructure that will deliver positive outcomes to Canadians. This is not a change in the activities of the CIB, but rather an organizing principle that will ensure there is alignment and orientation across all CIB activities including investments, project development, advisory services, stakeholder engagement and knowledge and research to that goal, and help the CIB hold itself accountable for clear results.

Second, the CIB has developed an Investment Framework to update and enhance its own internal guidance and criteria for making investment decisions. Through the Investment Framework, the CIB is substantively addressing the requirement as set out in the SPA for "a Results and Delivery Framework with a clear articulation of the characteristics, thresholds and risks for investment or initiatives."

In this section of the corporate plan these developments are addressed in detail, along with a discussion of planned activities of the CIB including an overview of our sectors, expected results, risks and measures.

3.1 Strategic Priorities

The CIB has identified three strategic priorities for the organization. As in past years, the priorities are informed by our legislated purpose, our vision and mission, and our shareholder's priorities including the mandate and expectations of the Minister of Infrastructure and Communities as set out in the SPA. They are also designed to ensure the organization is clearly focused on outcomes and able to align to the priorities in the conduct of all of its activities and performance.

1. Accelerating Investment to Modernize Our Infrastructure

The CIB works to increase the total of infrastructure investment in Canada. It does so by catalyzing innovative partnerships that bring together the CIB, public sponsors of infrastructure projects and private and institutional capital. The CIB measures its success on this strategic priority in the total volume of its investment, the diversity of its portfolio across sectors and geography, its progress towards the \$1 billion target for Indigenous investment and our ability to attract private and institutional capital.

By establishing as a strategic priority our overarching aim to make investments to modernize infrastructure, the CIB will ensure that every function that the CIB undertakes will be aligned to the furtherance of this objective. For example, the provision of advisory services to governments and other public sponsors of infrastructure will be undertaken with a consideration of potential for future CIB investment in a resulting infrastructure project. Similarly, the CIB's support of knowledge and research initiatives will be undertaken in areas where there are gaps in understanding among project sponsors or the CIB that when addressed can further advance CIB investments in priority sectors.

In this way, the CIB will operate as an impact investor, using its unique mandate and leveraging its breadth of internal expertise to make investments in revenue-generating projects at scale that will leverage private and institutional capital and allow for more infrastructure to be built.

2. Delivering Outcomes That Benefit Canadians

It is important to recognize that investing in new infrastructure is not in itself sufficient for the CIB meet its objectives. New infrastructure is also a means to an end. What the CIB aims to achieve are outcomes that will benefit Canadians. In alignment with our SPA, these outcomes have been defined as increasing economic growth, connecting Canadians and communities, and expanding action on climate change and closing the Indigenous infrastructure gap as part of reconciliation.

Highlighting the importance of outcomes, all CIB investment decisions are made taking into account the outcomes that are generated, in relation to the capital invested, risk profile and overall positioning within the CIB portfolio.

Through the Investment Framework, clear criteria have been developed and thresholds identified that enable the CIB to better assess the performance of an investment in terms of outcomes and the contribution to the overall portfolio. Examples include:

- the reduced GHG emissions associated with clean power, retrofit or ZEB projects
- the number of households passed by high speed internet
- the ridership on new or improved transit projects, reflecting better access of Canadians to jobs, recreation and family
- the increase in goods shipped on transportation networks or value of goods produced from agricultural lands

Achieving these outcomes will contribute to Canada's economy, create jobs, and lead to more inclusion in Canadian society.

3. Executing as a Results-Focused and Accountable Organization

The CIB is entrusted with investing public funds and takes this responsibility seriously. We are committed to being an efficient, effective organization that acts with integrity.

The performance of the CIB will be measured and assessed based on the outcomes realized and investments executed. Given the importance of what our investments can achieve and the timeline on

which we must deliver, it is critical that the CIB continues to evolve by strengthening its processes, enhancing its capabilities, investing in its people and demonstrating it is an accountable and responsive institution.

Furthermore, as part of being accountable and results-focused, the corporate objectives identified in Appendix C of this plan are structured in alignment with the strategic priorities of the organization. They are more focused, specific, and measurable than in the past, and they will ensure enhanced clarity about organizational performance. They specifically and directly reinforce and are consistent with the previously approved structure to link our objectives to the evaluation of our performance results.

3.2 Investment Approach

The CIB employs investment approaches and project structures that get needed infrastructure that benefits Canadians built. CIB involvement leads to private sector and institutional investment over the lifecycle of a project, bringing more capital to the table to get more infrastructure projects built and achieve outcomes for Canadians.

This approach to help finance more projects is new to infrastructure delivery in Canada. It reflects the fact that given the size of Canada's infrastructure needs, public, private and institutional capital must be mobilized and work in concert to address that gap. Revenue generation brings new sources of non-taxpayer funding that can contribute to closing the infrastructure deficit. It can come from multiple sources, for example transit fares, power revenues or assets that create cost savings over the project lifecycle that can repay the CIB financing.

The CIB looks to deploy capital to fill gaps in financing that helps projects to advance, for example through accepting concessional returns, longer or more flexible financing terms, patient risk capital and other innovative structuring features. Balancing risk transfer with the private sector and public sector partners will always be an important consideration for any CIB investment.

The CIB is able to assume risks that a private sector or institutional investor would not. The CIB's financing is provided to support certain infrastructure projects that would otherwise be delivered traditionally by using grant funding on a longer time scale, or more likely not delivered at all.

A positive and distinguishing attribute of the CIB is that it will work with project sponsors, including governments across Canada, to customize investment solutions that attract private capital while achieving outcomes that benefit Canadians.

The CIB is also able to partner directly with private sector proponents on projects when it can be determined that there are structural gaps in project financing that would prevent a project that can deliver benefits to Canadians from proceeding, or from proceeding in a manner that delivers such benefits. Examples of such projects increasingly include projects that could deliver meaningful GHG reductions - over fiscal 2021-22 this has included our investment in Algoma Steel, which will reduce annual GHG emissions by over 3 megatonnes, as well as our partnership with Autobus Séguin – a privately owned school bus operator in Quebec.

The CIB is flexible, adaptable, targeted so that its investments help to get new infrastructure built. We structure each investment to crowd in private sector and institutional investors who are willing to share in the risk and innovate. While we are disciplined in our focus on priority sectors and rigorous in our investment decision-making, we are not “one-size fits all” in our approach.

The CIB makes use of the full range of the CIB Act's legislated powers in order to optimize the structure of a potential investment. Each potential investment includes consideration of parameters which include its:

- **Investment Structure** – The form of an investment such as debt, equity, financial guarantees, backstop commitment, and other financial tools, alone or in combination; the tenure, amortization and terms of an investment to meet project needs, and consideration of both project finance and corporate finance structures.
- **Pricing** – The CIB prices its products based on the financing gap that exists in each specific project. Pricing ranges, which can be below the government's cost of borrowing, depend on the project's needs while ensuring private and institutional investors earn market appropriate returns for the risks they bear.
- **Size** – The CIB generally seeks to make investments in projects where its commitment is greater than \$100 million. In subsectors where the CIB believes there is a potential for a large number of smaller projects with significant outcomes, the CIB will consider developing standardized investment terms for smaller projects to be eligible for CIB financing (e.g. ZEBs, retrofits and the ICII program follow this approach).
- **Involvement of Private and Institutional Capital** – The CIB will seek to crowd in private and institutional capital in multiple structures and points in the investment lifecycle. The CIB considers the size, product (e.g., debt/equity) and timing in structuring its investments. When private and institutional capital cannot be efficiently crowded in upfront, the CIB may consider involving private and institutional capital at a later date through syndication and/or securitization strategies. This would allow for private and institutional capital to purchase all or part of the CIB's investment in a particular project or portfolio of smaller loans.
- **Risk Transfer** – The CIB seeks to optimize the transfer of risk to private and institutional investors. This may include the transfer of development, construction, usage, revenue or other project specific risks.

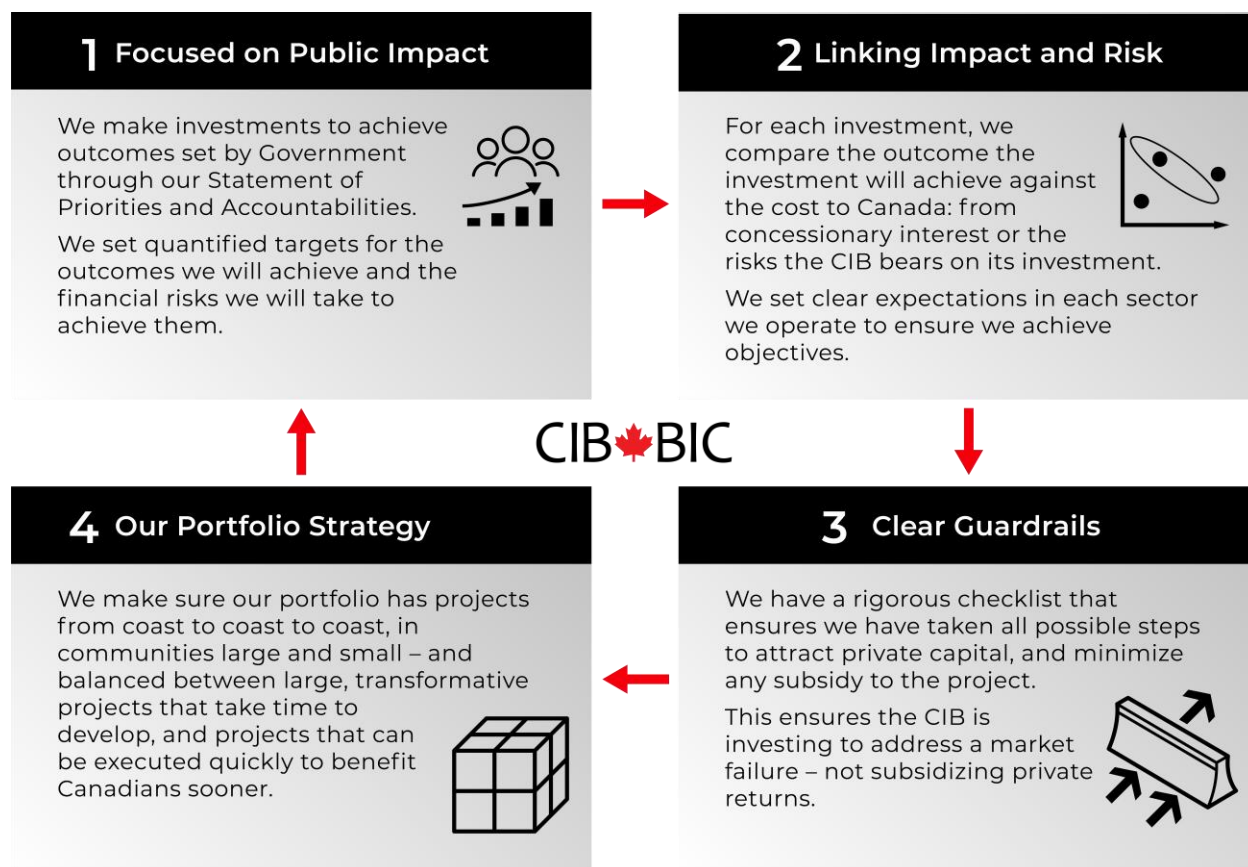
The CIB has also created an unsolicited proposals framework that sets out the guiding principles and high-level processes of receiving, considering and advancing unsolicited proposals. The CIB reviewed global best practices in this area, engaged a consultant to synthesize recommendations and consulted with various public and private sector stakeholders, including the Government of Ontario, which published its own unsolicited proposals framework in fall 2019.

3.3 The Investment Framework

The most critical activity of the CIB is to make infrastructure investments that will generate outcomes for Canadians in accordance with our legislated mandate, the priorities outlined in the SPA and other relevant direction.

Starting in 2021-22, the Investment Framework is an updated methodology that governs CIB investment decisions and ensures that our investments align with CIB outcomes and result in benefits for the public. The Investment Framework guides the organization in its evaluation and approval of proposed investments, consistent with the CIB Board's authority to make final investment decisions within approved priority sectors.

The Investment Framework has four components:



Component 1: Focused on Public Impact and Defining Outcomes

Modernizing infrastructure and achieving outcomes that benefit Canadians are critical to the success of the CIB. Both imperatives are included among the CIB’s top strategic priorities.

The Investment Framework supports these priorities by establishing clear quantifiable outcomes to define what will be considered success. These outcomes are informed by government priorities as articulated through the CIB Act, SPA, federal budgets, and other broader government policy to ensure its investing activities align to the public interest.

Investing to **modernize infrastructure** is measured in terms of the overall increase in total infrastructure investment in Canada from the CIB and private and institutional investors.

To quantify this outcome, the CIB evaluates an investment’s potential as part of the overall CIB portfolio in accordance with the following attributes which will indicate the scale and diversity of its investments:

- How it contributes to the pace of capital deployment – both in terms of number of investments and total value;
- How it feeds into a diversity of capital deployed across the CIB’s priority sectors and regions of the country; and
- Whether it is made in partnership with and will benefit Indigenous Peoples, consistent with the \$1 billion target articulated in the SPA.

This outcome leads to creation of construction jobs as infrastructure projects are enabled and delivered with CIB financing.

The CIB also evaluates capital success factors which reflect unique elements of the CIB mandate, including:

- Attracting private and institutional capital to invest alongside the CIB; and
- The use of the \$15 billion allocated within the fiscal framework to provide for concessional interest rates, bearing risks associated with infrastructure project development to catalyze investment.

The **outcomes of investments** are measured by the extent to which a project achieves positive public impact outcomes for climate action, connectivity of Canadians, economic growth, and Indigenous infrastructure.

To quantify this outcome, the CIB measures its progress in terms of delivering Growth Plan outcomes and similar results in long-term benefits from new infrastructure as follows:

- **Climate action** – reductions in GHG emissions, consistent with Canada’s 2030 and 2050 goals
- **Connecting people and communities** – including improved broadband access, increased transit ridership, and closing Indigenous infrastructure deficits
- **Economic growth** – through increased trade volume and agricultural productivity

These outcomes are detailed in Appendix C, and the CIB will update metrics and their associated targets annually through the Corporate Plan to ensure continued alignment with government priorities.

Component 2: Linking Impact Outcomes to Deployment of Capital and Risk Appetite

The CIB differs from a traditional investor in many respects, but one of the most fundamental ways in which the CIB differs is how it measures the return on its capital. While a traditional investor will look to maximize return in the form of profits, the CIB seeks returns in the form of outcomes that benefit Canadians.

The CIB has a \$35 billion statutory appropriation with access to a maximum fiscal expense of \$15 billion with which it aims to catalyze projects that benefit Canadians. This provides the flexibility and scope for the CIB to use its capital to innovate, take more risk than the market will take, and be a patient impact investor.

Determining how and when to deploy this capital and for what type of return, however, requires an understanding of the differences among projects and sectors and the differing impacts and outcomes that may be achieved.

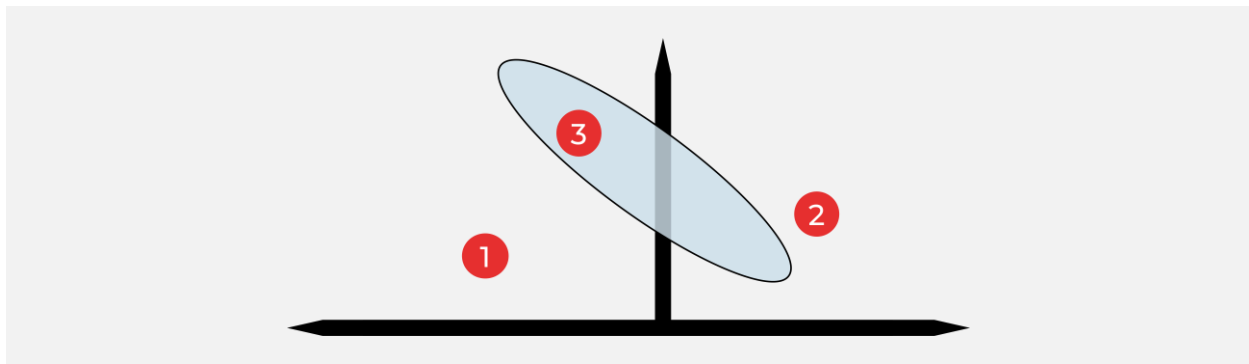
For this reason, the Investment Framework links the achievement of the portfolio’s public interest outcomes to the use of the CIB’s resources in the fiscal framework: \$15 billion of which may be expensed.

It does this by comparing the public interest outcome of an investment to its use of the CIB’s financial resources. The CIB is willing to invest more in projects that better achieve target public interest outcomes.

For each project under consideration through the Investment Framework, the public interest outcome must link to one of the public interests defined in the first component of the Investment Framework and be rigorously quantified in collaboration with project proponents.

Public Interest Outcome

(i.e., GHG reduction, transit ridership, broadband households passed, economic growth, Indigenous infrastructure gaps addressed)



Fiscal Impact (Risk/Return)

- 1 The outcomes from this investment do not yet justify a CIB investment. We evaluate whether we can improve the outcomes – or make the project happen with less CIB investment.
- 2 This investment exceeds our expectations – can we accelerate it? Are there other similar opportunities we can develop?
- 3 If we consistently make investments in our target zone, we will achieve our overall objectives for the portfolio.

The financial resources for a project are quantified in terms of its fiscal impact – the use of the \$15 billion in fiscal expense contemplated in the fiscal framework. Fiscal impact includes concessionary pricing relative to the Government of Canada's borrowing rate and the impact of the risk being assumed in any given investment, including a credit risk assessment that considers factors such as market conditions, construction costs and other factors that can have a material impact on the likelihood of the CIB's investment being repaid. The fiscal impact can be positive or negative depending on pricing and risk. Fiscal impact aligns to the impact of the investment on the Government of Canada's consolidated surplus or deficit.

Identifying the public interest outcome and the fiscal impact provides the CIB with an understanding of the value of a proposed investment, and also enables the CIB an opportunity to improve investments by:

- Working with project proponents to improve their project's public interest outcomes (e.g., increasing the scale of a district energy project to allow it to connect to more premises and increase GHG reduction)
- Crowding in private capital which reduces the size of CIB's investment
- Providing financing on less concessional terms, or optimizing risk transfer

'Target Zones' developed for each sector create clear expectations for the relationship between public interest outcomes and use of financial resources. They also reflect the characteristics of investments in that subsector – the target zone for power transmission reflects the larger capital cost, the risk profile and the high public interest outcomes, while the target zone for ZEBs reflects the smaller capital cost, different risk profile and outcomes from those investments.

Component 3: Clear Guardrails

The Investment Framework enables the CIB to focus on the outcomes from its investments. This approach for decision making is aligned with the approach outlined in the 2020-21 Corporate Plan which clarified that “the CIB Board will determine whether or not to invest in any given project, in accordance with the process (outlined in the 2020-21 Corporate Plan) regarding CIB investment decision-making.” It is consistent with the SAP, and enables better discussions amongst Management and amongst the Board.

This focus on outcomes, however, does not replace the need for the CIB to operate within clear guardrails for evaluating and deciding on potential investments. In addition to assessing the public impact outcomes of the investment against the use of the CIB’s financial resources, this step ensures that CIB Investments are consistent with the CIB Act, aligned with federal policy objectives and reflect and best practice amongst investment organizations.

The CIB has established two sets of “guardrails” to ensure this takes place.

The first set of guardrails speak to consistency with the purpose set by the CIB Act, that it is:

- An infrastructure project
- In the public interest by achieving one or more of our public interest outcomes
- In or partially in Canada
- Revenue generating – that is, does grow the total funding available for infrastructure projects through a revenue source, cost savings or other periodic source of income
- Involving private and institutional capital at an appropriate point in the project life

The second set of guardrails relate to investment structuring and ensure that the CIB investment is sized to address a gap that is preventing the project from proceeding:

- The transaction has taken all reasonable steps to increase public impact outcomes (e.g., reduce more GHG) and reduce CIB fiscal impact (e.g., crowd in private capital, ensure an appropriate market return on private capital, shrink investment amount)
- That the project would not proceed, or would proceed in a substantially more inefficient form, absent the CIB’s involvement

The CIB assesses this gap by considering the project’s financials in a structure with and without the CIB. The CIB seeks to provide the minimal level of support that is required to catalyze an investment decision in a project that delivers against a public interest outcome. If a project has sufficient financial returns to proceed absent the CIB’s investment, the CIB will not invest. This ensures that there is no undue private benefit from the CIB’s investment.

This financial diligence takes into account prevailing regulations (e.g., carbon pricing), other federal financial support and support from other levels of government, and assesses the level of return for private partners. This gap that is preventing a project from proceeding could stem from:

- **An economic gap:** the project’s financial benefits are insufficient to cover operating costs and provide a reasonable return on private sector capital
- **A commercial risk gap:** there are specific risks that private investment cannot effectively price or bear – for example the pace of initial demand growth on a new infrastructure asset
- **A structural investment gap:** where commercial investment products are not easily available, for example in lending at required scale to support Indigenous infrastructure projects or to aggregators of building retrofit packages
- **A risk transfer gap:** where the CIB’s investment supports a public sponsor’s decision to pursue a delivery model that transfers incremental risk to a private sector investor.

For example, in its assessment of the CIB's investment in the Algoma Steel project, the CIB assessed the financial benefits to Algoma from converting its steel-making process to electric arc, and concluded the operational cost changes, and the financial benefits from reduced carbon emissions were insufficient to justify the incremental capital cost. This created an economic gap, that the CIB's investment closed through lower-cost financing.

These guardrails will be encoded in the next review of the CIB's Investment Policy, which is publicly available on the CIB's website.

Component 4: Taking a Portfolio View

Investments across the CIB's priority sectors have very different characteristics with respect to outcomes, time, geography and capital deployment.

For example, ZEB and retrofit initiatives under the Growth Plan are targeted programs involving projects of relatively small size, that can advance quickly through the project lifecycle, with potential projects in every region of the country. Other investments, however, such as transmission lines or public transit systems have very long development lifecycles, require considerable time and resources and are more likely to be concentrated in certain regions. The buses will each yield GHG reductions, but the quantity will be modest in keeping with the size of the investment. A larger investment in a sector such as clean power or transit may yield substantially larger GHG reductions.

In this context, the CIB sets expectations for the relationship between outcomes and fiscal cost with regard to how they drive a diversified portfolio across the balanced scorecard outlined in [Appendix C](#). The CIB's Investment Framework therefore requires that the CIB maintain an overall portfolio strategy that manages and balances the outcomes the CIB seeks to achieve across its investment portfolio and sets clear expectations for investments to be made in each priority sector and subsector.

The portfolio view component of the Investment Framework sets clear expectations for investments in each subsector based on the role they place in achieving overall portfolio objectives. Further detail describing the CIB's priority sectors, strategies to source investments, risks and expected outcomes is included in Section 3.6.

3.4 Investing For Impact

The CIB considers itself as an "impact investor." Impact investing refers to investing with an intent to contribute to positive social or environmental impacts alongside financial returns. For the CIB, this is advanced by:

- Ensuring our investments deliver tangible benefits to Canadians such as GHG reductions, increased transit ridership, broadband underserved households passed and investment in Indigenous communities.
- Leveraging our ability to provide concessionary terms in the consideration of projects.
- Working across a longer time horizon, where we have more flexibility in repayment structures than private and institutional capital, for example through flexible draw schedules, longer repayment periods or sculpted repayments.

Through our participation as a patient impact investor, we unlock investment and can fill economic gaps that otherwise may prevent a beneficial project from proceeding. As a result, communities experience cleaner air, better transit, enhanced economic prosperity and a higher quality of life.

The public impact outcomes that the CIB seeks to deliver are a critical component of the Investment Framework, which guides investment decision-making at the CIB. Achievement of the public impact outcomes – included in the CIB’s Corporate Objectives – forms a core element of the CIB’s accountability for results and delivery.

The CIB evaluates the public impact outcomes that its investments deliver with the same rigour it conducts due diligence on financial returns. In fiscal 2021-22, the CIB put in place a Public Impact Management Policy, which outlines the CIB’s approach to identifying, defining, measuring and monitoring the public impact outcomes, consistent with our Investment Framework.

As part of the approach, the CIB will adopt 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. FinDev Canada has adopted the principles, as well as leading private sector investors such as BMO.

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 are a set of guiding principles and provide a third-party framework for assessing the robustness of the CIB’s approach to public impact management. The CIB will disclose its alignment with the Impact Principles annually and provide regular independent verification of this alignment.

The Public Impact Management Policy embeds impact management practices in four stages.

Identifying and Defining Public Impact Outcomes

The CIB develops specific, quantifiable measurable public impact outcomes within its priority sectors and sets specific targets for these outcomes, based on the government’s priorities and expectations concerning the CIB’s public policy objectives, as communicated to the CIB through the SPA or broader policy commitments. The CIB translates these broader policy priorities into five-year targets on quantifiable metrics based on its assessment of potential investment opportunities within its priority sectors.

Public impact outcomes are meant to be comparable within a priority sector, and where possible across the CIB’s investment portfolio and focus on the highly tangible, material impacts of the project proposed to support transparency and accountability of the CIB’s decision-making process. We seek to align our impact measures with other government programs where possible.

The CIB has developed and set targets against five public impact outcomes in this corporate plan:

GHG Reductions – the CIB measures the average annual GHG reductions, under a project-related standard, expected from its projects. Projects in the CIB’s public transit, clean power and green infrastructure sectors contribute to this outcome.

Daily ridership – the CIB measures the daily transit ridership of projects its invests in as a proxy for the wider time and economic benefits that come from transit expansion. Projects in the CIB’s public transit and trade and transportation sectors may contribute to this metric.

Underserved households passed by 50/10 Mbps broadband – the CIB measures, consistent with ISED’s definition, the number of underserved households (those without access to minimum 50/10 Mbps internet) that are passed by projects that the CIB has invested in. The CIB’s broadband projects contribute to this outcome.

Economic growth through trade – as measured by the incremental value-added created by the agriculture projects the CIB invests in, and the incremental trade volumes supported by projects the CIB invests in. Projects in the CIB’s trade and transportation priority sector contribute to this outcome.

Indigenous communities with infrastructure gaps addressed – CIB projects in Indigenous communities deliver much needed infrastructure in partnership with these communities and can be in any priority sector. In addition to a qualitative assessment of the benefits, the CIB tracks the number of Indigenous communities in which it has closed an infrastructure gap.

The CIB also tracks and reports on the job creation associated with its investments, using the Statistics Canada methodology for estimating job creation from infrastructure projects.

Consistent with the CIB’s mandate to crowd in private and institutional capital, the CIB measures these outcomes at a project-level, rather than relative to its share of the total project capital. This reflects that the CIB seeks to achieve these project outcomes, with as minimal CIB investment as is possible.

In fiscal 2022-23, the CIB will seek to continue to refine its approach to defining public impact outcomes, including the identification of a measure to identify the outcomes from water and wastewater projects, improving the metrics it uses to track outcomes for economic growth through trade, as well as roads, bridges, highways and tunnels, and refining measures related to benefiting Indigenous communities. The CIB will seek to engage with relevant federal departments to leverage their expertise and align its impact measurement to the greatest extent possible.

The CIB has begun a process of developing 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 provide guidance to investment teams on quantification methodologies, identify consistent sources of data and assumptions, be consistent with federal and international standards for measurement, and outline the required level of diligence at each stage in the investment process.

Investment Decisions

The CIB develops an assessment of the estimated public impact outcome as the investment moves through each stage in its investment funnel. This assessment increases in rigour and precision as the investment moves from appraisal through to final investment decisions.

Monitoring, Verification and Management of Public Impact Performance

The CIB’s Asset Management function monitors and verifies the project’s public impact performance against the estimate made at the time of the investment and manages the CIB’s investment through its life to ensure the public impact is achieved and identify opportunities for additional impact where the investment structure permits.

Exit and Evaluation

In the normal course, the CIB may hold an investment to maturity, or seek to exit prior to maturity. In circumstances where the CIB decides to exit an investment prior to maturity, the CIB assesses the consequences of the CIB’s exit to the projects estimated Public Impact Outcomes.

As the CIB’s portfolio of investments moves towards operations, the CIB will establish an evaluation function that will 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.

3.5 Investment Decision-Making and Process

A rigorous Investment Policy and approvals processes governs how investments are advanced. That approvals process begins with the sourcing and development of projects by highly skilled and experienced investments professionals, and progressively requires the approvals of the CIB's Chief Investment Officer, the Management Investment Committee, the Investment Committee of the CIB Board and ultimately the CIB Board itself.

The CIB's Investment Policy and investment decision-making process is rigorous and comprehensive. Internally, this involves the documentation of project information including a Project Assessment Memo at the early stages of project intake, which includes:

- a description of the project, including anticipated capital cost, jurisdiction and potential CIB investment type and amount;
- the rationale for a potential CIB investment, including CIB's confirmation that the project is aligned with government policy and priorities and is infrastructure in the public interest in an approved sector;
- an assessment of why private capital is not likely, on its own, to be available in sufficient amounts to finance the project; and
- a review and understanding of any known public and private sector sponsors involved in the project.

Projects that are determined to be out-of-scope by the CIB are documented and tracked. Reasons for projects being deemed to be out of scope can be as a result of, but not limited to being outside the approved CIB sectors, a lack of alignment with government priorities, or a project being fully financeable on reasonable terms in the private sector.

Projects that continue through the project development process are tracked in internal systems. Consistent and detailed documentation is provided in the form of Investment Memos setting out the project specifics and investment rationale in progressively more detail as due diligence is completed and the Investment team moves towards making a formal investment recommendation. These formal financial memoranda are presented to the Chief Investment Officer, Management Investment Committee, and Investment Committee of the Board before a final presentation is made to the full Board. The Board may delegate authority to the Management Investment Committee for investments that fall within specific parameters as determined by the Board.

The Board makes decisions based on Investment Memos that are aligned to the Investment Framework. These bring together the perspectives of each of the CIB's departments to address each consideration in the decision-making process, including investment structure and terms, an assessment of the public impact, relationship to corporate objectives and the stakeholder, coordination with federal policy and departments and reputational and communications considerations inherent in the investment.

Our Board-approved Investment Policy specifies that projects and related risks are overseen by our Management Investment Committee and the Investment Committee of the CIB Board at key decision points, with ultimate investment approval resting with the full CIB Board. We take a systematic and disciplined approach to project origination and evaluation, with appropriate risk management. The process is summarized below.

1 Intake & Mandate Filter	2 Appraisal & Advisory	3 Investment Structuring	4 Final Diligence & Closing	5 Funding Monitoring & Exit
<ul style="list-style-type: none"> ▪ CIB investment opportunities identified from governments and private sector ▪ Mandate Filter applied by CIB to determine if opportunities meet base criteria 	<ul style="list-style-type: none"> ▪ Initial assessment of feasibility, public impact / fiscal impact ▪ Assessment of whether project qualifies for Project Acceleration funding ▪ Advisory work / Acceleration funding can proceed but project remains in Appraisal (subject to Board approval) 	<ul style="list-style-type: none"> ▪ Detailed assessment of defined commitment amount, structure, risk allocation, term and pricing ▪ Assess using Investment Framework ▪ Negotiate Memorandum of Understanding and term sheet for recommendation to Board 	<ul style="list-style-type: none"> ▪ Negotiate final investment with counterparties ▪ Prepare final risk materials ▪ Closing can occur when conditions are met and Board approves 	<ul style="list-style-type: none"> ▪ Funding occurs over course of project ▪ Manage assets and monitor performance, results and outcomes ▪ Regular reporting

In addition to ensuring appropriate consideration has been given to the investment's parameters and assessment through the Investment Framework as described earlier, CIB decision-makers also give significant consideration to factors such as:

- **Cooperation with federal partners** – An important input into the CIB's assessment on sector or/and project opportunities is understanding the federal government policy and program linkages. The CIB will ensure that it considers the priorities and positions of INFC and other government departments who have relevant policy and program ownership.
- **Demonstrated due diligence** – Due diligence on projects is provided by the CIB's internal team of infrastructure investment experts, supplemented by external analysis as required that could include commercially confidential market soundings and third-party expert analysis on technical, financial, legal and other matters. CIB's due diligence includes but is not limited to a review of the business case, an assessment of private capital available for the project, the main elements of the financial forecasts, the project financial structure, the procurement process and project lifecycle risks.
- **Overall risk tolerance** – The CIB has a tolerance for risk that is higher than traditional forms of public sector funding. Out of the CIB's overall \$35 billion, to the CIB may expense up to \$15 billion against the fiscal framework, which CIB uses as a check on its maximum risk tolerance level and allows for accounting provisions, which include, but are not limited to, valuation adjustments and provisions for credit losses. The risks are monitored and reported to the CIB Board relative to this fiscal envelope. The CIB's approach towards risk is a function of CIB's public policy mandate and its role in the marketplace. The CIB's investment activities are subject to the risk management principles identified in CIB's Enterprise Risk Management Framework and Policy.
- **Plan for post-investment monitoring** – The CIB actively monitors the portfolio and evaluates each of its investments on an ongoing basis to ensure that all conditions of the investment as identified during the investment process above are met. This process allows for real time understanding of any shift in the investment's risk profile and for a continuous assessment of the value of each investment. The CIB will conduct a formal review of each investment on at least an annual basis.
- **Public communications** – The CIB may communicate to the public its participation in projects such as formalized advisory engagements, memoranda of understanding, investment commitments, financial closes of specific investments, project construction milestones. Awareness and coordination with the Office of the Minister of Infrastructure and Communities and INFC on public communications is normal practice. An element that is important to public communications is also proactively engaging with relevant stakeholders with interest in the CIB's sectors, Growth Plan initiatives and projects.

3.6 Overview of CIB Investment Activities for 2021-22 to 2025-26

With new leadership in place, a clear set of strategic priorities and an Investment Framework established to guide decision-making, the CIB is focused on managing its robust portfolio of investment opportunities and generating outcomes to benefit Canadians.

To guide the allocation of \$35 billion in capital, the CIB has established capital deployment targets on two distinct time horizons:

- **Long-term sector targets:** these larger capital targets have been identified for each of our five priority sectors as an amount within the overall \$35 billion in investment to be made by the CIB. In some sectors, we are likely to achieve or exceed these targets over the time horizon of this corporate plan, whereas in other sectors these targets may be achieved beyond the horizon of this corporate plan but within the overall time frame established for the \$35 billion.
- **Growth Plan time horizon:** these capital targets are specific to the initiatives identified in the Growth Plan.

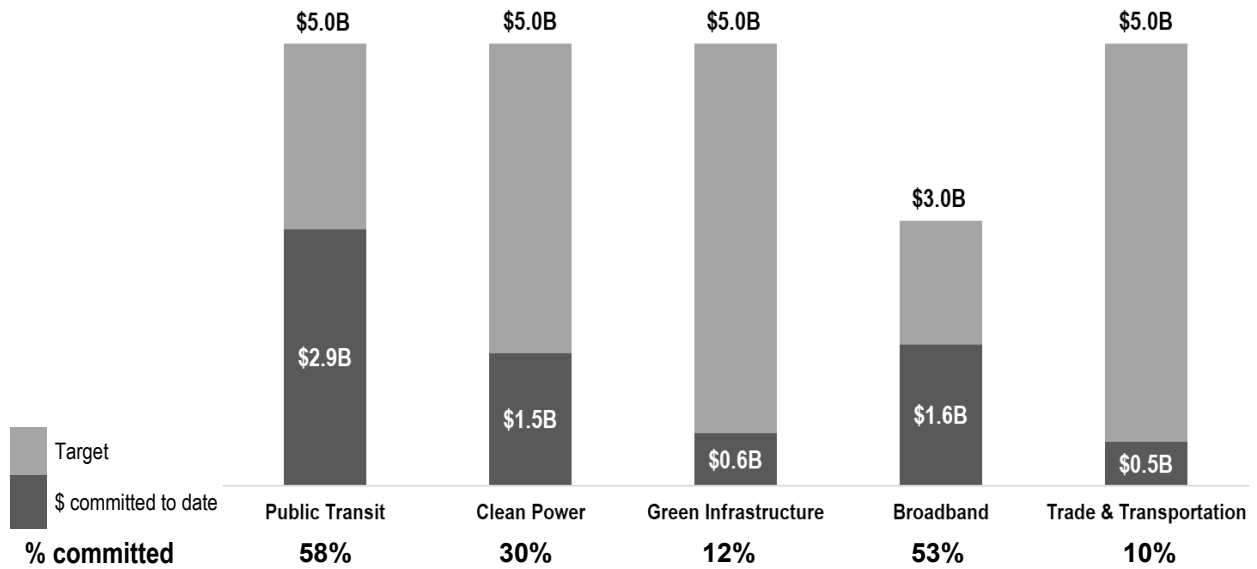
Public Transit	Clean Power	Green Infrastructure	Broadband	Trade and Transportation
Long-term sector target: \$5B	Long-term sector target: \$5B	Long-term sector target: \$5B	Long-term sector target: \$3B	Long-term sector target: \$5B
Sector includes: ZEBs, LRTs, BRTs, ferries, subways, commuter rail, transit-oriented development	Sector includes: zero-emission generation, small modular reactors, renewables, district energy, storage, interties, transmission	Sector includes: energy efficient retrofits, water, wastewater, carbon capture, utilization and storage, clean fuels, hydrogen, zero-emission vehicle charging	Sector includes: unserved and underserved community broadband connectivity	Sector includes: agriculture infrastructure, ports, freight, highways, roads, bridges, tunnels, inter-regional and passenger rail
Growth Plan: \$1.5B for zero-emission buses	Growth Plan: \$2.5B for clean power	Growth Plan: \$2B for energy efficient retrofits	Growth Plan: \$2B for large-scale broadband projects	Growth Plan: \$1.5B for agriculture-related infrastructure
Indigenous Infrastructure \$1B across all priority sectors for projects in partnership with and for the benefit of Indigenous Peoples				
Project Acceleration \$500 million for project development and early works to shorten critical paths to construction				



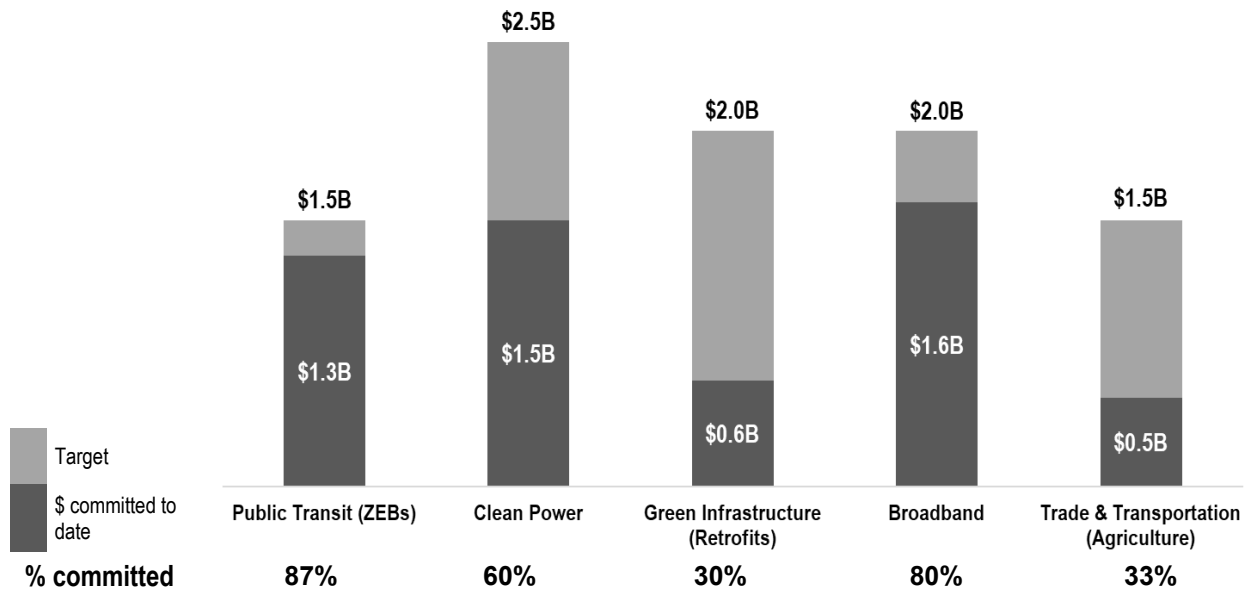
Partnerships with Provinces, Territories, Municipalities, Indigenous Communities and the Private Sector and Institutional Investors

The CIB is achieving results towards its targets as noted in the tables below, and expects to meet or exceed its Growth Plan targets within the three-year time horizon from its announcement in October 2020. More detail on the estimated rate of progress towards achieving long-term sector targets over the course of this Corporate Plan is detailed in Section 4.

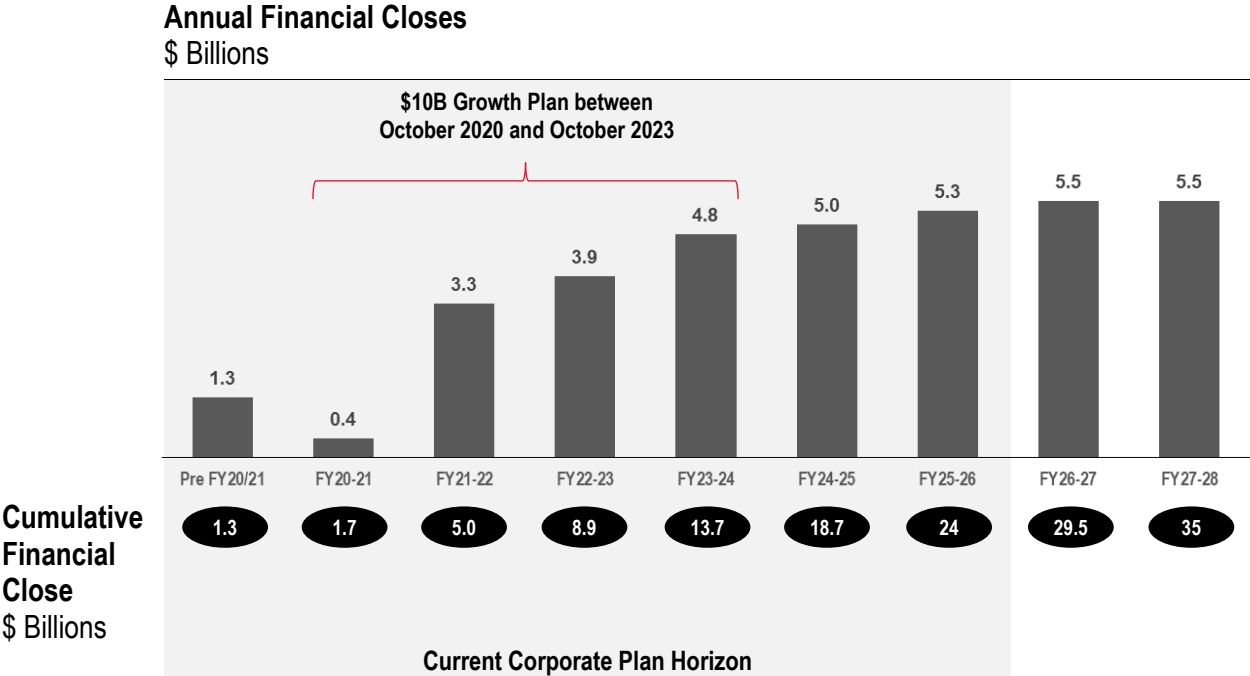
Long Term Target Progress



Growth Plan Target Progress



Overall, the CIB estimates that its capital plan will result in \$24 billion of financial closes in the five-year planning period. This will include the full \$10 billion of investment associated with the Growth Plan, deployment of \$1 billion in Indigenous infrastructure and set the stage for completing \$35 billion in financial closes by 2027-28.



3.6.1 Priority Sectors in Detail

The five priority sectors are the foundation for all CIB investment activity and investments made in these sectors will deliver outcomes that scale up to the four primary CIB impact objectives: reducing GHGs, connecting Canadians and communities, generating economic growth and closing the Indigenous infrastructure gap.

The CIB’s five priority sectors are confirmed in the SPA sent to the CIB in February 2021. CIB investments are limited to these priority sectors, and the CIB’s Board is accountable for final investment decisions within these priority sectors. This section outlines the outcomes, opportunities for investment and policy alignment within these sectors.

Within the CIB’s five priority sectors, the CIB seeks opportunities to invest in infrastructure projects that will:

- Deliver outcomes in the public interest aligned to government policy priorities
- Enable private and institutional investment
- Draw on sources of revenue generation or cost-savings that can repay a CIB investment
- Allow the CIB to deploy significant capital in a single project (generally \$100 million+), or opportunities to take programmatic approach to achieve scale through standardized investments
- Contribute to a portfolio that is balanced among short- and long-term time horizons, across regions and of varying project sizes

CIB investments are sized to address market gaps which prevent a project from proceeding solely with private sector financing – either as a result of the projects’ underlying economics, or due to risks that the

private investment market cannot effectively bear. The CIB is designed to be a risk-taking institution to enable these projects to proceed. In the descriptions of each priority sector that follows, the CIB describes the market gap that prevent projects from proceeding and the resulting risks that are retained by our investments.

Infrastructure projects in the CIB's priority sectors can range from medium size targeted projects with a singular partner, to large scale and complex endeavours involving multiple partners and sophisticated delivery mechanisms. Planning, due diligence, negotiations, investment structuring and final close can therefore range from a period of months for straightforward projects to a year or more for more complex endeavours.

The investment activities within our priority sectors must be in alignment with and contribute to the policy goals established by the government. In determining this alignment, the CIB is informed by the SPA, budget documents, previously approved corporate plans or other signature government policy efforts such as:

- The updated federal GHG reduction target for emissions to be 40-45% lower than 2005 levels in 2030.
- The commitment by Canada to achieve a net zero emissions by 2050 and phase out coal in the electricity sector by 2030.
- Infrastructure initiatives that will support the implementation of the Pan-Canadian Framework on Clean Growth and Climate Change and the Healthy Environment and Healthy Economy plan, including priorities such as the Atlantic Loop and other clean electricity grid interconnections.
- Strengthening Canada's access to global markets and building resiliency of internal trade corridors, consistent with the objectives of the National Trade Corridors Fund.
- The inclusion of public transit as a major category of investment in the Investing in Canada Infrastructure Plan.
- The Natural Resources Canada SMR Action Plan – a pan-Canadian effort to develop and demonstrate and deploy SMRs for multiple applications.
- The Hydrogen Strategy for Canada which outlines a roadmap for building Canada's hydrogen economy to support economic growth and decarbonization.
- A Connectivity Strategy for Canada that incorporates a goal of High-Speed internet access for all.
- An emphasis on economic growth as critical to Canada's recovery from the COVID-19 pandemic and as a means to ensure prosperity for all Canadians.
- The 2030 Emissions Reduction Plan provision for the CIB to invest \$500 million in ZEV charging and refueling infrastructure.

In some instances, government policy articulates and incorporates CIB participation directly. For example, in 2020 the government introduced A Healthy Environment and a Healthy Economy as a strengthened climate plan. The plan recognizes collaboration with the CIB in a number of areas including:

- Working with the CIB to connect parts of Canada that are reliant on fossil fuels to clean hydroelectricity, including the Atlantic Loop.
- Retrofits of large-scale buildings (see Green Infrastructure component of this Plan).
- Procurement of 5,000 ZEBs (see Public Transit component of this Plan).

The CIB Board approves the definition of the CIB's priority sectors consistent with the SPA and broader government policy.

In 2018 the government also adopted legislation to place a price on carbon to encourage efficiency in industries and the adoption of cleaner technologies. The CIB has taken this into account in considering clean power and green infrastructure initiatives. The CIB, in due diligence on project financials, considers the financial implication of the price on carbon to drive behaviour and ensures it only invests in projects where the financial incentive created by carbon pricing is insufficient to allow the project to proceed absent CIB financing.

In addition to policy alignment, active efforts are made to ensure there is dialogue with federal departments on investment initiatives and a clear understanding of respective roles, the need for coordination and expected results. All CIB's investments draw from and are considered in the context of determining how the CIB can play a meaningful role in achieving government policy priorities through infrastructure. The following sections provide more detail on the CIB's activity in each priority sector including:

- investments to date;
- expected public impact outcomes;
- sources of revenue;
- the gaps that CIB investments are designed to address; and
- collaboration with existing federal policy programming.

PUBLIC TRANSIT

The CIB recognizes that investments in greener transit can reduce GHGs for Canada, provide citizens with cleaner and faster commutes, support the financial sustainability of public transit providers, and improve the quality of life for Canadians, particularly those living in larger cities.

LONG-TERM SECTOR TARGET

\$5B Including the \$1.5B Growth Plan Initiative for ZEBs.

SUBSECTOR	ANNOUNCED INVESTMENT COMMITMENTS TO DATE	TOTAL CIB INVESTMENT
MAJOR TRANSIT	<ul style="list-style-type: none"> Réseau express métropolitain (REM) Montréal-Trudeau International Airport REM Station 	\$1.6 billion
ZERO-EMISSION BUSES	<ul style="list-style-type: none"> BC Schools Edmonton Transit Autobus Séguin Quebec School Buses City of Ottawa City of Brampton 	\$1.3 billion

Major Transit Projects Details

Major transit projects transform cities and regions, delivering a wide range of benefits – contributing to the federal government’s mode share objectives, connecting people to work, getting them home faster at the end of the day, reducing GHG emissions and supporting liveable communities.

The CIB has established a target across our portfolio to invest in projects by 2025-26 with an expected, cumulative ridership of 200,000 daily riders. To date, the CIB estimates its investments in major transit projects will generate 174,000 riders.

The federal government has made commitments to fund transit specifically through the Public Transit Infrastructure Fund for major projects. The CIB works in close collaboration with INFC officials in this area of investment.

Example Assets	Potential Sources of Revenue
Included in this subsector are traditional forms of transit: subways, commuter rail, light rail transit and bus rapid transit – including new lines, extensions and infill stations. The CIB is transit technology agnostic, and would consider other forms of mass transit that can achieve its ridership objectives, for example: transit gondolas, automated people movers and other innovative ideas that provide transit solutions.	<p>Major Transit projects have multiple revenue streams that can be used to support the repayment of CIB investment, including:</p> <ul style="list-style-type: none"> Fare revenues Land development proceeds Land value capture tools such as development charges or tax increment financing Operating cost savings (e.g., replacement of buses with higher order transit) Ancillary revenue streams (e.g., retail concourses) <p>These revenue streams are insufficient in Canada to cover the full cost of transit capital and operating costs, and so will be considered alongside traditional grant funding.</p>

CIB Market Gap

The CIB seeks to enable the development of major transit projects that would either not occur, or would otherwise not have a similar degree of risk transfer to our private sector co-investors.

The CIB provides financing to major transit projects that are delivered in an integrated fashion, with a private or institutional investor bearing responsibility and risk related to construction, operations, maintenance and lifecycle, as well as volume or revenue in order to align incentives for successful projects. The transfer of volume or revenue risk is costly in the private sector, and the CIB’s financing enables this risk transfer.

The CIB will also work with public and private sponsors to better leverage the increase in real estate value or development that comes from improved transit service. This real estate value can occur well into the future after transit construction – for example, the continued development along the Canada Line in Vancouver. The CIB’s financing seeks to solve a timing and certainty gap for project sponsors, allowing the real estate development value to fund a portion of the transit construction costs.

Zero-Emission Transit Fleet Project Details

ZEBs contribute to climate action through GHG reductions, reduced local air pollution, less noise and a better rider experience. The CIB has seen significant success over the last year, partnering with transit and school bus operators to convert to ZEB technology. The CIB also considers other vehicles that can reduce the greenhouse gas emissions of public transit as within scope of this subsector, most notably, opportunities to electrify diesel commuter rail and transit.

The CIB measures the contribution of towards these outcomes by measuring the GHG reductions that result from the projects the CIB invests in towards our target across our portfolio to invest in projects by 2025-26 with an expected, cumulative annual GHG reduction of 10 MtCO_{2e}. To date, the CIB estimates its investments in this subsector will result in a reduction of over 200,000 tonnes of CO_{2e} annually towards that overall goal.

The Minister of Infrastructure and Communities has been tasked to work with provinces and territories to introduce new funding to help school boards and municipalities purchase 5,000 school and transit ZEBs. The CIB and INFC have collaborated to ensure funding streams and financing can work together to maximize the benefit of investment, for example by directing resources towards separate components of a project such as vehicles and charging infrastructure.

INFC's Zero Emission Transit Fund (ZETF) was designed specifically to work in coordination with the CIB's ZEB financing program such that applicants are able to access both programs using a process which aligns documentation requirements and aims to reduce duplication of effort on behalf of applicants, all with the goal of maximizing the effectiveness of the Federal government's contributions.

INFC and the CIB have developed a process to evaluate expressions of interest under the ZETF program to identify which projects would likely also benefit from CIB financing. Those projects are steered to an application process which involves the CIB. The goals of that process include (i) identifying the potential CIB financing that a project could support; (ii) ensuring the final applications include the information required for INFC's evaluation process.

Close coordination between the CIB and INFC in the evaluation of project applications ensures that CIB financing is offered to applicants where applicable and ZETF support can be maximized across potential applicants.

The parties intend on executing a memorandum of understanding memorializing this collaboration.

Example Assets	Potential Sources of Revenue
Included in this subsector are all zero-emission forms of transit: transit buses, school buses, coach buses, as well as rail transit – e.g., commuter rail or diesel light rail electrification, and ferries. The CIB is technology-agnostic and can support all forms of zero-emission technology, including battery-electric, hydrogen and wired electrification. The CIB will support the conversion of fleets of both public operators such as transit agencies, and private operators such as some school bus operators.	The primary revenue streams for Zero-Emission Transit Fleet projects are the operating cost savings that come from conversion to electric over the existing diesel alternative. The CIB sizes its investment to be repaid from the operating cost savings over the life of the investment. Zero-Emission transit fleets may also increase ridership and associated fare revenue. This stems from the improved user experience and potential for faster and more frequent service in rail.

CIB Market Gap

Zero-emission transit vehicles have higher upfront costs but generate ongoing operating and maintenance savings that can be used to finance the increased upfront cost. Operators do not often have the upfront resources to fund an increased capital purchase cost – and at the same time, are not willing or able to rely on the uncertain operating cost savings to finance the purchase. The CIB's investments in these sectors bears the risk of these cost savings being sufficient to recover the upfront costs, enabling transit operators to accelerate their transition to a zero-emission fleet.

Unlike in other sectors, the CIB does not crowd in private and institutional capital for these projects upfront, as our market soundings indicated that private investors were not willing to take the upfront risk of operating cost savings. Instead, the CIB will explore crowding in private and institutional investment through securitization and syndication options once the operating cost savings materialize.

The long-term implementation of a financing stream for ZEBs from the CIB aligns with the federal imperative to provide stable long-term funding for transit in that it allows transit authorities to make long-term planning and investment decisions knowing that the CIB's program will be available to finance ZEBs.

OUTLOOK

To-date, the CIB has made nine investment commitments totalling \$2.9 billion across the public transit sector.

In 2021-22 the CIB made \$1.3 billion in investment commitments for six projects.

The CIB anticipates making \$3-5 billion in commitments in this sector over the horizon of the corporate plan towards the \$5 billion long-term sector target. The CIB expects as part of this outlook that it will deliver on the \$1.5 billion identified under the Growth Plan for ZEBs and will continue to make ZEB investments towards the long-term sector target for public transit. The CIB manages the allocation between subsectors to achieve its overall portfolio objectives.

FEATURED PROJECT: AUTOBUS SÉGUIN



The CIB recently provided financing for \$15 million which will allow Autobus Séguin to purchase up to 131 zero-emission school buses.

CIB ZEB financing is repayable based on the cost savings of operating a ZEB as compared to a conventional GHG emitting bus (e.g. diesel), with savings expected to come from lower fuel and maintenance costs.

CLEAN POWER

The advancement of clean power initiatives is critical to achieving Canada's 2030 and 2050 climate action goals and contributing to a more sustainable energy future. New investment is required to improve interties and stimulate advancement of clean power generation, distribution and storage, such as with renewables and storage systems. The CIB can help address gaps in the capital structure of certain projects such as inter-provincial interties, renewables, district energy systems, energy storage, and more.

LONG-TERM SECTOR TARGET

\$5B Including \$2.5B for Growth Plan Initiatives in this sector.

SUBSECTOR	ANNOUNCED INVESTMENT COMMITMENTS TO DATE	TOTAL CIB INVESTMENT
CLEAN GENERATION, TRANSMISSION AND STORAGE	<ul style="list-style-type: none"> Oneida Energy Storage Lake Erie Connector 	\$872 million
DISTRICT ENERGY	<ul style="list-style-type: none"> Enwave 	\$600 million

Clean Generation, Transmission and Storage Details

The CIB's investments in this area support the objectives of the Healthy Environment, Healthy Economy plan including:

- Over 90% of Canada's electricity generated from non-emitting sources by 2030 and phasing out coal generation
- Producing 2-3x the clean power as we produce today by 2050
- Connecting more communities to the electric grid to allow use as a fuel source
- Supporting interregional transmission to better connect parts of the country with abundant clean energy to those more dependent on fossil fuels

The CIB measures the contribution towards these outcomes by measuring the GHG reductions that result from the projects the CIB invests in towards our target across our portfolio to invest in projects by 2025-26 with an expected, cumulative annual GHG reduction of 10 MtCO_{2e}. To date, the CIB estimates its investments in this subsector will result in a reduction of over 1,800,000 tonnes of CO_{2e} annually towards that overall goal.

Budget 2017 confirmed infrastructure initiatives that will support the implementation of the Pan-Canadian Framework on Clean Growth and Climate Change, including priorities such as clean electricity grid interconnections. The CIB closely collaborates with NRCan for policy advice and technical due diligence support in its assessment of potential investments in this subsector and their benefits.

The CIB also participates in Strategy Tables around high priority regional projects, including the Atlantic Loop:

- The Atlantic Loop is a series of investments in transmission, renewable generation and energy storage projects to reduce fossil fuel based electricity generation in Atlantic Canada. These projects, part of a larger clean grid transformation, could deliver significant GHG reductions.
- The CIB is leading the financial workstream under the direction of the Privy Council Office. We are working with Quebec, New Brunswick and Nova Scotia and their respective utilities to calculate for a range of scenarios for how a CIB investment in these projects will enhance the economics of the project.
- Work began in the summer of 2021 and is progressing with the target to produce a preliminary view on the cost of the backbone transmission connecting Quebec with Nova Scotia as well as the associated ratepayer impact.

The CIB's advisory and knowledge and research activities support further project development in this activity. For example, the CIB is actively advising public sponsors of the Atlin Hydro Expansion project in the Yukon and the Kivalliq Hydro-Fibre Link connecting Nunavut to Manitoba as these projects develop. The CIB also partnered with the Conference Board of Canada to commission an assessment of the opportunity for microgrid solutions in Canada's north to take communities off-diesel.

Example Assets	Potential Sources of Revenue
<p>This subsector consists of projects that reduce the GHG emissions of the electricity sector including in zero-emission generation projects, battery and other forms of storage, transmission projects and intertie projects to better connect regional grids including both domestic and transborder connections. The CIB is technology-agnostic in evaluating potential projects, and would include SMRs as part of this subsector.</p> <p>The Government of Canada has released a Small Modular Reactor Action Plan, recognizing that “SMRs are a promising new technology that could unlock a range of benefits: economic, geopolitical, social, and environmental.” Consistent with Canada’s Small Modular Reactor Roadmap and the Healthy Environment, Healthy Economy Plan, the CIB will also evaluate opportunities to invest in Small Modular Reactors as a tool to decarbonize electric grids. We will consider investments when the technology is demonstrated to be sufficiently advanced so that the forecasted outcome in terms of GHG reductions relative to the risks the CIB would bear is attractive.</p> <p>The CIB works closely with NRCan and other federal departments to ensure there is coordination and alignment in any potential activity in this area.</p> <p>In 2021-22 the CIB is exploring, meeting with proponents and conducting due diligence on investment opportunities in SMR technology that would enhance progress towards the outcomes it has been directed to deliver. Investment opportunities in these areas are not contemplated to achieve financial close until subsequent years of the plan and would proceed as any other opportunity within CIB priority sectors, including evaluation through the Investment Framework and processes as set out in the Investment Policy</p>	<p>Clean generation, transmission and storage projects have multiple revenue streams that can be used to support the repayment of CIB and private or institutional investment, including:</p> <ul style="list-style-type: none"> ▪ Contracted revenues from a grid operator or other offtake ▪ Merchant revenues in a power market ▪ Return on capital through rate regulation

CIB Market Gap

CIB investments in this subsector address two market gaps. First, transitioning to zero-emission electricity is expensive and imposes costs that may not be able to be addressed in existing project economics.

Second, the CIB is also involved in merchant revenue projects. Instead of a fixed, contracted offtake these projects rely on future sales of their electricity services in markets for all or a portion of their revenue – for example the Oneida Energy Storage project. The CIB’s ability to invest in merchant revenue projects enables projects that have clear carbon reduction benefits to proceed, even when a utility or regulator is unwilling to commit to a fixed contract for the entire project costs but will instead purchase services over time in a merchant market. Project developers have difficulty accessing cost-effective debt financing against these merchant revenue streams.

District Energy Details

District Energy projects have substantial potential to contribute to decarbonization of the buildings sector by providing more efficient heating and cooling – saving customers money while reducing GHG emissions.

The CIB’s primary offering is to allow a district energy operator to increase the initial size of a district energy project to serve demand from customers that are not yet willing or able to commit to connecting. This enables economies of scale in construction, while enabling future customer demand to cost-effectively connect.

The CIB measures the contribution towards these outcomes by measuring the GHG reductions that result from the projects the CIB invests in towards our target across our portfolio to invest in projects by 2025-26 with an expected, cumulative annual GHG reduction of 10 MtCO_{2e}. To date, the CIB estimates its investments in this subsector will result in a reduction of over 67,000 tonnes of CO_{2e} annually towards that overall goal.

Example Assets	Potential Sources of Revenue
<p>Included in this subsector are projects that provide a network of heating and/or cooling energy to buildings based on a central heat source. This delivers economies of scale and allows for adoption of lower carbon fuel sources.</p>	<p>District Energy projects have multiple revenue streams that can be used to support the repayment of CIB and private or institutional investment, including:</p> <ul style="list-style-type: none"> ▪ Heating and cooling revenues from current or committed customers ▪ Heating and cooling revenues from future customers

CIB Market Gap

CIB investments in this subsector enable projects to be built initially at larger scale and enable greater carbon reductions. District Energy project developers are often only able to secure senior lending against committed customer contracts which limits the size of the initial construction. By increasing the size of core infrastructure (e.g., steam pipe diameter), these projects can more cost-effectively add additional buildings – through new construction or retrofit – over the project’s life, resulting in additional GHG reductions.

OUTLOOK

To-date, the CIB has made four investment commitments totalling \$1.5 billion across the clean power sector. In 2021-22 the CIB made \$0.6 billion in investment commitments for two projects.

The CIB anticipates making \$5-7 billion in commitments in this sector over the horizon of the corporate plan to meet or exceed the \$5 billion long-term sector target, including at least \$2.5 billion towards the clean power Growth Plan initiative within the three years. The CIB manages the allocation between subsectors to achieve its overall portfolio objectives.

The CIB's clean power sector will include participation in projects that support the energy transition. This includes areas such as SMRs which feature potential to generate significant GHG reductions relative to our investment.

FEATURED PROJECT: ONEIDA ENERGY STORAGE



The Oneida Battery Park, once constructed, will be a 250 MW/1,000 MWh facility and one of the largest battery storage projects in the world. It is a project being developed by NRStor, a company which develops reliable energy storage projects that reduce environmental impacts, and the Six Nations of the Grand River Development Corporation (SNGRDC).

The Oneida Energy Storage project will provide clean, reliable power capacity by drawing and storing renewable energy during off peak periods and releasing it to the Ontario grid when energy demand is at its peak. The project will help address energy costs for ratepayers by optimizing the electricity market.

An investment of up to \$170 million from the CIB will result in the reduction of GHG emission by optimizing operations of Ontario's gas and thermal fleet.

GREEN INFRASTRUCTURE

Green infrastructure projects support Canada's clean growth economy in areas such as energy efficiency, water and wastewater management and the transition to a low-carbon future.

LONG-TERM SECTOR TARGET

\$5B Including the \$2B Growth Plan Initiative for building retrofits and \$500M for ZEV charging and refueling

SUBSECTOR	ANNOUNCED INVESTMENT COMMITMENTS TO DATE	TOTAL CIB INVESTMENT
RETROFITS	<ul style="list-style-type: none"> ▪ Toronto Western Hospital ▪ SOFIAC ▪ Algoma Steel ▪ Dream Retrofits ▪ Efficiency Capital ▪ Johnson Controls 	\$626 million
LOW-CARBON ENERGY TRANSITION: CCUS, HYDROGEN, CLEAN FUELS		
WATER AND WASTEWATER		
ZEV CHARGING AND REFUELING		

Retrofits Details

The Canadian building sector, which was responsible for 17% of national emissions in 2014, has historically been a major contributor to the country's GHG emissions, due in large part to the high energy use intensity of buildings. The high energy usage is linked to deferred maintenance on roofs and windows but most importantly inefficient equipment such as heating, cooling and air distribution systems.

Retrofits, which include both building and industrial retrofits, contribute to climate action through enabling GHG reductions. Building retrofits save money, revitalize our building stock and improve overall building comfort; while industrial retrofits can help support higher emitting businesses in their processes as they transition to the low-carbon economy.

The federal government has identified energy efficiency (EE) as one of the most significant components of its plan to achieve a net zero emissions economy by 2050, with EE measures representing 21% of Canada's GHG emissions reductions between 2015 and 2019. EE aligns with Canada's goals as set out for example in its Strengthened Climate Plan, the *Canadian Net-Zero Emissions Accountability Act*, by reducing emissions and growing the economy.

The CIB's investments in retrofits were specifically identified in the *Healthy Environment, Healthy Economy* plan.

Energy efficiency aligns with the green infrastructure category of the Investing in Canada Plan, through increased installation of clean energy and energy efficient technologies in the public and private sectors, as a means to improve air quality and/or reduce GHG emissions.

The Final Report of an Expert Panel on Sustainable Finance commissioned by Environment & Climate Change and Finance Canada, suggested accelerating the development of a vibrant private building retrofit market under recommendation 13, as well as developing a regional green bank network in order to facilitate an 'on the ground' retrofit market.

CIB investments in private building retrofits are priced on a sliding scale above and below the government's cost of capital, in a manner that is linked to GHG reductions of the project, the amount of private capital attracted and the economics of the projects.

CIB investments in industrial retrofits are priced based on the outcomes of the project against the gap that is preventing the project from proceeding. This ensures that the maximum impact is achieved with the minimal subsidy possible.

The CIB measures the contribution towards these outcomes by measuring the GHG reductions that result from the projects the CIB invests in towards our target across our portfolio to invest in projects by 2025-26 with an expected, cumulative annual GHG reduction of 10 MtCO_{2e}. To date, the CIB estimates its investments in this subsector will result in a reduction of over 3,500,000 tonnes of CO_{2e} annually towards that overall goal.

As part of its effort on retrofits, the CIB has worked with NRCan on collaboration and funding and secured support, and had several discussions with CMHC to ensure coordination related to exploring Multi-Unit Residential Buildings. The CIB has also coordinated with INFC in relation to the

Green Inclusive Buildings program and potential for stacking of CIB financing alongside federal programming. The CIB also held discussions with the Net Zero Advisory Board on the role of the CIB towards net zero, who were supportive and encouraging of more marketing activity.

The CIB collaborates closely with ISED's Strategic Innovation Fund / Net Zero Accelerator in its support of Industrial Retrofit projects – including its investment in the EAF conversion of Algoma Steel, which reached financial close in November 2021. SIF and the CIB worked closely with regular contact between the SIF project team and the CIB investment team, leveraging their respective strengths to coordinate the quantum of federal support and the terms and conditions to ensure achievement of outcomes to bear. For example, the CIB leveraged SIF's assessment of the GHG benefits of the transaction and considered the quantum of SIF's financial support in its assessment and due diligence of the project. The CIB and SIF are currently exploring ways to better formalize their coordination in this sector, building on the success of the Algoma transaction.

The CIB's Knowledge and Research activities support our investments in this sector. We have partnered with the Delphi Group and the Canada Green Building Council to support research that will identify how Canada can scale up retrofits for large buildings, including industrial, commercial, and large residential buildings. The study will focus on two essential components:

- Building workforce capacity to ensure the right number of workers with the right skills in the right locations at the right time are available to support retrofit projects; and
- Building supply chain capacity to deliver affordable low-carbon construction-related products, technologies, and materials.

Example Assets

Building retrofit candidates can be publicly or privately-owned and must be of a commercial, multi-unit residential, industrial or institutional nature with an objective of reducing GHG emissions. Industrial retrofits are projects that retrofit industrial facilities or processes with the goal of reducing GHG emissions.

The CIB invests in a wide range of transaction structures in this subsector, including:

- Direct investment in specific building or industrial retrofit projects or portfolios of projects
- Investment in aggregators – organizations that will aggregate multiple retrofit projects into a portfolio to support the minimum scale CIB needs (\$25 million) to make efficient investments

Potential Sources of Revenue

Building retrofits have as their source of revenue the ongoing operational cost savings (e.g., energy and maintenance) that come from a deeply retrofitted building. Industrial retrofits have the sale of the industrial product as an additional source of revenue, while building retrofits also have leasing revenue.

CIB Market Gap

The CIB's participation in this subsector seeks to address two market gaps. First, it aims to incentivize building retrofitters to go deeper in the scoping of their projects to address a greater proportion of the emissions. Deeper retrofits are more costly and have longer payback periods and so the CIB's concessionary finance enables these deeper retrofits with longer payback.

Second, retrofits have some uncertainty with respect to the time and magnitude of the cost savings. The CIB's financing bears these risks in proportion to its role in the capital structure, which enables building owners to go deeper in their retrofits.

Low-Carbon Energy Transition, CCUS, Hydrogen and Clean Fuels Details

Emerging efforts such as CCUS, Hydrogen and Clean Fuels are essential to supporting Canada's climate objectives. Such efforts are particularly important in sectors that can be hard to decarbonize such as heavy industry and freight which represent 200-250 Mt of Canada's emissions.

Projects in these areas leverage Canada's natural competitive advantages, contribute to economic growth, and align to broader government policy and initiatives as outlined in plans such as:

- **Hydrogen Strategy for Canada (NRCan):** The strategy identifies hydrogen as "essential to decarbonizing the top third of Canada's most energy intensive and hard-to-abate end-use applications," and recommends de-risking investment by "establish(ing) funding programs, long-term policies, and business models to encourage industry and governments to invest in growing the hydrogen economy."
- **Carbon Capture, Utilization and Storage Strategy (NRCan):** As part of developing a strategy, NRCan indicates that "CCUS is one of the four key technology areas critical to achieving global climate and energy goals and urgent steps are needed to significantly ramp up CCUS deployment." It also points out that "the International Energy Agency has made clear that these net zero goals will become virtually impossible to meet without CCUS."
- **Healthy Environment and Healthy Economy (ECCC):** Explains that clean fuels are essential component of making the shift to a net zero economy, and notes that the Clean Fuel Standard will increase "incentives for the development and adoption of clean fuels and technologies and processes."
- The announcement of a cap on oil and gas sector emissions.

In 2018 the government adopted legislation to place a price on carbon to encourage efficiency in industries and the adoption of cleaner technologies. Further, in Budget 2021, the government noted that “CCUS and low-carbon fuels represent two pathways to reduce industrial emissions” and that “Investing in these technologies today is a significant step towards achieving Canada’s climate targets.”

The CIB is working closely with government departments in the CCUS, Hydrogen and Clean Fuels sector.

- The CIB is actively engaged with NRCan on both its Low-Carbon Fuel fund application process and CCUS Funding call where we are providing financial analysis and market insight to help support decision making.
- The CIB is scheduling semi-regular calls with NRCan on both Clean Fuels and CCUS to ensure coordination as we look to advance projects as well as share knowledge and insights on the sector that can improve outcomes.
- The CIB is also leveraging NRCan’s deep technical knowledge of clean fuel / CCUS and hydrogen technologies to inform investment decision making around projects.

The CIB is also deeply engaged with ISED’s Strategic Innovation Fund, and in particular the Net Zero Accelerator in order to identify ways to leverage each others’ resources to increase impact, including in the assessment of potential projects. Ongoing meetings have been established across all similar sectors of CIB / ISED-SIF focus, and we are working to coordinate due diligence and share market intelligence as we advance projects and ensure collaboration over time through an MOU.

Recognizing the prominence of this subsector in western Canada, the CIB has opened a Calgary office and hired an Investments Managing Director to lead our efforts in this area.

The CIB measures the contribution towards these outcomes by measuring the GHG reductions that result from the projects the CIB invests in towards our target across our portfolio to invest in projects by 2025-26 with an expected, cumulative annual GHG reduction of 10 MtCO₂e. CIB activity in this sector is critical to achieving this portfolio objective given the potential for significant GHG reductions from this sector. The CIB evaluates projects on their ability to contribute to meeting Canada’s decarbonization objectives – and would not support projects designed to increase production of fossil fuels, for example through enhanced oil recovery.

This subsector has a strong potential to contribute towards achieving the climate outcomes and capital targets set out for the CIB. As such, in 2021-22 the CIB is exploring the subsector, engaging with other federal government departments and Provincial partners, meeting with proponents on a range of investment opportunities to ensure a clear understanding of their potential and inform the CIB’s planning. The CIB undertakes such analysis in all of its sectors as part of its role as a forward-looking investor and enhance its ability to deliver on its mandate and government priorities. For clarity, the CIB did not make investment commitments or reach financial close on any investments in this subsector in fiscal 2021-22. Investment opportunities in these areas are exploratory and will not achieve financial close until subsequent years of the plan and would proceed in accordance with overall government policy and subject to evaluation through the Investment Framework and processes as set out in the Investment Policy. The CIB’s Capital Plan and long-term targets in Appendix C assume that the CIB begins investment in fiscal 2022-23 in these sectors, as it is a critical component of achieving goals for GHG reductions, private investment and overall pace of capital deployment.

Example Assets	Potential Sources of Revenue
<p>The CIB will consider investments in projects that feature use of green infrastructure approaches such as CCUS, hydrogen and clean fuels (e.g., hydrogenation-derived renewable diesel or biodiesel, with a lower carbon intensity). Given the outcomes sought in reducing carbon, the CIB would only focus on hydrogen projects (and in time other forms of hydrogen production that rely on low-carbon power sources) that result in carbon reductions predominantly those known as “blue” and “green” hydrogen. The CIB would not invest in steam methane reforming production absent carbon capture, often referred to as “grey hydrogen.”</p> <p>The CIB may invest in the capture, transportation sequestration of carbon; the production, transport and distribution/end-use of hydrogen, and the production of clean fuels. The CIB will further follow announced federal policy in these areas for further project eligibility – for example, it will follow CCUS Investment Tax Credit eligibility criteria when released and not support Enhanced Oil Recovery Projects.</p> <p>Each element of each of these value chains have different attributes. Through the Investment Framework, the CIB carefully evaluates each project’s economics and sizes its investment to minimize the concessionality while allowing the project to proceed. In some areas – such as grey hydrogen, or the distribution of drop-in Clean Fuels there is no market gap, and as a result the project is not eligible for investment.</p> <p>This assessment is important because it ensures the CIB carefully considers all other sources of government support (e.g., tax credits, other grant programs, carbon pricing) in its assessment of the project economics and will only invest in those that require further support to proceed and will generate beneficial outcomes that relative to the risks the CIB would bear are attractive. The CIB is currently working with other federal agencies that plan to invest in the sector. For clarity, the CIB will only invest in projects where the private benefits to project owners are insufficient to</p>	<p>Projects in this subsector have multiple potential sources of revenue:</p> <ul style="list-style-type: none"> ▪ Fuel, energy and product sales ▪ Monetization of carbon reductions through carbon credits or other mechanisms ▪ Tolling charges (e.g., for transportation of carbon, hydrogen or clean fuels)

enable the project proceeding and will carefully benchmark project economics to a typical financial return hurdle by sector vertical. It will ensure that emitters remain exposed to the price on carbon created by the carbon pricing framework.

It is important to note that the CIB would look to support technologies that are commercially viable; this may include first of a kind application within Canada or the industry, but with a technological component that has been demonstrated to work. The CIB is not taking on a role in the development of pre-commercial scale technologies.

CIB Market Gap

CIB investments in this subsector will address three market gaps:

- **Carbon pricing** – investors, particularly for debt, are unwilling to bear significant risk with respect to the future trajectory of carbon prices and so as a result, projects that would proceed with certainty that the current announced carbon pricing trajectory will occur, face higher costs of capital that prevent the project from proceeding. Many projects have financials that are partially or wholly reliant on the sale of carbon offsets for revenue. Even markets with high degree of regulatory certainty face high levels of price volatility (e.g., EU, BC offset credit markets) that make attracting affordable debt difficult. CIB participation in these projects can bear a portion of this risk and enable projects to proceed with private investment, while, unlike grants, sharing in the gains that can occur when carbon offsets are valuable.
- **Future demand/coordination** – Similar to in district energy, the CIB’s investment can enable systems to be built for future demand, even if not all participants are ready to commit to fixed offtake – for example, building a carbon pipeline sized to handle emissions from a full industrial complex, even if only a handful of anchor customers have signed on, with future financial returns dependent on the adoption of the project. This is particularly valuable to CCUS and hydrogen projects where new end -to-end value chains are required in upstream, midstream and downstream.
- **Technology commercialization** – CIB investments may be in projects that are in the early stages of at scale commercial deployment, including first-of-a-kind at scale deployments. There is limited debt and equity capital available for these risks, and so the CIB’s involvement can catalyze a greater number of projects.

CIB’s participation in this subsector and approach to addressing the gaps will be done in close coordination with government departments, align to government policy and be consistent with all elements of our Investment Framework. This means that they must demonstrate that they achieve meaningful public benefits, and the private benefits – including the costs of regulatory compliance – are insufficient for the project to proceed absent CIB participation.

Water and Wastewater Details

Water and wastewater are critical infrastructure projects in municipalities and Indigenous communities across the country and are a key element of the CIB’s Green Infrastructure Priority sector. The CIB seeks to invest in water and wastewater projects that can be delivered within the CIB’s guardrails and legislative mandate with respect to revenue generation and involvement of private capital. The CIB will work through 2022-23 to develop measurable outcomes, aligned with broader federal policy objectives and include these outcome measures in its 2023-24 to 2027-28 corporate plan.

The CIB has not yet made an investment in the water and wastewater sector. Many water and wastewater projects are small, and municipal appetite for involvement of private capital in the water and wastewater sector varies. The CIB continues to develop its planned strategies and approaches in response to the unique attributes to the subsector, in parallel to advancing water and wastewater projects with interested project proponents.

Example Assets	Potential Sources of Revenue
The CIB will consider investments in municipal water and wastewater facilities or systems	Projects in this subsector have multiple potential sources of revenue: <ul style="list-style-type: none"> ▪ Water rates ▪ Cost savings from operations or reduced water losses due to leakage

CIB Market Gap

The CIB’s involvement in the water and wastewater sector addresses a risk transfer gap by seeking to crowd in private capital in the construction, operations and maintenance of water and wastewater systems. There is limited private capital currently invested in this sector in Canada – while other countries, including the UK – have a substantial share of their water sector privately financed. The CIB’s participation lowers the cost to municipalities or other water system operators from involving the private sector in the delivery of these services.

ZEV Charging and Refueling Infrastructure Details

Significant scale up of zero-emission charging and refuelling infrastructure is needed to enable broader and faster adoption of ZEVs in Canada. Investment in this infrastructure falls with the CIB's existing Green Infrastructure Priority sector, aligning with government objectives such as targets for ZEV adoption in the coming years, including full transition for new vehicle sales to zero-emission new light duty vehicles by 2035 and medium and heavy-duty vehicles by 2040. The CIB's role in charging and refuelling infrastructure was specifically acknowledged in the federal government's 2030 Emissions Reduction Plan and the 2022 Budget, noting CIB would invest \$500 million in ZEV charging and refueling infrastructure.

The CIB will seek to invest in large scale charging and refuelling infrastructure projects that can be delivered within the CIB's legislative mandate to invest in revenue generating infrastructure that is in the public interest and including private and institutional investors. The CIB is beginning to explore and conduct due diligence on investment opportunities. For clarity, the CIB did not make investment commitments or reach financial close on any investments in this subsector in fiscal 2021-22. Investment opportunities in these areas are exploratory and will not achieve financial close until subsequent years of the plan and would proceed in accordance with overall government policy and subject to evaluation through the Investment Framework and processes as set out in the Investment Policy. Investments in this sector will contribute to the CIB's GHG reduction objectives and other measures of impact will also be explored.

Example Assets	Potential Sources of Revenue
<p>The CIB is working to make investments in charging and refueling infrastructure for ZEVs, as well as the enabling infrastructure required to support their construction and supply.</p> <p>Across all of its asset classes the CIB invests in the full project required to deliver on the targeted outcome – chargers that enable zero emission charging and refueling. In this case this could include, for example, but not limited to, electrical upgrades required to enable fast charging.</p> <p>The CIB is technology agnostic in the types of charging assets that might be eligible.</p>	<p>Charging rates or fuel sales are expected to be a key source of revenue in this subsector. Other sources of revenue may also be explored.</p>

CIB Market Gap

The CIB's involvement in charging and refuelling infrastructure may consider multiple potential market gaps. First, charging infrastructure faces a commercial risk gap in the form of demand-side risk, as the profitability of this infrastructure depends on the adoption rate of the ZEVs. Financing that enables faster and broader build-out can help ensure infrastructure remains ahead and can meet and in fact encourage emerging demand. As well, certain charging infrastructure may be in the public interest for climate and transportation objectives, but present an economic gap where the infrastructure may not present a sufficient return to be financed solely in the private sector – for example in rural or remote areas.

OUTLOOK

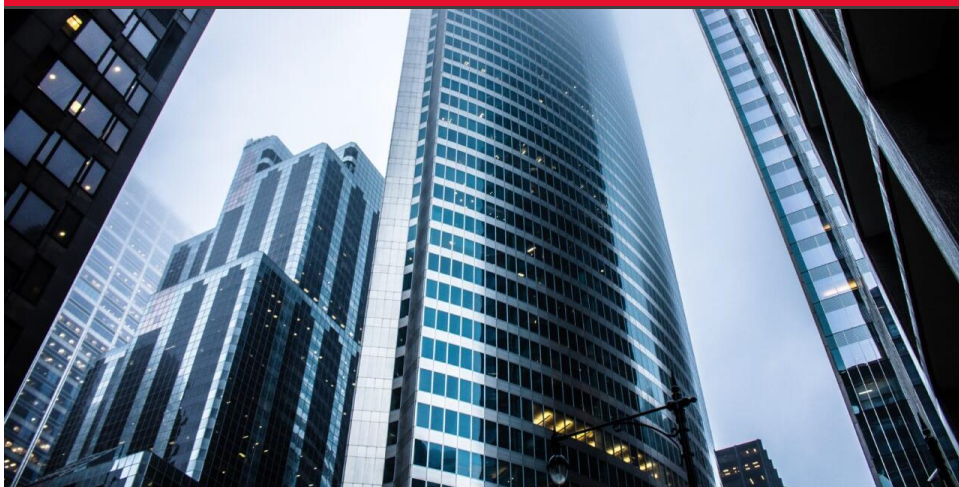
To-date, the CIB has made six investment commitments totalling \$626 million across the green infrastructure sector.

In 2021-22 the CIB made \$0.5 billion in investment commitments for five projects.

The CIB anticipates making \$5-7 billion in commitments in this sector over the horizon of the corporate plan to meet or exceed the \$5 billion long-term sector target, including at least \$2 billion towards the Retrofits initiative within the three years. The CIB manages the allocation between subsectors to achieve its overall portfolio objectives.

The CIB's Green Infrastructure sector includes participation in projects that support the energy transition. This includes areas such as CCUS, Hydrogen, and Low-Carbon Fuels, each of which features potential for projects to generate significant GHG reductions relative to our investment. To further enable and accelerate Green Infrastructure investments that are focused on climate action to reduce GHGs, the CIB will stimulate investment with private and institutional partners by closing project-specific investment gaps related to future carbon pricing and technology scaling. These opportunities contribute to climate action and the net zero economy.

FEATURED PROJECT: SOFIAC



The CIB has seen significant success over the last year, with its retrofits initiatives. We have invested in our first retrofit project with a private building aggregator SOFIAC in Quebec, our first public building retrofit at the Toronto Western Hospital, and our first industrial retrofit with Algoma Steel.

In some cases, the CIB targets portfolios of retrofits to achieve scale in an otherwise fragmented market of smaller projects.

The SOFIAC investment is one example of this innovative approach.

BROADBAND INFRASTRUCTURE

Broadband is now widely recognized as critical infrastructure for the success of our communities and economy, on par with traditional infrastructure such as roads, transit and energy. The recent experience with the pandemic and its reliance on internet connectivity has only made this clearer.

LONG-TERM SECTOR TARGET

\$3B Including \$2B for Growth Plan Initiatives in this sector

SUBSECTOR	ANNOUNCED INVESTMENT COMMITMENTS TO DATE	TOTAL CIB INVESTMENT
BROADBAND	<ul style="list-style-type: none"> ▪ Manitoba Fibre ▪ Ontario Rural Broadband ▪ Arrow Technology Group 	\$1.6 billion

Broadband Project Details

CIB investments are targeted at connecting households to a minimum standard of 50/10 Mbps broadband and reflect growing priorities amongst project sponsors to deliver higher broadband speeds where it is cost-effective in order to fully enable digital connectivity for Canadians as determined by ISED's Universal Broadband Fund (UBF) or provincial project sponsors.

The CIB's efforts in this area are aligned with the Government of Canada's High-Speed Access for All: Canada's Connectivity Strategy, which aims to build high speed networks to connect all Canadians, no matter where they may live. The Strategy includes recognition of working with the CIB in particular to determine best fit direction for applications and ensure programs are funded through the most appropriate vehicle.

The CIB and UBF established a process where applicants to the large project stream were asked to first apply for CIB financing, and then apply for UBF grant funding for any remaining requirements. This allowed the UBF program to reach more households with the same dollars. During project evaluation, UBF was oversubscribed and asked CIB to identify opportunities to further increase its lending in order to reduce demand for grant funding. CIB identified an opportunity to increase its lending in a responsible manner at an overall lower cost to Canada than previously proposed.

Subsequently, the CIB and ISED developed an amended Contribution Agreement accommodating the possibility of alternative Project Finance structures (i.e. financing a Special Purpose Vehicle rather than the ISP itself) and negotiated a collaboration agreement outlining how the two entities would work together.

The CIB measures its contribution towards these outcomes through the number of underserved households passed. To date, the CIB estimates its investments in this subsector will result in over 224,000 underserved households passed towards that overall goal.

Example Assets	Potential Sources of Revenue
<p>Example assets in this subsector may include:</p> <ul style="list-style-type: none"> ▪ Fibre, fixed wireless or satellite connections that directly enable minimum 50/10 Mbps broadband speeds ▪ Fibre, satellite or other backbone infrastructure that enables greater penetration of minimum 50/10 Mbps broadband including 5G <p>The broadband sector has a wide range of project economics. CIB involvement in this space is consistent with its guardrails which size CIB support consistent with the gap that is preventing a project from proceeding. This prevents the subsidization of technologies or projects that do not require federal support (e.g., 50/10 Mbps broadband in dense urban areas).</p>	<p>Projects in this sector may have multiple sources of revenue such as:</p> <ul style="list-style-type: none"> ▪ Customer charges for internet or digital services ▪ Tolling or other charges for use of backbone infrastructure

CIB Market Gap

The rollout of broadband infrastructure to the remaining unconnected households is too capital intensive for the private sector to deliver the infrastructure alone. The CIB's financing lowers the cost of capital for these projects and increases the cost per household that the private sector is willing to bear, reducing subsidy requirements from ISED's Universal Broadband Fund (UBF) or provincial programs. The CIB's financing is more efficient than direct grants as the cost of the CIB's financing to Canada is more than offset by reduced subsidy requirements.

The CIB only invests in projects that connect currently underserved Canadians, as defined by ISED, to a minimum of 50/10 Mbps broadband. The CIB is technologically agnostic as to the technology solution – and in most cases ISED, or a provincial partner will select the project and technology solution.

In cases where satellite or fixed-wireless is the selected solution, the CIB will support these projects. Similarly, if a proponent could cost-effectively connect underserved homes using these technologies without relying on any other grants, the CIB would support these projects.

OUTLOOK

To-date, the CIB has made six investment commitments totalling \$1.6 billion in the broadband sector.

In 2021-22 the CIB made \$1.5 billion in investment commitments for five projects.

The CIB anticipates making \$2-3 billion in commitments in this sector over the horizon of the corporate plan towards the \$3 billion long-term sector target, including at least \$2 billion towards the Large Broadband Projects Growth Plan target within the three years.

FEATURED PROJECT: MANITOBA FIBRE



Valley Fiber (VF) is a smaller regional ISP in Manitoba which provides dedicated fibre to the home service. This means that all clients get fibre connections and each their own dedicated fibre, therefore ensuring high speeds and future proofing the network.

In the case of the Manitoba Fibre project, the CIB is financing VF with DIF Capital Partners, a major Dutch infrastructure fund and without any federal funding.

VF is targeting to serve 49,000 new underserved households with service between 50MB/10MB and 1G/1G in southern Manitoba.

TRADE & TRANSPORTATION

Trade and transportation infrastructure supports stronger, more efficient corridors to domestic and international markets, and helps Canadian businesses compete and grow.

Trade & Transportation projects have a wide range of outcomes: they better connect Canadians to where they need to go, ease the move of goods to enable trade, and grow our agricultural sector.

LONG-TERM SECTOR TARGET

\$5B Including the \$1.5B Growth Plan Initiative for Agriculture Irrigation projects

SUBSECTOR	ANNOUNCED INVESTMENT COMMITMENTS TO DATE	TOTAL CIB INVESTMENT
AGRICULTURAL IRRIGATION	<ul style="list-style-type: none"> Alberta Irrigation 	\$466 million
PASSENGER RAIL	<ul style="list-style-type: none"> Tshuetin Rail 	\$50 million
TRADE CORRIDORS AND PORTS	<ul style="list-style-type: none"> Kahkewistahaw Landing 	\$15.4 million
BRIDGES TUNNELS AND HIGHWAYS		

Agriculture Infrastructure Details

Agricultural infrastructure projects help increase agriculture productivity, grow the economy and create jobs. The CIB measures these projects in terms of the outcome of growth in value added in the agriculture sector and the new economic activity these projects create.

CIB efforts in agriculture infrastructure have been developed in collaboration with federal departments to align with federal priorities and programs including ISED's Protein Industries Supercluster objective and Prairies Economic Development Canada's work to diversify the western economy while improving the quality of life of western Canadians and to help transition away from an economy dependent upon fossil fuels and others.

The CIB measures the contribution towards these outcomes by measuring the agricultural value added that results from the projects in which the CIB invests. To-date, the CIB estimates its investments in this subsector will result in over \$50 million in value towards that overall goal.

Example Assets

This subsector includes projects with a focus on increasing value added in the agricultural sector. Although our initial focus has been on irrigation in Alberta and Saskatchewan, all 10 provinces and three territories are potential public-sector partners or project sponsors for the CIB's agriculture infrastructure initiative. Example assets include irrigation projects, urban/vertical farming and precision broadband used in farming.

Potential investments targeted at addressing trade bottlenecks for agricultural commodities are included within our trade corridors subsector.

Potential Sources of Revenue

Projects in this sector can draw on diverse sources of revenue from users, including water charges or the sale of agricultural commodities that can be used to repay CIB and private financing.

CIB Market Gap

The CIB's investment in agricultural infrastructure helps address uncertain demand and offtake. Senior lenders are often only able to finance against long-term offtake contracts from highly credit-worthy counterparties, which means projects have difficulty securing affordable capital. The CIB's participation lowers these barriers and allows projects to proceed.

Passenger Rail Details

Passenger rail projects connect Canadians to where they want to go while contributing to climate action through lower carbon intensity relative to other modes of travel. CIB has made an investment in Tshuetin Rail which will better connect Indigenous communities in Newfoundland and Labrador, and is actively working to develop projects in this subsector through our work with VIA Rail on High-Frequency Rail and our work with Alberta to develop the Calgary-Banff Rail project.

The CIB measures the contribution towards these outcomes by measuring the ridership that results from the projects the CIB invests in towards our target across our portfolio to invest in projects by 2025-26 with an expected, cumulative ridership of 200,000 daily riders.

Example Assets

This subsector includes passenger rail projects that connect multiple regions (i.e., those not included within the public transit sector).

Potential Sources of Revenue

Passenger rail projects have fare revenue which can repay CIB and private financing. There may also be development at stations, the proceeds of which can repay CIB and private financing and enable investment in the infrastructure.

CIB Market Gap

The CIB seeks to enable the development of major transit projects that would either not occur, or would otherwise not have a similar degree of risk transfer to our private sector co-investors.

The CIB provides financing to passenger rail projects that are delivered in an integrated fashion, with a private or institutional investor bearing responsibility and risk related to construction, operations, maintenance and lifecycle, as well as volume- or revenue in order to align incentives for successful projects. The transfer of volume or revenue risk is costly in the private sector, and the CIB's financing enables this risk transfer.

The CIB will also work with public and private sponsors to better leverage the increase in real estate value or development that comes from improved passenger rail service – in a similar vein as transit-oriented development within the transit sector.

Trade Corridors and Ports Details

Trade corridor projects improve the flow of goods – both by improving the flow of freight or shifting it towards lower carbon modes of transportation. CIB is actively engaging with multiple Canadian trade corridor projects, in close consultation with Transport Canada, on potential projects.

The CIB works in close partnership with Transport Canada and INFC in efforts related to the National Trade Corridors Fund in the consideration of Trade Corridor projects. Transport Canada has connected the CIB with Provincial Transport Ministries to support the identification of potential trade corridor projects – most recently with the Government of BC.

The CIB is working towards a more developed understanding of opportunities in this area and anticipates being able to provide additional detail in its 2023-24 Corporate Plan.

The CIB measures the contribution towards these outcomes by measuring the tonnage of annual freight that results from the projects the CIB invests in towards our target across our portfolio to invest in projects by 2025-26 with an expected total of 12 million tonnes annually.

Example Assets

This subsector includes projects throughout the freight value chain – including in airports, ports, railways and logistics facilities that enable trade, informed by evaluation through the Investment Framework and assessed against CIB guardrails such as size, role for private capital and market gaps.

Potential Sources of Revenue

Trade corridor projects have revenue from users that can be used to repay financing from the CIB and private investors. This would mostly take the form of the freight charges to users of the infrastructure – e.g., a per container or per tonne fee,

CIB Market Gap

The CIB's investments in this sector often address a demand ramp-up risk – the pace at which shippers shift activity to the resulting infrastructure, which limits the ability to raise affordable capital to finance project development and construction. The CIB's flexible and patient capital enables these projects to proceed and improve Canada's trade outcomes. The CIB works closely alongside Transport Canada as policy lead in reflection of the existing user-pay model for airports and ports, and to reflect the competitive dynamics between ports/airports.

Bridges, Tunnels and Highways Details

Bridge and tunnel and highway projects ease congestion and help connect freight and people to where they want to go. For example, the CIB has partnered with the Alberta Government on assessing the financial feasibility of a potential toll bridge in Northern Alberta to replace a ferry crossing – this project would significantly reduce travel times.

The CIB is collaborating closely with INFC, Transport Canada, Public Services and Procurement Canada to evaluate opportunities for replacement of the New Westminster Bridge in British Columbia, a crucial rail link across the Fraser River as well as assessing broader opportunities in the Asia-Pacific Gateway.

The CIB is working towards a more developed understanding of opportunities in this area.

The CIB measures the contribution towards these outcomes by measuring the tonnage of annual freight that results from the projects the CIB invests in towards our target across our portfolio to invest in projects by 2025-26 with an expected total of 12 million tonnes annually.

Example Assets

This subsector includes bridge, tunnel and highway projects that have a source of revenue. This requires some form of user fee, consistent with the CIB mandate to invest in revenue-generating projects.

Potential Sources of Revenue

Eligible assets have a source of revenue as a form of user fee. This could be a toll – or could be the use of high occupancy toll lanes, managed tolls, partial tolling (i.e., only certain classes of vehicles), or other dedicated usage-linked revenue stream that helps put a price on congestion.

CIB Market Gap

Bridges and tunnels are rarely priced for users – leading to congestion and/or overbuilding. The CIB's financing in this sector encourages the adoption of tolled infrastructure. The CIB's financing also encourages risk transfer to private sector counterparties, particularly with respect to revenue or volume, better aligning incentives for the project, while mitigating the incremental cost of private capital for project sponsors.

OUTLOOK

To-date, the CIB has made three investment commitments totalling \$532 million across the trade and transportation sector.

In 2021-22 the CIB made \$0.1 billion in investment commitments for two projects.

The CIB anticipates making \$4-5 billion in commitments in this sector over the horizon of the corporate plan towards the \$5 billion long-term sector target, including at least \$1.5 billion towards the Agriculture Irrigation Growth Plan initiative within the three years. The CIB manages the allocation between subsectors to achieve its overall portfolio objectives.

FEATURE PROJECT: TSHIUETIN RAIL



In July 2021, the CIB announced its investment package to Tshiuetin Rail Transportation Inc. and Tshiuetin LP (collectively, Tshiuetin) to modernize the first Indigenous owned and operated railway in Canada. This investment was the first under the ICII and contributes to improved infrastructure and economic opportunities for the Indigenous owners and operators of Tshiuetin.

This investment will expand the capacity of Tshiuetin to provide safe, reliable, and environmentally friendly services to their passengers, customers, and community members, and supports the local and Indigenous economy through the creation of business and employment opportunities in northern Quebec and Labrador. Tshiuetin is the only readily accessible link connecting the three First Nation - the Innu Takuakan Uashat mak Mani-Utenam, the Innu Nation of Matimekush-Lac John, and the Naskapi Nation of Kawawachikamach between Schefferville and Sept-Îles.

The CIB investment of \$50 million will help deliver inclusive and sustainable infrastructure and increase economic opportunities in the region.

The CIB launched ICII in March 2021 to contribute to the target to invest at least \$1 billion in infrastructure projects developed in partnership with, and for the benefit of First Nations, Inuit and Métis communities. ICII is designed to invest in revenue generating Indigenous community-based infrastructure across the CIB priority sectors.

3.6.2 Portfolio Risks and Mitigation

The CIB is designed to be a risk-bearing institution. Across its priority sectors, the CIB makes concessionary investments. These investments are meant to solve a gap in the capital structure of the project, either by bearing risks that other investors cannot effectively bear, or by providing concessionary pricing – including below the Government of Canada’s cost of borrowing – that makes the project’s financial model viable. These risks are detailed in the market gaps for each subsector above.

As a financial investor, the CIB is exposed to regular infrastructure development risk in relation to its position in the project’s capital structure, as well as the specific project risk allocation. These risks may include risks in construction, operations, maintenance, lifecycle, or demand and are not specifically identified for each subsector. Like other investors, the CIB manages these risks through careful due diligence and asset management.

The CIB works with FPTMI partners and private project sponsors to advance projects to the stage where they are investable for the CIB. The CIB’s Investment Framework and priority sectors reflect the federal government’s priorities for the CIB. Provinces and territories may not have aligned priorities for the classes of infrastructure or delivery models – for example, while public transit is a federal priority and a priority of many provinces, provinces are currently seeking grant funding for non-CIB compatible delivery models. The CIB’s capital plan and long-term objectives reflect the CIB’s current view of where the CIB will be able to execute on investments over the five-year planning horizon. However, the CIB manages to overall portfolio targets and may not make an investment in every subsector or example asset outlined in section 3.5 over the current Corporate Plan. Through the annual planning cycle, the CIB will update on its current forecast for potential capital deployment, informed in part by where there are aligned priorities.

Execution risks are those that affect the pace at which projects advance, and are risks to our ability to reach our capital commitment targets. The primary mitigation strategy to these risks is our portfolio approach. The CIB seeks to develop a pipeline of potential investments in each of our priority sectors, recognizing that each project goes through a unique development lifecycle and may not reach a final investment decision on the planned schedule – and the timing of a decision to proceed with a project is in almost all cases the decision of the project sponsor. By developing a pipeline of potential investments that is larger than our capital plan and long-term objectives, the CIB can adapt as individual investments are delayed in development.

The execution risks vary by subsector but can be broadly categorized:

- **Project development timelines** – Major projects take significant time and resource to be developed to an investable stage. This requires cooperation from multiple stakeholders, and means timing is variable and outside of the CIB’s control. The CIB Investments team work closely with project sponsors to take all possible steps to accelerate project development timelines.
- **Public sponsor preference** – Involvement of private and institutional capital transfers responsibility and control to the investor to some degree. Public sponsors are often hesitant to embrace the involvement of private capital, and in particular may not value risk transfer inherent in CIB investments. For example, CIB’s mandate to invest alongside private and institutional capital means it would not lend directly to a provincially-owned utility to pursue a project, absent a private or institutional co-investor. The CIB engages with these public sponsors regularly to explore the potential value of CIB involvement.
- **Project funding make-up** – Project sponsors would prefer to receive grants as they have higher subsidy value to the project sponsor. Project sponsors as a result may defer engagement with CIB and instead seek federal grant support. The CIB is increasingly collaborating with other government departments to ensure the best tool is brought to bear on the project. Successful examples of this coordination include our work with the ISED Strategic Innovation Fund on the Algoma project.

- **Coordination with other sources of funding** – While significant private and institutional capital is available, it will only invest in projects that generate appropriate risk-adjusted returns. Projects often require more subsidization than what is available through CIB’s financing tools alone to close the gap that prevents the project from proceeding. In these cases, the CIB must coordinate sizing and timing of grants with other governmental partners. For example, the CIB coordinated its support of applicants to the ISED Universal Broadband Fund as well as with INFC on the design of respective programs to accelerate investment in ZEBs. In other cases, the CIB coordinates its financing with support from a Provincial partner (e.g., Alberta Irrigation and the Alberta government). The absence of these partner funding programs could slow the pace of CIB capital deployment or affect our ability to crowd in private sector capital alongside us.
- **Borrower adoption** – The CIB’s products, by nature of the desired risk transfer, is more complex than typical borrowing and may require additional systems or due diligence to utilize (e.g., estimating, and then tracking operating cost savings to determine repayment of a ZEB loan). CIB staff invest significant time and resources to educate borrowers on the risk transfer benefits of benefits of CIB financing.
- **Administrative costs** – The CIB is pursuing subsectors that have smaller average deal sizes (e.g., retrofits) because of their impact outcomes, shorter project timelines and mix of projects across the country. This puts stress on the CIB’s overall resources, as smaller deals are almost equally resource intensive as larger deals. In these subsectors, the CIB develops standardized investment programs (currently ZEBs, retrofits, and Indigenous Community Infrastructure) that can reach smaller communities more cost-effectively. The CIB manages this risk at a portfolio level through its management Portfolio Review Committee and the Board Impact and Risk Committee. These committees seek to balance the CIB’s efforts across sectors to achieve our overall Corporate Objectives – including regional balance - and ensure the appropriate mix of effort towards projects of different sizes within the CIB’s operational resources.
- **Technological readiness** – The risk that needed technologies may not be commercially ready on planned project development timelines (e.g., within the hydrogen and clean fuels subsector, where technology is rapidly developing). The CIB also manages this risk at a portfolio level, ensuring it is appropriately balancing resources across projects that have the potential to reach a final investment decision in the near-term, and working with project sponsors to develop projects with longer time horizons that may reach final investment decision in the later years of this capital plan.
- **Coordination across value chain** – Some projects, for example, a carbon pipeline, require concurrent investments at both ends to be useful – in capture and storage. Projects face difficulties to proceed, unless multiple projects are able to proceed in parallel. The CIB seeks to mitigate this risk through engagement with multiple projects sponsors across the value chain, as well as close coordination with other sources of federal support (e.g., Net Zero Accelerator) to ensure projects have the enabling infrastructure required.
- **Cost inflation** – the Canadian and global economy are experiencing supply chain disruptions and general cost inflation, including specific pressures on construction cost and materials. This increases project costs. The CIB mitigates this risk in its investments through thorough due diligence, including through third party lenders’ technical advisors, to ensure that labour and materials is appropriately costed and appropriate contingency is included.

This table summarizes the most common execution risks in each subsector:

Sector	Public Transit		Clean Power		Green Infrastructure				Broadband	Trade & Transportation			
Subsector	Major Transit Projects	Zero - Emission Fleet	Zero-Emission Generation, Transmission and Storage	District Energy	Retrofits	CCUS/Hydrogen/ Clean Fuels	Water & Wastewater	Zero - Emission Vehicle Charging	Broadband	Agriculture Irrigation	Passenger Rail	Trade Corridors	Bridges, Tunnels & Highways
Project Development Timelines	X		X	X		X	X			X	X	X	X
Public Sponsor Preference	X		X				X				X		X
Project Funding Make-up	X		X			X	X				X		X
Coordination With Other Sources of Funding		X							X				
Borrower Adoption		X			X			X					
Administrative Cost					X		X	X					
Technology Readiness						X							
Coordination Across Value Chain						X							
Cost Inflation	X	X	X	X	X	X	X	X	X	X	X	X	X

3.7 Indigenous Infrastructure Investment Across Priority Sectors

The CIB's mandate includes projects in partnership with, and that benefit, Indigenous Peoples. In support of broader government commitments, the CIB has established a target of \$1 billion for Indigenous infrastructure projects across our priority sectors, consistent with the Statement of Priorities and Accountabilities.

There is a significant infrastructure gap facing Indigenous communities across Canada, and the CIB is working with First Nation, Métis and Inuit communities to explore opportunities for collaboration on projects. Many Indigenous communities have expressed an interest in working with the CIB to further advance infrastructure projects on their traditional territories and in their communities.

Our emphasis is on collaborating to facilitate and promote new infrastructure in partnership with Indigenous communities. The CIB is an additional tool for Indigenous communities to combine public funding with private and institutional investment for their infrastructure priorities.

In 2021 the CIB launched the Indigenous Communities Infrastructure Initiative (ICII), which is designed to address the significant need for lower cost but vital infrastructure in communities. The program does so by recognizing and addressing the specific needs of these communities and by providing financing that contributes to closing the economic gaps that face small scale projects.

ICII adapts the same disciplined investment approach across all of the CIB's investing activities to the unique needs and challenges that face infrastructure projects in Indigenous Communities, including the smaller project scale and increased barriers to capital markets.

Example projects in development under ICII include:

- Investment in transportation infrastructure to connect remote and rural Indigenous communities, such as the Tshiuetin Rail connecting 3 communities in Quebec and Labrador, or our Project Accelerator investment in the Georgina Island Fixed Link, providing year-round access to a First Nations community on an island in Lake Simcoe;
- Investment in clean power and green infrastructure, including off-diesel projects, potential transmission projects, and clean drinking water systems;
- Trade investment through enabling infrastructure for urban reserves and reserve expansion, like our investment to support the development of Kahkewistahaw Landing Urban Reserve near Saskatoon;
- Broadband investments to support universal connectivity to minimum 50/10 Mbps internet in Indigenous communities.

The CIB measures its contribution towards Indigenous infrastructure outcomes through tracking the number of communities in which it invests in addition to a qualitative assessment of the project's benefits. To date, the CIB through ICII has made investment commitments in 29 communities. As each project is also a project within one of the CIB's priority sectors, the outcomes of these projects are also contributing to goals in areas such as reduction of GHGs, households passed by broadband and others.

This collaboration is a significant opportunity, and the CIB has expanded its Advisory and Investment team to include the necessary expertise to advance reconciliation with First Nation, Métis and Inuit partners and invest in much needed infrastructure projects that are aligned with the CIB's purpose and functions.

3.8 High Frequency Rail

The CIB was invited in December 2018 by VIA Rail and Government of Canada to due diligence the original Business Case for robustness and ability to transfer key risks to the private sector. Additionally, CIB was also invited to assess its role as a catalyst investor in the project.

This assessment from the CIB led to the Government requesting that a JPO be established to further develop the project. This was done through a Joint Venture Agreement (JVA) between CIB and VIA Rail in 2019 to conduct further due diligence, de-risking, pre-procurement and planning activities for the HFR Project.

The JVA has expired and the JPO was wound down as of March 3, 2022 as the Project progresses to the next stage of procurement. The Project is now being led by the Government of Canada, as led by Transport Canada with input and collaboration from other departments.

3.9 Investment-Focused Advisory and Project Development Activities

The CIB engages regularly with all levels of government to both inform potential public partners about the CIB and its role, and to understand what those partners' priorities are and where investment gaps may exist.

A key function of the advisory role is to work with potential proponents to analyze whether a proposed project might be appropriate for the CIB model. This could include discussing steps the proponent would need to take to have a potentially financeable project – such as identifying requirements for the development of a business case and possible scenarios regarding revenue-generation. The CIB's investment professionals support project sponsors in conducting this analysis, and sponsors can access funding for required studies through the CIB's project acceleration initiative.

Out of this regular engagement, the CIB identifies opportunities to work with FPTMI partners on potential investments in the development process to offer expert advice that can help public sector sponsors to consider alternative approaches to financing new infrastructure. The CIB focuses its advisory efforts on opportunities that have a high probability of leading to a future CIB investment in its priority sectors and are anticipated to be candidates to attract private and institutional investment because of project characteristics and partner appetite to explore the CIB model. These can be both in the near-term (e.g., supporting a municipality evaluating a ZEB purchase or a building retrofit) and longer-term (e.g. a toll-bridge or major transmission line).

The advisory role that CIB plays spans the entire development cycle of a project, as CIB expertise and advice can be brought to the table from early-stage development when assessing business cases or potential revenue streams through to final investment structuring where CIB expertise on terms can help ensure a deal can succeed. For the most part, the CIB's advisory work is in the early development of projects, where project proponents may lack capacity or in-house expertise.

In some cases, the CIB will take on formal advisory mandates with public sector partners at the early stages of potential projects, to help public sponsors bring more innovation, options and structures to their planning. In other instances, our involvement will take the form of early due diligence on the project and could be part of a project acceleration effort.

The core focus of the advisory role is aligned with our investment mandate and delivered through our team of investment professionals engaging deeply with public and private sponsors to aid in project

development. The intent is to bring CIB expertise and advice to the table to explore the potential and options for CIB involvement, and to do so in a manner that helps advance the project for potential private and institutional or CIB investment, or quickly identify that it is not an appropriate fit for CIB investment. This results in clarity on the subjects and types of advisory expertise the CIB can provide. If a potential partner and the CIB identify that a project is not an appropriate fit for CIB investment, it may mean other organizations are likely a better fit to support the potential partner.

3.9.1 Project Acceleration in All Priority Sectors

Project acceleration is a key part of our advisory activities. Larger infrastructure projects take years to plan and develop and can be delayed in part due to limits in development funding. To address this problem that can slow down projects the CIB has established a target of \$500 million for project acceleration efforts. This funding can be used for projects within the CIB's priority sectors towards two main purposes:

1. to expedite due diligence, planning and development activities which could include engineering studies, demand forecasting or other activities necessary to establish the project business case; and
2. to help finance early works construction with the goal of shortening the critical paths of high impact projects in which the CIB expects to invest as part of overall CIB capital plan.

To date, the CIB has supported expedited due diligence, planning and development activities on projects that have been announced such as the Calgary-Banff Rail project and the Kivalliq Hydro-Fibre project.

The CIB's project acceleration initiative is a critical tool to shorten critical paths to construction and deliver infrastructure faster, by allowing for project development activities or early works to advance in parallel to CIB's due diligence and investment structuring. This ensures that Canadians benefit from the project sooner. Project acceleration is also critical to delivery of the CIB's capital plan, as it provides a tool for the CIB to engage with earlier-stage project proponents and support the development of the project to a level where it is ready for CIB investment.

For example, our support – through project acceleration – of the Alberta Toll Bridge and Newfoundland Fixed Link projects is designed to support the development of the project's business case – including high level cost estimates, assessment of revenue potential and consideration of delivery models. As the project proceeds into detailed engineering and design, the project sponsor may require the services of a technical advisor – outside the scope of CIB's expertise – or may elect to proceed through a delivery model without private capital investment.

It is important to note that these project acceleration expenditures are to advance and speed-up projects that are highly likely to result in CIB investments. Funds for project acceleration are different and distinct from any expenses related to CIB internal operations.

The operating funds for project development and acceleration, as well as funds for early works activities, will be structured with a view to rolling these amounts into eventual CIB investments in projects. In all cases where the project proceeds with any CIB or private capital it is anticipated that the CIB acceleration funds will be repayable. In the exceptional circumstances where a project does not proceed with CIB or private capital, for example if the project proceeds with only public capital or the project does not proceed at all, then it will be determined if the accelerator funding is not repayable on a case-by-case basis.

In accordance with accounting standards, the CIB will account for the lack of repayment certainty by reflecting non-capital project acceleration work as an operating expense. When the project proceeds with CIB or private capital, these funds will be repaid and reflected as income as revenues from project. Where there is sufficient certainty to capitalize this work, the CIB will account for it through its capital

allocation by priority sector. In the event that the project does not proceed and the CIB is not repaid, the CIB manages this through its provision for investment losses.

3.9.2 Advice on Major Projects

As part of its effort to provide advice to all levels of government with regard to infrastructure projects, the CIB is engaged on a number of significant priority projects of interest to the federal government and other potential partners. In keeping with its role, the CIB provides advice on how these projects may be structured to optimize delivery outcomes in the public interest while attracting private and institutional investment and generating revenue. High profile examples include:

Atlantic Loop

The Atlantic Loop is a series of investments in transmission, renewable generation and energy storage projects to reduce fossil fuel based electricity generation in Atlantic Canada. These projects could deliver significant GHG reductions.

The project will generate significant long-term benefits for the Atlantic region given its critical role in delivering clean energy, meeting climate objectives, optimizing the use of regional resources and, together with other investments that are part of a larger clean grid modernization, strengthening the reliability of energy supply.

The CIB has been participating with other government departments and agencies at a working table which serves as a forum for in-depth engagement and joint analysis on the parameters of the project and the conditions under which it can be designed, financed, and built in a manner, and on a timeline, that will meet clean electricity goals and that can be supported by all of the participating jurisdictions and utilities.

As part of this effort, the CIB is leading the financial workstream, working with Quebec, New Brunswick and Nova Scotia and their respective utilities.

High Frequency Rail

The current transportation network in the Quebec City to Toronto Corridor is approaching the limits of its capacity to serve the growing demand of the residents of the Corridor.

By 2043, an additional five million people, an increase of 21% from 2020, are projected to live in Québec and Ontario; over half of the projected growth in Canada. Most of these new residents will live and work in the Corridor. While rail passenger ridership in the Corridor has increased in recent years, rail passenger travel accounted for only 2.3% of all trips through the Corridor in 2019, with 94% of the trips within the Corridor being made by car.

The HFR Project presents an historic opportunity for Canada to start to restore the social, economic, and environmental balance for intercity travel within the Quebec City – Toronto Corridor.

The CIB was invited in December 2018 by VIA Rail and Government of Canada to conduct an assessment of the original Business Case for robustness and its ability to transfer key risks to the private sector. Additionally, CIB was also invited to assess its role as a catalyst investor in the project.

This assessment from the CIB led to the Government requesting that a JPO be established to further develop the project. As an advisor and a potential investor in the HFR Project, the CIB has been collaborating on project due diligence, financial advisory services and helping to fully develop the proposed project's scope of work. The work of the JPO is now completed and so the office was discontinued as of March 3, 2022. The activities of the JPO have been undertaken by a Transport Canada led governance structure to lead the next phases of the project.

As the project progresses, the CIB's ongoing role will continue to be to provide advice to Government on the role of the private sector in the transaction with a view to facilitating a substantial investment in the

project by the CIB. While primarily an investor role, the CIB will also provide advice on financial structuring and process in an effort to attract private sector capital alongside a CIB investment. Our experts will be able to draw on market knowledge and advisory capabilities in evaluating various project procurement and financing structures.

Key strategic benefits of the HFR Project for Canadians:

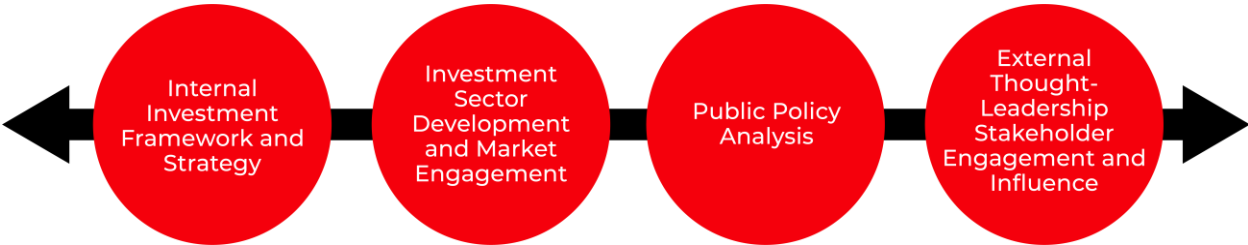
- **Greater Connectivity:** HFR will enhance connectivity throughout the Corridor by connecting new communities and regions and integrating HFR with other transportation modes. HFR is expected to realize the objectives of the Government of Canada’s Transportation 2030 plan which is a vision for the future of transportation in Canada, by providing greater choice and better service to “the traveller” by enhancing the passenger experience, improving access to accessible and inclusive communities and decongesting roads and improving safety.
- **Environmental Benefits:** Transportation is currently the largest and fastest growing source of GHGs in Ontario and Québec. The HFR Project supports the Government’s commitment for Canada to be net zero by 2050 while also contributing towards the priorities outlined in the Federal Sustainable Development Strategy by providing a lower emission option for travel and electrifying the alignment and fleet.
- **Improved Prosperity and Growth:** Connecting Canada’s two largest urban regions, Toronto and Montréal, with faster, greener, more frequent and more reliable passenger rail will help attract talent and generate innovation, improving Canada’s competitive advantage on the world stage.

3.10 Knowledge and Research

The CIB’s Knowledge and Research initiative is an additional way to have a meaningful impact on the evolution of infrastructure investment in Canada. High quality research supports the development of good projects by the CIB and its public and private sector partners and can lead to better informed policy and investment choices.

Within the CIB, Knowledge and Research activities take place across a spectrum, ranging from commercially oriented activities that can yield insights on markets and opportunities for CIB investment, to more publicly oriented work that can inform governments, sectors and sponsors of infrastructure more broadly as to the nature of issues, challenges and solutions in the infrastructure space.

The Research Continuum



Depending on the nature of the research undertaken, it may result in publication or be retained internally.

As part of this effort, we seek to partner with leading experts from across Canada to develop and distribute knowledge and research that will be relevant to the CIB, public project sponsors, private sector and institutional investors and to the broader public policy community.

In the past year, the CIB has participated in and supported the following research projects:

- **Sustainable Finance II** – a series of roundtables hosted by the Public Policy Forum to build on and explore topics related to the implementation of sustainable finance in areas such as data collection, reporting and the opportunities to mobilize capital.
- **A Microgrid Playbook: Conditions and Opportunities for Investment** – a research paper produced by the Conference Board of Canada that identifies positive outcomes that could be achieved with microgrid energy solutions, including a reduction in the use of diesel, GHG emission reductions and new employment.
- **Climate Impacts on Canada’s Electricity Systems** – a research paper produced by the Canadian Energy Research Institute which quantified the magnitude of an array of climate impacts on electricity systems in Canada under a variety of different emission scenarios. The research looks at impacts by province and in select municipalities, showing that localized climate impacts will vary across the country and how this needs to be taken into account.

In the coming year the CIB will support research on topics that align to investment priorities, including electricity and climate, retrofit supply chains and municipal capacity to manage infrastructure and cyber-security risks.

Another important example of the CIB’s broader engagement on Canada’s long-term direction for infrastructure is support for the National Infrastructure Assessment being developed by INFC. The CIB will contribute perspective and expertise regarding priorities for investment and approaches for innovative financing in cooperation with private and institutional partners.

3.11 Corporate Functions and Organizational Development

The performance of the CIB will be measured and assessed based on the outcomes realized and investments executed. As such, the CIB has identified as a strategic priority a goal to execute as a results-focused and accountable organization.

Given the importance of what investments can achieve and the timeline on which we must deliver, it is critical that the CIB continues to evolve by strengthening its processes, enhancing its capabilities, investing in its people and demonstrating it is an accountable and responsive institution.

In alignment with this priority, the CIB will continue to mature and evolve as a leading institution. There will be additional emphasis on people and culture, particularly related to Diversity and Inclusion, human resource strategy including compensation framework (as outlined in the 2020-21 Annual Report), and training and leadership development. The CIB has created a Diversity and Inclusion Committee of employees from across the organization to contribute to and guide goals and actions that support a positive, respectful, and productive workplace.

In the context of increasing requirements and best practices around transparency, there will be consideration of additional steps that the CIB can take in this regard.

Having successfully operated under our business continuity plan since March of 2020, there will be a gradual return to normal operations with an ongoing focus on health and safety of our employees.

This section details the activities and expected outcomes in the corporate functions of the CIB.

3.11.1 Asset Management

As investment commitments have grown, the CIB has established a dedicated asset management function to onboard closed transactions, actively monitor investment performance, as well as execute on operational activities.

To support the onboarding of new investments, the CIB is developing strong long-term partnerships and working with its counterparties on the execution of agreed upon terms. As the CIB continues to broaden its portfolio, it will interact with entities of all sizes and experience. The CIB is dedicated to helping its counterparties understand and execute their obligations, including the defined impact outcomes.

Monitoring investment performance entails collecting relevant information and measuring performance over the investment horizon, including tracking impact outcomes, construction, financial performance and monitoring risk. The CIB takes an active approach in its asset management to ensure that investments are contributing to target outcomes and to ensure that risks are appropriately monitored and mitigated.

Operations involve the CIB's day-to-day responsibilities related to its portfolio, including executing draws, calculating interest and principal payments, remitting payment notices, timely reporting to both internal and external stakeholders, and maintaining appropriate books and records.

As the portfolio continues to grow and mature, the Asset Management team will work to identify and execute on value creation activities including the aggregation of similar infrastructure projects into larger portfolios to attract private and institutional investors as well as other exit strategies that align with the CIB's objectives.

3.11.2 Risk Management

In 2019-2020, the CIB developed and implemented an Enterprise Risk Management (ERM) program and an independent risk function within the organization.

The CIB continues to evolve and enhance its risk management processes to support the organization's focus. In doing so, the CIB is adopting risk management practices that are shaped by and balanced against the priority public impact outcomes being sought by the CIB and assessed through the Investment Framework. In connection with this theme, the CIB's Enterprise Risk Management practices are being reviewed and the ERM Policy will be adjusted to align with the standards and benchmarks that more closely resemble an Impact Investor.

This will focus ERM practice such that it aligns directly with the CIB's mandate, strategic priorities, and guidance of the Executive Management team.

Enterprise Risk Management Program

As we seek to evolve and implement our ERM Framework in the context of the Investment Framework, clear roles and responsibilities are being re-defined and communicated across the organization. The CIB's evolving ERM program is described more fully in Appendix F – Risk Management.

In 2020-21, we began to operationalize our risk management program and reporting, which includes a risk register and risk dashboards for tracking and reporting issues, respectively. This process remains in place and ensures issues are communicated internally on a timely basis and managed or mitigated, as required (all within the intended boundaries of the risk management program).

Investment Risk Management

Investment risk management forms the largest part of the CIB's overall ERM framework.

The CIB's investment process and decision-making are governed by the Investment Policy, which defines investment practices and guidelines.

In addition to the Investment Policy, management may adopt guidelines that provide information, direction or explanation to assist with the implementation of the Investment Policy. The CIB does not manage its portfolio risk to fixed investment allocations by geography or fiscal year. The CIB has established target capital allocation ranges by priority sector. Given the nature of the CIB mandate, the CIB will always have a more concentrated set of risk exposures than would be typical for an infrastructure investment portfolio of its size. Sectoral and industry concentration risks are an unavoidable consequence of the CIB's mandate and role in the marketplace. CIB will manage concentration risk by tracking, stress testing and forecasting expected losses against its fiscal envelope (i.e., \$15 billion that the Government of Canada will expense against the fiscal framework).

In 2019-20, CIB designed an internal risk rating methodology applicable to Project Finance and Single Purpose Vehicle borrowers, to support the Investments team through its transaction risk analysis and resulting investment risk rating for each investment under consideration. Responsibility for the assignment of risk ratings has transitioned over to the risk function. The internal rating methodology provides for a consistent approach to risk rating Project Finance transactions. With respect to corporate borrowers, the CIB is in the process of evaluating suitable corporate debt rating methodologies and models with the target of implementing the corporate debt rating model the current fiscal year.

3.11.3 Communications, Media and Stakeholder Relations

Efforts will continue to ensure awareness of the CIB externally with partners, the media, thought-leaders, other stakeholders and the public.

Communications opportunities, platforms and products are tailored to each project and our corporate objectives. Project communications emphasize our partnerships with project sponsors including governments, Indigenous communities and the private and institutional sectors. We highlight the positive impact of CIB investments in terms of environment, the economy and how they can connect and improve the lives of Canadians. More broadly, we also highlight the potential for private and institutional investor participation and our innovative advisory and investment approaches.

3.11.4 Legal and Compliance

Legal and compliance risks are a sub-category of operational risk, and policies and procedures are adopted and implemented to effectively manage these risks across the CIB's operations. The Board approved the CIB's Corporate Governance and Compliance Policy Framework (the "Framework"), which is maintained by the General Counsel & Corporate Secretary and describes the principles and activities for the development and ongoing review of the CIB's corporate policies and related procedures. The Framework also catalogues the CIB's various legislative and policy compliance requirements and describes the CIB's reporting requirements and other obligations under its legislative accountabilities. The Human Resources and Governance Committee of the Board monitors the Framework and receives regular reports from the General Counsel & Corporate Secretary on the CIB's compliance obligations, including new federal requirements.

3.11.5 Information Technology

During the pandemic, the CIB's business continuity was successfully supported by its cloud-based Information technology platform. Its applications, collaboration tools and general IT infrastructure setup allowed for a smooth transition to remote working throughout the pandemic and helped support its operational capabilities to continue to execute on its core mandate and invest in infrastructure projects.

The CIB continues to develop its information technology capabilities through the development and expansion of its core systems. During the year, CIB successfully adopted a new Enterprise Resource Planning (ERP) application and continued to evolve its Customer Relationship Management (CRM) application to reflect the CIB's revised Investment Framework. These systems improve efficiencies while increasing control through the automation of workflows and audit trails. In addition, The CIB is continuously working to enhance information security to protect the confidentiality, availability and integrity of its information assets, as data security is fundamental in how we do business.

3.11.6 Human Resources

The CIB is prudent and responsible in planning and managing its resources to align with requirements.

We continue to closely monitor workloads and volume of activity to ensure that additional resources are hired as required to meet business needs.

More than half of our employees are advisory and investment specialists, while other employees perform essential roles in strategy, risk management, legal, communications, policy, research, public affairs, finance, human resources, and administration.

The recruitment and retention of specialized experts in infrastructure investment has occurred in the context of a highly competitive labour market. All employees' compensation is set within the context of the overall compensation framework established by the CIB Board.

With approximately 86 people, the CIB is very mindful of being a model for inclusion and diversity. For example, 49% of our team members identify as visible minorities, 42% are women, and 22% are bilingual.



4.0

Financial Overview

4.0 FINANCIAL OVERVIEW

This section describes CIB's current and anticipated financial health and key factors expected to affect the financial forecasting over the five-year planning horizon.

The financial and resource plans that follow reflect and planned initiatives that the CIB will undertake to achieve its strategic objectives and desired outcomes. The CIB's projected financial statements detailed operating and capital budget and supporting tables are provided in [Appendix E] have been prepared in accordance with International Financial Reporting Standards (IFRS) which the CIB uses when reporting to the public. It works with the Office of the Comptroller General of Canada to ensure appropriate reconciliation to the Public Sector Accounting Standards (PSAS) for the purposes of consolidating into government accounts.

CIB will be transitioning its reporting framework from IFRS to PSAS for the fiscal 2021-22 year-end to better align its reporting framework with its business objectives in light of the developments in its investment approach as outlined in the new Investment Framework. The comparative figures in the fiscal 2021-22 year-end financial statements will be retroactively restated and audited to conform with PSAS. The accounting treatment of certain line items will change as will the note disclosures, most notably relating to the loan receivable and how the concession to the government borrowing rate is accounted for and disclosed relative to the market rate approach in IFRS, along with the change in methodology on how to account for credit loss valuation allowances along with related disclosure requirements. This change in reporting framework will continue to be useful in evaluating the financial condition and financial performance, with a notable enhancement being the inclusion of budgeted figures in the statement of operations and accumulated surplus for evaluation against actual results, increasing the linkage to the Corporate Plan.

The external auditors are supportive of this change in reporting framework and other government departments were consulted as an additional step to ensure overall alignment, with no issues prohibiting the transition noted.

4.1 Financial Management and Stewardship

The CIB's financial plan focuses on ensuring that it has the capacity, skills and competencies, through its resources, systems and funding, available to carry out its mandate effectively throughout the planning period. The CIB operating and investment teams continue to build on a strong foundation through the hiring of resources appropriately commensurate with the level of business activity. To fund operating expenses, we will retain sufficient cash resources based on quarterly forecasts of near-term operating requirements. All operating expenses will be borne under Board-approved processes for monitoring such costs, and in line with the Directive on Payments to Crown corporations.

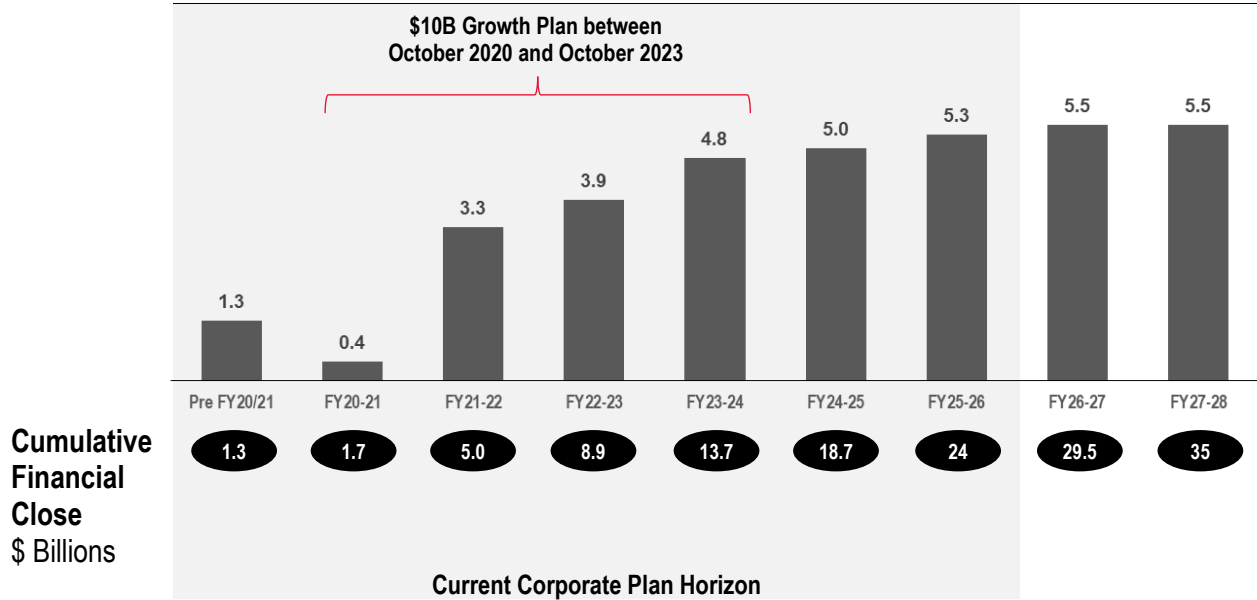
Funds for investment financing will be requested from the Government as needed, based on expected project investment draws. The CIB will request its drawdown of appropriations in a manner consistent with the Directive on Payments to Crown corporations. Due to the long-term nature of infrastructure investments, it may be several years from the time of investment commitment until investments are fully funded and income is accrued or received.

4.2 Commitments and Investments

The CIB invests in infrastructure projects making a binding commitment at financial close and delivering the cash funding over time. Future funding amounts as noted in the capital expenditure budget are a best estimate of cash required based on our current investment pipeline. The investing pace will vary by project and may change over time; therefore, we will work closely with the Department of Finance to review the impact of investments on estimates and cash requirements.

Annual Financial Closes

\$ Billions



The CIB's capital plan is anticipated to reach \$24 billion in lifetime financial closes by 2025-26, and commit the \$35 billion initially allocated to the CIB by the end of 2027-28. The estimated financial close budget for investments in fiscal 2021-22 is \$3.3 billion. Over the forward five-year planning period, the total financial close budget forecasted for investments is \$22.3 billion. Investments reaching financial close are not fully funded immediately and instead are drawn over the project's life. For example, the CIB may reach financial close on a facility to finance ZEBs. The full amount of the facility is included at time of close, but the buses are funded over the life of the facility. The total expected cash funding of these financial closes is expected to be \$12.7 billion over the planning period. Under IFRS and PSAS accounting standards, the appropriation amounts to fund these investments are accounted for through income.

The Government of Canada has set long-term sector targets for each priority sector. These represent minimum targets and are not a cap on the ability of the CIB to deploy capital within the priority sectors. Based on the pipeline of opportunities, the CIB anticipates some sectors will reach their target over the horizon of this corporate plan, and others will extend beyond the time horizon of this corporate plan. The CIB anticipates that its investment portfolio at the end of 2025-26 will comprise of the following capital breakdown, and contribute to the following outcomes:

	LONG TERM TARGET	ESTIMATED 2025-26 CAPITAL REACHING FINANCIAL CLOSE	OUTCOMES	2025-26 OUTCOME TARGETS
Public Transit	\$5B	<ul style="list-style-type: none"> \$3.5-5B 	<ul style="list-style-type: none"> Ridership GHG Emission Reductions 	<ul style="list-style-type: none"> 200,000 daily trips 10Mt annual GHG reduction # of ZEBs*
Clean Power	\$5B	<ul style="list-style-type: none"> \$5-7B 	<ul style="list-style-type: none"> GHG Emission Reductions 	
Green Infrastructure	\$5B	<ul style="list-style-type: none"> \$5-7B 	<ul style="list-style-type: none"> GHG Emission Reductions Improve water / wastewater access and quality 	<ul style="list-style-type: none"> 10Mt annual GHG reduction
Broadband	\$3B	<ul style="list-style-type: none"> \$2-3B 	<ul style="list-style-type: none"> Connecting underserved households 	<ul style="list-style-type: none"> 900,000 households
Trade & Transportation	\$5B	<ul style="list-style-type: none"> \$4-5B 	<ul style="list-style-type: none"> Economic growth through trade Ridership 	<ul style="list-style-type: none"> 12M tonne-equivalents trade \$90M in agricultural value 200,000 daily trips

* The CIB has not set a specific target for # of buses – as they contribute towards the GHG reduction outcome, but given high visibility of this metric the CIB tracks and reports on it.

The CIB forecasts the composition of its portfolio over a five-year time horizon at a sector level and manages towards the balanced scorecard it has established for its investment portfolio as part of its corporate objectives. Outside of its Growth Plan, the CIB does not forecast at a subsector level in recognition that multiple subsectors contribute to the same outcomes and instead evaluates and develops investments that best deliver on its Corporate Objectives.

Forecasts are provided with ranges over a five-year time horizon to reflect that, as an investor, the pipeline of future investment opportunities cannot be precisely forecasted. They are informed by a CIB assessment of market opportunities and consideration of other factors including the targets set by government, the balance within the portfolio in relation to our scorecard of objectives, and CIB resources. The CIB does not seek to manage the sectoral composition of its portfolio on a year-to-year basis as a result of the large transaction sizes and long project development timelines. The specific timing of financial close of a single investment could have a significant effect on the year-to-year composition of the CIB's portfolio, while remaining within the forecasted five-year range by sector. This approach to developing a medium-term target portfolio allocation and moving towards it over multiple years is consistent with the portfolio construction approach of other, large institutional investors.

The CIB's investment pipeline provides an indication of progress towards these long-term sector ranges. As of the end of 2021-22, the composition of the CIB's investment funnel by stage was:

	Stage 5: Funding Monitoring and Exit	Stage 4: Final Negotiations and Closing	Stage 3: Investment Structuring and Commitment	Total (Stage 3-5)
Sector	<i>Investments where the CIB has executed an investment agreement and reached financial close with the project partner.</i>	<i>Investments where the CIB has executed a term sheet with the project partner and is in the final stages of due diligence and closing.</i>	<i>Investments where the CIB has assessed the opportunity, determined it is likely to meet its investment criteria and is in negotiations on a term sheet. Not all of these investments will ultimately reach Stage 5.</i>	
Public Transit	\$2.4B	\$0.5B	\$0.9B	\$3.8B
Clean Power	\$0.6B	\$0.8B	\$7.2B	\$8.6B
Green Infrastructure	\$0.5B	\$0.2B	\$0.3B	\$1.0B
Broadband	\$0.8B	\$0.8B	\$0.8B	\$2.4B
Trade and Transportation	\$0.5B	\$0.0B	\$0.7B	\$1.2B
Total	\$4.8B	\$2.3B	\$9.9B	\$17.0B

**figures may not add due to rounding*

These stages are further described in section 3.5. Investments in Stage 1 and Stage 2 of the CIB's investment funnel have significantly greater levels of uncertainty as to their potential for CIB investment, may require additional development or advisory services prior to being ready for CIB investment, or are less likely to reach Financial Close in the near term. The CIB expects some investments in Stage 1 and 2, as well as investments not currently in the CIB's investment funnel to mature towards Financial Close over the horizon of this Corporate Plan.

Of the \$35 billion that the CIB has been allocated to participate in infrastructure transactions, the Government of Canada anticipates expensing \$15 billion against the fiscal framework. The CIB will deliver concessional financing and may take a subordinated or below-market position in a project's capital structure or use other innovative instruments to crowd in private sector investment. We therefore anticipate using the \$15 billion to manage risk within our investment portfolio to account for investment losses, support our project development and advisory services for public sponsors' projects and manage operations over the defined term of CIB's mandate.

Funding for fiscal 2021-22 was determined using a bottom-up approach utilizing funding profiles from the existing investment pipeline and was aligned with the top-down long-term strategic capital commitment targets for fiscal 2021-22. Refer to the Capital and Investment budget section in Appendix E for a breakdown of potential investments on both a commitment (non-cash) and drawn (cash) basis.

Managing Within Our \$15B Fiscal Expense

The CIB has been allocated \$35 billion in capital to invest, of which \$15 billion can be expensed against the Government of Canada's fiscal framework. The CIB seeks to maximize the infrastructure it delivers and their resulting outcomes within this envelope.

The \$15B in fiscal expense is consumed in three ways:

- 1) Through provisionary and impairment losses on its investments, where the CIB bears, by design, risks that the market is unwilling or unable to effectively bear
- 2) Through investment pricing below the Government of Canada's cost of funds
- 3) The CIB's operating expenses including project development costs and any acceleration investments that do not ultimately lead to investments

The CIB does not make grants, where the total expense can be estimated with accuracy at the time of decision. Instead, it makes investments which have a distribution of outcomes. The CIB's risk function estimates the expected losses on its investments in the Investment Memos prepared at the time of the investment decision, which includes a probability distribution. This estimate is primarily based on construction risk, operational and financial structuring risk factors and evolves through the life of the transaction in response to the performance of the investment, and ultimately results in the return of the CIB's capital, or a loss of the CIB's capital. Like any investment, there is a likelihood that actual investment financial performance will diverge from expectations.

Due to the uncertainty involved in measuring risk and similar to other financial institutions, the CIB also reserves a portion of its capital for future unexpected losses. The CIB has set an objective of targeting a fiscal expense of 30% of invested capital – or \$10 billion of the \$15 billion allocated – through the expected losses, pricing and operating expenses. This target reserves \$5 billion for unexpected losses, correlated risk exposures in its portfolio and the potential impact of future syndication and securitization strategies. This ensures the CIB does not exceed the \$15 billion in fiscal expense.

As the CIB matures and its understanding of these risks advances, the CIB will refine this target in subsequent corporate plans to ensure it maximizes the impact of its investment activities which remaining within the fiscal expense envelope established by the Government of Canada. This could result in an increase or decrease to the 30% target.

Over the life of this capital plan, the CIB anticipates reaching \$24 billion in capital reaching financial close, and therefore have an expected fiscal impact of \$7.2 billion (30%) from these investments. Accounting standards do not require the full, upfront recognition of these risks within the CIB's financial statements, and therefore this full \$7.2 billion is not recognized in our statements until specific events occur, as detailed in the subsequent section. The CIB is exploring refinements to its quarterly reporting to better highlight these risks.

Valuation of Investments / Credit Losses

The CIB invests alongside private and institutional investors in infrastructure projects that cannot proceed with private capital alone. This requires the CIB to provide support at below market terms including pricing and risk to enable these projects to proceed.

Some investments could be structured to earn returns that are realized only in the longer term. Under IFRS accounting reporting requirements these instruments must be fair valued using risk-based discount rates which could significantly reduce their fair value upon funding the investment. Our objective is to balance the dual goals of achieving our impact outcomes, crowding in private investment and managing

the risk to the CIB. The accounting-driven provisions reflect the calculation of fair value using accepted practices that do not account for our objectives as an impact investor.

As at March 31, 2021, the CIB's portfolio of commitments were all issued with below-market interest rates with a portfolio weighted average effective interest rate of approximately 1.5% over an average weighted term of 20 years. The total fair value provision of \$2,302 million as reported in our financial statements is based on the fair value difference of the market interest rate (determined using valuation techniques acceptable under IFRS) and the effective interest rate of the loan.

The accounting for the loan provision under IFRS requires the provision be deferred and amortized. Under PSAS the provision would be expensed when recognized and is measured relative to the Government's borrowing rate, not a market interest rate.

The CIB incurs fiscal expense (under PSAS) within the federal fiscal framework for its investments through concessionary interest rates and provisioning for credit losses. Concessionary interest rates are recognized at the time of close. Under IFRS, the CIB provisions for expected 12-month losses at the time of close. The CIB uses lifetime expected losses in its Investment Framework, to better reflect the overall risk of the investment.

However, under IFRS the provision would differ depending on the market rate differentials determined at the time of commitment and/or funding. Future IFRS provisions would be impacted by the nature of CIB investments (equity or debt), regular fair value measurement requirements and recognition of expected, and / or actual credit losses. Given the complexity in predicting the nature and structure of new commitments and associated market / credit risk, a long-term average was assumed.

The types and pricing of investments underwritten will impact the potential range of losses or provisions accrued. For example, equity investments inherently have more volatility in value due to their higher underlying risk than secured debt investments.

The development and maturity of projects over time provides the CIB with portfolio data to re-evaluate risks on an ongoing basis and refine estimates of provisions or expected losses.

The actual accounting provision will be determined using industry standard valuation methodologies in compliance with the IFRS financial reporting framework. If more specific valuation information is available at the time of investment commitments, this will be reflected in future corporate plans.

The financial statements in Appendix E have been projected using IFRS reporting standards. Accounting differences exist in the PSAS reporting and IFRS as noted previously.

4.3 Financial and Operational Overview

This section presents an overview of CIB's operating plan for fiscal 2022-2026. The projections for the CIB's operations are based on the resources required to carry out the activities outlined in this Corporate Plan.

The CIB has adopted best practices for the sound and rigorous stewardship of its financial resources. We continue to build capacity and capabilities across the organization to deliver on the core elements of our Corporate Direction.

This operating plan reflects the shift in strategic direction represented in the Growth Plan:

- A reduction in average deal size in order to accelerate pace of capital deployment, serve each of our sectors and regions of the country. Operating expenses are driven primarily by number of deals and not total dollars deployed, so this shift has increased headcount requirements.
- Increased effort through our Project Accelerator Growth Plan initiative to support project development, which incurs CIB staff costs as well as third party advisory costs.

Staffing and Compensation

For 2021-22, the CIB's work force is expected to grow from 86 to 92 permanent positions to reflect the delivery of the activities outlined in this corporate plan, while increasing the number and size of the investments it makes, as well as manage its growing portfolio.

Human resource costs will increase in step with head count. Independent contractors and consultants and CIB Board members are excluded from this number.

The CIB engaged third-party compensation and benefits consultants to assist in designing the compensation and benefits structure for employees and evaluating benefits providers and solutions. The compensation structure was approved by the Board's Human Resources and Compensation Committee (HRCC), as delegated by the Board in November 2018. As planned, the HRCC and Board completed a review after one year. In conducting the most recent review, the CIB again engaged third-party compensation consultants to validate that our compensation structure was reasonable and consistent with the principles that were established: i.e., to be at the midpoint of the market in which we compete for talent. The review validated that the total compensation levels were within this target.

We offer market-competitive compensation, with a focus on total compensation (a mix of salary and variable performance incentive, with time-based deferrals where appropriate). Benchmarks are based on third-party providers' proprietary databases of entities in financial services, investment management and the public sector.

More details on staffing and the compensation assumptions are contained in Appendix E – Financial Statements.

Expenditures

To meet its commitment targets the CIB will be investing across a spectrum of unique programs and initiatives in projects that vary in size and complexity, across a range of sectors and project sponsors, while attracting and leveraging private and institutional capital.

The operating expenses include projected salary, short-term and long-term incentives, benefit costs and taxes for directors and employees, as well as estimated costs for professional fees, premises and equipment, communication, travel, information technology and administration. CIB's operating expense projections have changed from the previous year's corporate plan. The 2021-22 operating budget reflects an increase in operating expenditures of \$5.1 million to \$49.4 million and an average of approximately \$69 million over the forward five-year planning period on an accrual basis (excluding the JPO for HFR with VIA Rail and project acceleration) compared to a five-year average of approximately \$45 million in the previous year's corporate plan. This increase in expected spend is primarily driven by our increasing pace of deal volume, which results in professional fees and resource requirements to execute these transactions.

Professional fees include prudent deal-related consulting fees to support technical due diligence, and legal fees in the drafting of credit agreements. Professional services may also augment staff resources

when the CIB faces short-term increases in activity levels or specific projects that require specialized expertise. As the organization continues to hire employees in 2021-22, we will also incur professional recruitment fees for some roles. The change in professional fees is driven by the expected increase in volume of program and investment due diligence activities, planning costs to help accelerate projects, and professional costs associated with the unique structuring of investments in special purpose vehicles designed to recover capital through revenue-based repayment models.

We continue to evaluate resource requirements in order to carry out our mandate, resulting in adjustments to the previous projections. The change in expected resource requirements is necessary to help manage the increase in investment activity across various sectors and project sizes. The CIB has expanded its aperture of investable projects with significant success to include medium and small-sized projects instead of only large projects, including through the Growth Plan and Indigenous Community Infrastructure initiatives which all require a breadth of specialized expertise. Increasing portfolio size also results in addition to staff required to help ensure diligent control over the flow funds through project monitoring, compliance and finance activities.

As our internal teams and capabilities grow and the scope of activities expands, the volume of travel related to stakeholder outreach, shareholder and governance meetings will rise. As discussed earlier in this plan, CIB has significant opportunities to influence the infrastructure market and traditional solutions related to long-term projects, and meetings will be required to explain the support we offer, advise sponsors on projects, attend meetings related to investment deals and due diligence, attend industry conferences, and meet with our shareholder. For fiscal 2021-22 travel has been reduced to reflect the remote working environment driven by the pandemic.

Advisory and Project Development

As part of the early stages of the Investment lifecycle the CIB often provides advisory services to help support advancement of projects. While this work is often done directly by the CIB investment staff, additional external support is sometimes required. That support includes the costs incurred for technical advisors to assist project sponsors (either partially or in full) in the planning, pre-procurement and potentially the procurement phase of a project. These funds are not necessarily recoverable and do not guarantee CIB's involvement in a project.

As part of its advisory mandate, the CIB has been authorized to spend approximately \$55 million to partner with VIA Rail Canada and Transport Canada on options to transform the rail corridor between Quebec City and Toronto. The expenses include amounts that CIB committed to support the required due diligence and planning activities for the HFR project. The costs that the CIB was expected to incur were originally budgeted at \$54.4 million over 3 fiscal years, starting in 2019-20. For the fiscal year ending March 31, 2021, actual costs incurred for the JPO were \$25 million relative to a \$46.5 million budget for the same period. Certain activities, which were beyond the control of the CIB, were delayed and were paused to ensure prudent management of costs until clarity on next steps was provided. As a result, CIB has re-profiled the prior year's unused VIA Rail JPO budget into the current fiscal year corporate plan.

Project acceleration expenses include amounts the CIB has allocated to development and due diligence activities that will expedite the advancement of projects to shorten project critical paths. These expenses are expected to be recovered as revenue once a project proceed with either CIB and/or private capital.

The CIB appreciates that our costs are funded through taxpayer dollars, and we endeavour to use our resources efficiently and effectively, looking at a variety of cost-effective alternatives where possible. We have established policies governing the reimbursement of reasonable expenses required for the purposes of business travel, hospitality, conferences and events in close alignment with Treasury Board guidelines. These policies include processes for preparation and approval of expenses for reimbursement.

A summary of the operating budget for the planning period is set out in Appendix E.

Revenue

Over the planning period, given the long-time horizon for infrastructure investments and the uncertainty in the final structures for new investment commitments, CIB has assumed investment income on future commitments at a minimum rate of 1% interest paid-in-kind over a 20-year horizon for the purposes of this plan. Actual results will differ from our forecasts and some cash payments are likely on programs with a shorter repayment profile or where interest is paid in cash.

The CIB does accrue interest revenue on its loans. The revenue earned is capitalized on the balance sheet at the total effective interest amount (capitalized interest plus accretive interest).

The CIB is consulting with government on the long-term treatment of investment returns.

Appropriations and Cash Flow

Annual statutory appropriations for operating and capital (investment and nominal fixed assets) purposes are shown individually on the Pro-forma Statement of Cash Flows in Appendix E.

Actual requests to draw down capital appropriations will match financial commitments as per agreements signed with project counterparties.

The CIB has been given access to \$35 billion in appropriations for capital and operations, with a maximum of \$15 billion in fiscal expense. The CIB anticipates catalyzing infrastructure projects by using the \$15 billion in fiscal expense through support concessionary lending, investment risks accounted for through provisioning, and our operating costs. As a result, we anticipate ongoing drawdown of our appropriations for both capital and operating over the forecast period.

Subject to the Government's approval, total appropriations made available to cover operating costs are projected to be \$346 million over the five years through fiscal 2025-26 excluding Project Development and Advisory Services consisting of \$65 million (project acceleration) and \$12.5 million (VIA Rail).

Operating appropriations will cover all costs for the coming year. The cash flow requirements are expected to be fairly even throughout each year, except for human resource costs, which ramp up in the early years of the planning period due to hiring. The CIB expects a nominal amount of capital appropriations for equipment correlated with headcount increases. The CIB expects to make operating appropriation requests to the Department of Finance on a quarterly basis, or as needed.

While the CIB's revenues will exceed its operating expense, the CIB will require government appropriations to maintain operations for the foreseeable future based on the current forecast. This is because the CIB investment portfolio currently earns investment income through payment-in-kind (PIK) arrangements on most of its transactions, and therefore income is not expected to be received in cash in this planning period. As currently pending transactions are finalized, the CIB may receive cash income over this planning horizon, and the forecast will be updated in the subsequent Corporate Plan.

4.4 Audits and Review

The CIB Board and management team is committed to fostering a strong compliance culture. This culture includes ongoing policy development, commitment to training and communication, and development of effective internal controls. In addition, the CIB maintains a robust governance framework that is guided by legislation, government policies and guidelines, and financial industry best practices.

The CIB's financial statements are jointly audited by the Auditor General of Canada and an external independent auditor appointed by the Governor in Council. BDO Canada LLP was appointed as CIB's external auditor for fiscal 2020-21. In addition to the joint auditors the CIB also maintains an independent internal audit service to ensure effective internal controls and processes.



Appendices

APPENDIX A – Statement of Priorities and Accountabilities

The February 2021 SPA called on the CIB to play a leading role in rebuilding post-pandemic, and to ensure that our investments create jobs, grow the economy and increase competitiveness while enabling a cleaner and more inclusive future.

The SPA underscored the importance of the CIB's independent Board of Directors and its authority and accountability for the CIB's governance, strategic direction and investment decision-making.

The SPA noted that the CIB is making progress in its priority areas and affirmed our priority sectors - public transit, clean power, green infrastructure, broadband, and trade and transportation infrastructure - while also asking us to establish a new investment target of \$1 billion for Indigenous infrastructure projects.

The full text of the SPA follows, and is also available on the CIB's website at <https://cib-bic.ca/en/about-us/governance/>.

Minister of Infrastructure
and Communities



Ministre de l'Infrastructure
et des Collectivités

Ottawa, Canada K1P 0B6

February 3, 2021

Tamara Vrooman
Chairperson of the Board
Canada Infrastructure Bank
150 King Street West
Toronto, Ontario M5H 1J9

Dear Ms. Vrooman:

As the Minister responsible for the Canada Infrastructure Bank (CIB), it is my pleasure to provide you with this *Statement of Priorities and Accountabilities* for the attention of the CIB's Board, Chief Executive Officer and management. As the CIB enters the next phase of its development, this letter sets out the Government's priorities to guide the CIB as it delivers on its commitments and develops its Corporate Plans and outlines the CIB's accountabilities to the Government and the public.

We face a health and economic crisis brought on by the COVID-19 pandemic and the Government of Canada is taking strong and quick action to protect the health and safety of Canadians, stabilize our economy and stimulate growth, and support communities across Canada. Canada's recovery from this crisis will require aligning efforts of all our institutions, and infrastructure will continue to play a vital role in supporting job creation, planting the seeds for long-term growth, promoting inclusivity and building a low-carbon, clean economy. This document builds on the previous *Statement of Priorities and Accountabilities* dated December 20, 2017, and other guidance provided by the Government, and reflects the evolution of the Government's priorities for the CIB. The CIB can and must play a bigger role at this time of crisis -- but also a time of opportunity to build back better -- as we focus on safely restarting our economy and responding to changing circumstances in Canada and worldwide.

The CIB was established to ensure that Canadians benefit from modern and sustainable infrastructure through partnerships between governments and the private sector. It does this through its core responsibilities in investment, advisory services and research that leverage the capital and expertise of the private sector to achieve public outcomes and value for taxpayers.

Canada 

The CIB helps public dollars go further by investing in revenue-generating infrastructure projects in the public interest and developing innovative financing tools. The goal is more infrastructure built across the country. It is critical that the CIB collaborates with federal, provincial, territorial, municipal, Indigenous and private investor partners to transform the way infrastructure is planned, financed and delivered.

The CIB model is a component of the *Investing in Canada Plan*, designed to address our country's significant infrastructure needs and the fiscal pressure being placed on government resources. We need to attract new investments from everywhere. Families and businesses want to locate and build where they know infrastructure is modern, clean, and resilient. Canada has an excellent opportunity to be the low-carbon economy that global investors beat a path to – if we keep making smart choices right now.

The Government has allocated, and Parliament approved, \$35 billion for the CIB to fulfill its purpose and functions as set out in the *Canada Infrastructure Bank Act*. The CIB is expected to prudently manage its portfolio so the net fiscal expense to the Government of Canada will remain under \$15 billion. You will find at [Annex A](#) the Government's priorities for the CIB's investments, advisory and research responsibilities, as well as guidance on government collaboration.

As a Crown corporation that operates at arm's length from Government, the CIB's Board is responsible for the organization's ongoing governance and supervision of its business, final investment decisions, and forward-planning and strategic direction, in line with the Government of Canada's priorities. The CIB must be open and transparent with Canadians about its operations, investments and decision-making processes, while respecting the confidentiality of commercially sensitive information.

The *Financial Administration Act* requires the CIB to submit a Corporate Plan for approval by Treasury Board in order to align with the Government on a strategic vision for the organization, as well as approval of operating and capital budgets so that the CIB has financial authority to carry out its purpose and functions. You will find at [Annex B](#) the CIB's accountabilities to the federal government, and Canadian public, including ensuring that the CIB's investments, advisory and research functions create jobs, grow our economy and increase our competitiveness while creating a cleaner and more inclusive future.

To fully realize its purpose and functions, the CIB should draw on a diverse range of talent and perspectives from across Canada as well as international best practices. This includes continued commitment to diversity of the workforce in your organization, and efforts to foster the inclusion of a broad range of voices and views in governance and decision-making. In doing so, the CIB should take into consideration Canada's gender, linguistic, cultural and regional diversity, including the unique perspectives of Indigenous Peoples.

The CIB has an unparalleled opportunity to deliver critical and innovative infrastructure projects that maximize taxpayer value and benefit all Canadians, including demonstrating how partnerships among governments and the private sector create jobs and growth, build a more inclusive society and fight climate change. I am committed to support you and everyone at the CIB to achieve these goals. My department officials, as well as those in partner departments and central agencies, as always will provide the CIB the support it needs to be successful in meeting the infrastructure needs of Canadians and their communities.

Sincerely,

A handwritten signature in black ink, appearing to read 'C McKenna', with a long horizontal flourish extending to the right.

The Honourable Catherine McKenna, P.C., M.P.
Minister of Infrastructure and Communities

Enclosures (2)

cc: The Honourable Chrystia Freeland, P.C., M.P.
Deputy Prime Minister and Minister of Finance

Mr. Ehren Cory, Chief Executive Officer
Canada Infrastructure Bank

Ms. Kelly Gillis, Deputy Minister
Infrastructure Canada

ANNEX A: Government Priorities

The CIB is required, as set out in the *Canada Infrastructure Bank Act*, to invest in infrastructure projects that will generate revenue and that will be in the public interest, as well as to provide advice to governments and conduct research. As the CIB pursues investment, advisory and research opportunities, it must ensure alignment with the Government's commitments, policies, and programs, which includes focusing on projects with the greatest opportunity to create jobs and growth, promote social inclusivity and build a clean economy.

The Government has set out priority areas for the CIB through previous federal budgets and direct communications with the CIB, while the CIB works with its partners to determine the best opportunities in line with those priorities. In the development of the CIB's work and development of its next Corporate Plan, the CIB's investment, advisory and research functions should be focused in the following priority areas:

- **Public Transit**, including major transit projects, and zero-emission buses with a long-term target of \$5 billion in investments.
- **Green Infrastructure**, including energy efficient building retrofits, water and wastewater with a long-term target of \$5 billion in investments.
- **Trade and Transport**, including trade corridors, bridges, passenger rail, and agricultural infrastructure, with a long-term target of \$5 billion in investments.
- **Broadband**, including for unserved and underserved community broadband connectivity with a long-term target of \$3 billion in investments.
- **Clean Power**, including renewables, district energy, storage, interties and transmission with a long-term target of \$5 billion in investments.

As the CIB identifies investment opportunities in the public interest, I understand that will include infrastructure projects made in partnership with, and that benefit, Indigenous Peoples. In order to support the Government's commitments to advance Indigenous reconciliation and urgently address the Indigenous infrastructure deficit, the CIB should establish a new investment target of \$1 billion for **Indigenous Infrastructure** projects across the five priority areas set out above.

The CIB is already making progress in these priority investment areas through the development and implementation of its **Growth Plan**, which aims to invest \$10 billion over the next three years in five strategic initiatives: zero-emission buses; clean power, renewable energy, storage and transmission; energy efficient building retrofits; large-scale broadband projects; and agriculture-related infrastructure.

As the Government undertakes Canada's first-ever national infrastructure assessment, the CIB will be expected to participate in consultations, research and providing advice, particularly on the role of the private sector in identifying Canada's long-term infrastructure needs and priorities. Such an assessment is considered a global best practice, and is critical as our Government moves into recovery planning and charting the path towards net-zero greenhouse gas emissions by 2050.

ANNEX B: CIB Accountabilities

The CIB is accountable to the federal government and Canadian public through the mechanisms set out in its enabling legislation, the *Canada Infrastructure Bank Act*, as well as legislation applicable to all Crown Corporations, including the *Financial Administration Act*, *Access to Information and Privacy Act*, and *Official Languages Act*. The CIB is responsible for meeting all of its legal obligations, including responding to the Duty to Consult to Indigenous groups and ensuring that projects have met environmental assessment and other regulatory requirements.

The CIB's annual Corporate Plan should set out how the CIB will invest, provide advice and conduct research in the priority areas, including by detailing investment strategies and ensuring that investments are revenue-generating and in the public interest. The Corporate Plan should explain the total capital and operating budget for the organization, over a five-year period and should continue to describe how the CIB will conduct due diligence and analysis as it manages its resources and investment portfolio, including under adverse investment scenarios.

In order to guide the development of future Corporate Plans, the CIB must work in partnership with Infrastructure Canada to collaborate with public officials across relevant departments and central agencies to inform project development and the parameters of the CIB's financing initiatives. This engagement will allow the CIB to align with policy priorities, avoid overlap with government programs and assess risks associated with CIB investments.

The CIB must remain accountable to the Government and Canadians through its Corporate Plan, which will include plans to achieve objectives and outcomes through the CIB's activities. This work will involve a Results and Delivery Framework with a clear articulation of the characteristics, thresholds and risks for investment or initiatives. Additionally, the framework should set out the intended outcomes of a particular initiative, such as economic growth or job creation, impacts on diversity and inclusion, and anticipated greenhouse gas emission reductions.

The CIB is required to produce an Annual Report on its operations and activities that is provided to Infrastructure Canada, Treasury Board Secretariat, and that must be tabled in Parliament. The Annual Report must include information on the CIB's finances, an auditor's report and information on how the CIB has met the objectives and achieved the outcomes set out in its Corporate Plan.

As required by the *Canada Infrastructure Bank Act*, I will be undertaking a review of the CIB's enabling legislation by mid-2022 to ensure that its provisions and operation enable the corporation to achieve its purpose and functions, and meet the government's policy objectives. This will be an opportunity to review the CIB's impact to-date, consider any landscape changes and lessons learned, and to ensure the CIB remains positioned for success throughout its mandate.

APPENDIX B – Corporate Governance

The CIB Act states our purpose as follows:

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.

Parliament has authorized that the Minister of Finance may pay to the Bank, out of the Consolidated Revenue Fund, amounts of not more than \$35 billion in the aggregate, or any greater aggregate amount that may be authorized from time to time under an appropriation Act. The Act also provides the CIB the ability to participate in infrastructure deals in new and innovative ways. As noted earlier, the Government of Canada anticipates expensing \$15 billion of this total against the fiscal framework through the CIB's use of concessional financing.

Governance

The CIB is subject to the provisions of the CIB Act and federal legislation and policies that apply generally to Crown corporations, including the *Financial Administration Act (FAA)*, the *Official Languages Act*, the *Privacy Act*, the *Access to Information Act*, the *Conflict of Interest Act*, and the *Canada Labour Code*.

The CIB is accountable to Parliament through the Minister of Infrastructure and Communities. As a Crown corporation, the CIB is subject to Part X of the FAA and reports to Parliament and Canadians on its operations through the Annual Report and a summary of the CIB's corporate plan setting out its priorities and operating and capital budgets, which are tabled in Parliament annually.

Board of Directors

The CIB is governed by an independent Board, appointed by the Governor in Council on the advice of the Minister of Infrastructure and Communities. The directors possess a balance of professional skills, infrastructure expertise and investment experience, and reflect gender, linguistic, cultural and regional diversity.

In accordance with the CIB Act, the Chair is appointed by the Governor in Council for a term that the Governor in Council considers appropriate. Directors are appointed by the Governor in Council for terms not to exceed four years, and they are eligible for reappointment on the expiration of their term.

Tamara Vrooman was appointed Board Chairperson on January 27, 2021. Tamara is CEO of the Vancouver Airport Authority (YVR), Canada's second-busiest airport. Prior to this role, she was President & CEO of Vancity, Canada's largest community credit union, and Deputy Minister of Finance for the Province of British Columbia.

The Board is currently composed of 11 Directors, including the Board Chair.

There is currently one vacant position on the Board and the Minister has launched an open, transparent, and merit-based selection process pursuant to the Governor in Council appointments process of the Privy Council Office. This selection process is currently ongoing.

The following table sets out the members of the Board and their respective appointment date and term of office, as of March 31, 2021. Biographies of current directors are available on the CIB website at <https://cib-bic.ca/en/about-us/governance/#board>.

Board Members

DIRECTOR	LOCATION	APPOINTMENT DATE	TERM
Tamara Vrooman Chair	Vancouver, British Columbia	January 27, 2021	4 years
Kimberley Baird	Delta, British Columbia	November 16, 2017	2 years*
Jane Bird	Vancouver, British Columbia	November 16, 2017	4 years*
David Bronconnier	Calgary, Alberta	November 16, 2017	3 years*
James Cherry	Elizabethtown, Ontario	November 16, 2017	2 years*
Michèle Colpron	Saint-Lambert, Québec	November 16, 2017	4 years*
Bruno Guilmette	Montréal, Québec	June 1, 2018	4 years
Christopher Hickman	St. John's, Newfoundland and Labrador	November 16, 2017	3 years*
Poonam Puri	Toronto, Ontario	November 16, 2017	3 years*
Stephen Smith	Toronto, Ontario	November 16, 2017	4 years*
Patricia Youzwa	Regina, Saskatchewan	November 16, 2017	3 years*

* Although the terms have expired, pursuant to the CIB Act directors continue to hold office until their successor is appointed or until renewed.

Board Skills

The Board, through the Human Resources and Governance Committee, has identified the skills and core competencies that are important for the Board members to possess as a collective entity. This ensures that as departures occur and appointments are made, the CIB will maintain a well-rounded Board that can continue to provide the effective oversight necessary for the CIB to achieve its objectives.

Accounting	Knowledge of and experience with financial accounting and reporting, corporate finance and familiarity with internal controls and International Financial Reporting Standards.
Board Experience	Prior or current board of director experience with a major organization with mature governance practices.
Compensation	Experience as a senior executive or board member overseeing executive compensation plan design and performance management.
Finance, Treasury and Investments	Experience in leading or overseeing complex financial transactions with investors and other entities in both the private and public sectors.
Governance	Experience in corporate governance principles and practices at a major organization.
Human Resources	Knowledge of or experience with leadership development and talent management, succession planning, organizational design, and human resources principles and practices generally.
Infrastructure and Development	Experience in, or strong understanding of, all aspects of infrastructure projects.
Legal	Training and experience as a lawyer, either in private practice or in-house with a major organization ensuring compliance with laws and regulations.
Organizational Leadership	Broad business experience as a senior executive of a major public, private or not-for-profit organization.
Public Sector / Government / Indigenous Partners	Experience in, or understanding of, the workings of government and the public sector, and in stakeholder engagement or management.
Risk Management	Experience in, or understanding of, internal risk controls, risk assessment, risk management and/ or reporting.
Strategic Planning	Experience in the development and implementation of a strategic direction of a major organization.
Information Technology and Management	Experience or knowledge relating to the information technology and management of a major organization.

At a personal level, Board members should demonstrate trust and accountability, informed judgment, tact and discretion, excellent interpersonal skills, independence, high ethical standards and integrity.

Board Responsibilities

The Board is responsible for the overall governance of the corporation in accordance with the CIB Act and its by-laws. The Board has adopted a charter to promote its effectiveness, including with respect to the following:

- Oversee the management of the businesses, activities and other affairs of the corporation.
- Approve the corporate plans and budgets that set out the corporation's strategic direction in alignment with the Minister of Infrastructure and Communities' SPA.
- Approve the corporation's annual reports and quarterly financial reports.
- Set performance targets and monitor the corporation's progress and results.
- Appoint the Chief Executive Officer, set his annual performance objectives and evaluate his performance.
- Approve the enterprise risk management (ERM) framework and ensure that the principal risks of the corporation's business are identified and well-managed.
- Approve investment proposals and oversee the corporation's investment activities and investment portfolio.
- Oversee the corporation's talent management practices, culture and ethical conduct.
- Ensure the highest standards of corporate governance and Board effectiveness are respected.

The Board delegates day-to-day management of the CIB's affairs and the execution of our strategy to the Chief Executive Officer, subject to the oversight of the Board.

Board Committees

Four standing committees help the Board carry out its duties and responsibilities. All directors serve on at least one Board committee and the Board Chair is an *ex officio* member of all committees.

The tables below outline the key committee responsibilities:

FINANCE AND AUDIT COMMITTEE	
<p>Members: Michèle Colpron (Chair); David Bronconnier; Christopher Hickman; James Cherry; Tamara Vrooman</p>	<ul style="list-style-type: none"> ▪ Provides oversight on the effectiveness of the CIB's internal controls ▪ Oversees the integrity of the CIB's financial reporting and recommends to the Board the annual financial statements and quarterly financial reports ▪ Monitors and evaluates the CIB's financial risks ▪ Oversees the joint external auditor's qualifications, independence and performance ▪ Oversees the finance and internal audit functions ▪ Oversees compliance with legal and regulatory requirements, including whistleblowing procedures ▪ Oversees risk and compliance policies, with respect to delegations of signing authority, procurement, AML/ATF/S, information security and business continuity ▪ Oversees special examinations
HUMAN RESOURCES AND GOVERNANCE COMMITTEE	
<p>Members: Stephen Smith (Chair); Kimberley Baird; Jane Bird; Poonam Puri; Tamara Vrooman</p>	<ul style="list-style-type: none"> ▪ Confirms that adequate processes are in place to identify, assess and manage risks associated with the CIB's human resources ▪ Recommends the CEO's performance objectives and performance evaluation to the Board ▪ Oversees leadership, succession planning and total compensation ▪ Monitors and assesses the "tone at the top" set by the CEO and compliance with the CIB's standards of integrity and conduct, including conflicts of interest ▪ Monitors risks associated with the CIB's corporate governance framework and compliance with legislation applicable to Crown corporations ▪ Participates in the shareholder's process for selecting the Chairperson, the CEO and Board members, and assesses the performance and effectiveness of the Board and its committees
IMPACT AND RISK COMMITTEE	
<p>Members: James Cherry (Chair); Kimberley Baird; Jane Bird; Patricia Youzwa; Tamara Vrooman</p>	<ul style="list-style-type: none"> ▪ Reviews Investment Framework and methodologies, including key performance metrics, to measure the impact of investments ▪ Reviews and recommends to the Board the CIB's ERM Framework, risk appetite statement and other key risk management policies ▪ Satisfies itself that management is operating within the CIB's ERM Framework and risk appetite statement ▪ Oversees the CIB's strategy to manage and report ESG-related risks and opportunities
INVESTMENT COMMITTEE	
<p>Members: Bruno Guilmette (Chair); David Bronconnier; Michèle Colpron; Christopher Hickman; Stephen Smith; Patricia Youzwa; Tamara Vrooman</p>	<ul style="list-style-type: none"> ▪ Reviews and recommends to the Board policies concerning investment activities ▪ Reviews and assesses risks (e.g., credit, financial, market risks) associated with investments and their management ▪ Recommends investment proposals to the Board ▪ Recommends delegations of authority for investments ▪ Monitors the performance of the investment portfolio

Ethics, Values and Accountability

The Board's expectations for ethical conduct throughout the organization are described in the CIB's Code of Conduct for Employees, which is grounded in our core values and incorporates the Values and Ethics Code for the Public Sector. Employees participate in mandatory training and must confirm they have read, understood, complied with, and will continue to comply with the code. Compliance with the code and other ethics-related corporate practices is reported to the Human Resources and Governance Committee. The Board has adopted its own Code of Conduct for Directors and the Conflict of Interest Policy for Directors, which integrate various legislative requirements relating to ethical conduct and conflicts of interest, including the FAA and the *Conflict of Interest Act*.

During the 2020-21 fiscal year, the Board approved the updated Code of Conduct for Employees and the Board ethical conduct policies, which are available on the CIB website at <https://drdrc6dlee0yd.cloudfront.net/files/Governance/CIB-Code-of-Conduct.pdf>

Board Remuneration

Pursuant to the CIB Act, the rate of any remuneration paid to the Board Chair and the other directors is fixed by the Governor in Council.

For the fiscal year ending March 31, 2021, the remuneration rates are as follows:

- **Directors:** \$40,000 – 50,000 per annum (Order in Council # 2017-1463).
- **Board Chair:** \$85,000 – 100,000 per annum (Order in Council # 2021-0018). The Board Chair and other directors are not entitled to any performance-based bonuses or other incentives.

Board members are also reimbursed for reasonable out-of-pocket expenses while performing their duties related to the CIB, including travel, accommodation, and meals. Monthly travel and hospitality expenses reimbursed to Board members are posted on the CIB website.

Senior Management Leadership and Organizational Structure

Ehren Cory was appointed Chief Executive Officer of the CIB on November 9, 2020. As CEO he is responsible for strategic business leadership and overall performance of the organization. Prior to joining the CIB, Ehren was President and CEO of Infrastructure Ontario, a provincial crown agency responsible for financing, building, and enhancing the value of the province's infrastructure and real estate assets.

Under the direction of the CEO, the Executive Committee leads the CIB's operations and activities to execute on corporate strategy and objectives, implements organizational policies and procedures, and executes direction from the Board. Led by the CEO, the Executive Committee includes the:

- Chief Investment Officer who is responsible for advisory and investment strategy and activities, capital deployment and asset management.
- Chief Financial Officer who is responsible for corporate finance, asset management, ERM, information technology and administration.
- Group Head, Communications and Public Affairs, who is responsible for federal government relations, corporate planning, communications, media and stakeholder relations, knowledge and policy research.
- General Counsel & Corporate Secretary, who is responsible for legal affairs, the corporate secretariat, as well as the compliance functions and regulatory activities.
- Head of Strategy, who is responsible for sector and portfolio allocations and strategy, the Investment Framework, public outcomes and impacts, corporate outcomes and reporting, and research.

The Management Investment Committee (MIC) is responsible for overseeing the CIB's investment activities within the parameters established by the Board-approved Investment Policy. The MIC is composed of the Chief Executive Officer, the Chief Investment Officer, the Chief Financial Officer, the Head of Strategy and one other employee holding the position of Managing Director or Senior Director within the Investments team, as determined by the CEO. The MIC reviews projects at various stages with guidance from the Investment Policy, including investment proposals and project acceleration requests, and recommends investments to the Investment Committee of the Board.

The Portfolio Review Committee (PRC) serves as an advisory body and provides advice and recommendations on matters related to the CIB's mandate, priorities, investment activities, expected results and performance indicators. The PRC is chaired by the CEO and members include senior-level employees within the Investments, Risk, Strategy, Finance, Legal, Communications and Public Affairs teams. The PRC's advisory responsibilities include reviewing the status of the investment funnel, including project origination, investment outlook and timing, upcoming major milestones and tracking to the CIB's priority sectors and targeted deployment of capital.

Human Resource and Compensation Framework

To successfully fulfill its mandate, the CIB must have the flexibility to attract, motivate and retain qualified employees with commercial experience and professional skills from the investment and finance industries. The CIB has developed a comprehensive human resources strategy, which reflects the best practices of Crown corporations and other comparable organizations, to ensure that it has the right mix of skill sets and technical expertise in place, as well as policies to ensure that its hiring and compensation practices are fair and appropriate. The CIB is also committed to creating a diverse workforce that reflects Canada's gender, linguistic, cultural and regional diversity, including the unique perspectives of Indigenous Peoples.

The Board is responsible for the overall governance of the CIB. The Board has delegated to the Human Resources and Governance Committee (HRGC) the responsibility to assist the Board with human resources matters, including talent management and compensation. During the 2020-21 fiscal year, the HRCC completed a review of the CIB's compensation framework, including the incentive plan, to better measure performance, including how the CEO, executives and employees deliver on corporate objectives and long-term outcomes. The updated compensation framework is being implemented for the fiscal year beginning April 2021.

The CIB's compensation framework for all employees (including the CEO) is comprised of the following elements:

- The CIB offers market-competitive compensation, with a focus on total compensation (a mix of base salary and variable performance-based incentive).
- The target for compensation ranges is the 50th percentile of the benchmark group against which the CIB competes for talent and expertise.
- The CIB has also established a voluntary Group Registered Retirement Savings Plan, and a Group Non-Registered Savings Plan where the CIB matches employee contributions up to a limit. The CIB does not have a defined contribution or defined benefit pension plan.

The guiding principles of the CIB's compensation framework emphasize organization-wide performance, measurable outcomes, the deployment of capital with appropriate risk sharing, among others.

Given the diversity in skills, capabilities and competencies the CIB requires to effectively fulfill its mandate, executive and non-executive compensation structures and target total direct compensation ranges (base salary plus target incentives) are reviewed annually by the HRGC by comparing the CIB's practices with those of peer organizations operating in both the public and private sectors. To assist with this review, the CIB retains external compensation consultants to provide market analysis and data from the consultants' proprietary surveys.

In recruiting and developing qualified employees with expertise in infrastructure investment and project development, we compete with the large investment managers and financial institutions in Canada. Within this competitive marketplace, a competitive compensation package is essential to attract, motivate and retain this talent and effectively carry out the CIB's purpose to invest and attract private and institutional investment in revenue-generating infrastructure projects in the public interest and develop innovative financing tools.

The CIB's benchmark group includes pension funds, investment management organizations with long-term investment horizons and fiduciary roles, and other organizations in the financial services and insurance industries, as well as the broader public sector. Due to the CIB's unique mandate, there are no direct industry peers in the Canadian market based on similar investment mandates and operations. Comparable organizations in the benchmark group include:

- Alberta Investment Management Corporation (AIMCo)
- BC Investment Management Corporation (BCI)
- Caisse de dépôt et placement du Québec
- Canada Pension Plan Investment Board (CPPIB)
- Export Development Canada (EDC)
- Healthcare of Ontario Pension Plan (HOOPP)
- Investment Management Corporation of Ontario (IMCO)
- Ontario Municipal Employees Retirement System (OMERS)
- Ontario Teachers' Pension Plan
- OPSEU Pension Trust
- PSP Investments

The overall group target is the 50th percentile of the benchmark group. The most recent review led by the HRGC confirmed that the CIB's targeted total direct compensation ranges for employees is generally positioned at the median of the benchmark group.

We have established compensation bands for each level of the employee group to provide management the flexibility to set compensation for each employee relative to the median depending on each employee's skills and experience.

The CIB's approach is to pay a greater proportion of total direct compensation in the form of base salary (compared to the incentive target) relative to the market. The CIB's peers in the benchmark group generally place significant weight on investment returns in measuring total incentive awards, whereas the CIB's objective is to focus on infrastructure projects that deliver positive economic and social outcomes for Canadians and their communities. Compared to its peer group, CIB employees have lower incentive, and as described below, senior-level employees are required to defer a portion of their incentive award in order to drive performance over the longer-term.

Employees receive a base salary for fulfilling their core job responsibilities. Salaries reflect skill level, experience and scope of responsibilities. The HRGC reviews salary ranges across each level in the Corporate and Investment/Project Development groups and the CIB retains external compensation consultants to review annual compensation surveys to ensure that base salaries remain competitive within our talent market. The CIB reviews salaries annually at the end of each fiscal year. Increases to the base salary of executives require the approval of the HRGC. As of March 31, 2022, the average annualized base salary for executive officers other than the CEO was \$325,000.

Employees are eligible to receive an annual incentive award based on the combination of achievement of individual and organizational corporate objectives.

Incentive targets vary in level from administrative to head roles in the Corporate functional groups, and analyst to managing director in the Investment/Project Development group. A portion of the annual award is paid out following the end of the fiscal year (the “In Year Award”). Pay-outs for the In Year Award can range from 0 – 1.5x of the employee’s incentive compensation target, which is defined as a percentage of the employee’s base salary, increasing with seniority.

For senior-level employees (e.g., CEO, executives, managing directors, senior directors and heads) a significant portion of the total incentive compensation award is subject to overall performance of the organization. Specifically, 80% of the In Year Award is tied to the achievement of organizational corporate objectives documented in the CIB’s corporate plan, and 20% is tied to the achievement of individual objectives. The purpose of this structure is to align the interests of senior-level employees with the interests of the CIB’s stakeholders.

Senior-level employees are also required to defer a portion of the incentive award to hold them accountable for the long-term effectiveness of the capital deployed and the intended public interest outcomes of the CIB’s investments. The percentage deferred is based on level with executive-level employees deferring more.

Pursuant to subsection 12(3) of the CIB Act, the rate of any remuneration paid to the CEO is to be fixed by the Governor in Council on the recommendation of the Board. In making its recommendation, the Board is to take into account the skills required for the position and the remuneration paid to persons in comparable positions. The Governor in Council fixed the remuneration of the CEO by Order in Council (OIC 2020- 0835), which base salary is within the range of \$510,000 – \$600,000 per annum. Any increase to the base salary of the CEO requires the approval of the Governor in Council.

The CEO’s remuneration and conditions of employment, including any performance-based bonuses and incentives, are approved by the Governor in Council, having regard to the recommendation made by the Board to the Minister. The process followed by the Board for recommending performance-based remuneration to the CEO is described in the Performance Management Program for Chief Executive Officers of Crown Corporations published by the Privy Council Office in April 2018.

The CEO’s annual performance objectives for the first year are detailed in the Order in Council approving his appointment. For subsequent years, the annual performance objectives are aligned with the CIB’s overall objectives documented in the corporate plan submitted to the Minister and approved by the Treasury Board.

In accordance with its Charter, the Board approves (having regard to the recommendations, if any, of the HRGC) the recommendation to the Minister for the CEO’s total direct compensation and the performance rating for payment of incentive compensation awards. In instances where the Minister disagrees with the Board’s recommended performance rating, the Minister will provide a rationale to the Governor in

Council, via the Privy Council Office. The Governor in Council exercises final decision-making authority to approve the performance rating and incentive compensation award provided to the CEO.

The CIB is committed to being open and transparent with Canadians about its operations. The CIB does not disclose individual compensation received by the CEO and employees, due to competitive and privacy considerations. This disclosure complies with the requirements for Crown corporations in the *FAA* and is aligned with the policies, guidelines and directives established by the Treasury Board of Canada Secretariat, including guidance with respect to the preparation of corporate plans and annual reports.

Key Management Personnel

Key management personnel are defined as those officers having authority and responsibility for planning, directing and controlling the activities of the CIB, including members of the Board.

The following table presents the compensation expense of key management personnel.

(in thousands of Canadian dollars)

As at March 31	2021	2020
Salaries and short-term employee benefits	\$ 3,075	\$ 3,387
Post-employment benefits	110	143
Termination benefits	-	3,832
Other long-term benefits	476	
	\$ 3,661	\$ 7,545

APPENDIX C – Planned Results

Strategic Priority	Outcomes	Result Indicator	Targets	Actuals (2021-22)
Short Term (2021-22)				
Investing to modernize infrastructure	Increase total infrastructure investment in Canada from CIB and private and institutional investors	Scale of projects and diversity of portfolio.	\$3.333B value of new CIB financial closes	\$3.2 billion
			17 new CIB financial closes	15 financial closes
			\$3.7B value of new CIB investment commitments	\$4.0 billion
			19 new CIB investment commitments	20 new investment commitments
			At least 2 investments in each priority sector (financial close)	Transit: 6 Clean Power: 1 Green: 4 Broadband: 2 Trade: 2
Executing as results-focused and accountable organization	3. Strengthen governance, capabilities, and process	Develop employee value proposition for attraction, retention, engagement, and development.	Less than 15% turnover	16% turnover
			Develop a Diversity and Inclusion policy and supportive initiatives, informed by engagement with and survey of CIB employees. Success measured by Diversio Diversity & Inclusion Survey	Diversio Survey Score: 73
		Execute on key organizational improvements	Completion of portfolio of management operational improvement initiatives	Completed
Long Term (2025-26)				
Investing to modernize infrastructure	Increase total infrastructure investment in Canada from CIB and private and institutional investors	Scale of projects and diversity of portfolio.	5 investments reaching financial close since inception in each geographic region (i.e., West, Ontario, Quebec, Atlantic)	West: 5 Ontario: 5 Quebec: 5 Atlantic: 1
			\$1B of CIB investments since inception reaching financial close in partnership with and benefits for Indigenous Peoples.	\$65.4 million
		Capital success factors	1x ratio of private and institutional capital to CIB capital across portfolio	1.2x*
			Fiscal impact remains below 30% as a percentage of capital committed	14.5%*
Delivering outcomes that benefit Canadians**	Achieve public impact outcomes from project investments for climate action, connectivity of	Deliver the Growth Plan outcomes and go beyond to result in long-term benefits from new infrastructure.	GHG Reduction: Cumulative 10Mt Annual CO2e reduction	3.7Mt*
			Cumulative 200,000 Daily Trips on mass transit, passenger rail and other modes	174,000*
			The CIB will also track and report the number of ZEBs financed by its investments	4,381-4,881*

Strategic Priority	Outcomes	Result Indicator	Targets	Actuals (2021-22)	
	Canadians, Economic Growth, and Indigenous Infrastructure.		Cumulative 900,000 Underserved Households passed by 50/10 Mbps Broadband	136,000*	
			Cumulative 60 Indigenous Communities with Infrastructure Gaps addressed	4*	
			Contribution to economic growth, as measured by:		
			<ul style="list-style-type: none"> ▪ 12M Total tonne-equivalents of trade volume ▪ \$90M Total agricultural value added 	0*	
			The CIB will also track and report job creation from its investments, consistent with other Federal programs	~15,000 Jobs#	

*figures based on projects reaching financial close

#employment calculation based on total of CIB investment at financial close and using Statistics Canada System of National Accounts

**When measuring outcomes, the CIB considers a project in its entirety, irrespective of the percentage share of financing provided by the CIB.

CEO Commitment

I, Ehren Cory, Chief Executive Officer of the Canada Infrastructure Bank (CIB), am accountable to the CIB Board of Directors for delivering the results described in this corporate plan and outlined in this appendix. I confirm that this commitment is supported by the balanced use of all available and relevant performance measurement and evaluation information.

A handwritten signature in black ink, appearing to read 'Ehren Cory', with a stylized flourish at the end.

Ehren Cory

Chief Executive Officer

May 6, 2022

APPENDIX D – CFO Attestation

In my capacity as Chief Financial Officer of the Canada Infrastructure Bank (CIB), accountable to the CIB Board of Directors through the Chief Executive Officer, I have reviewed the corporate plan and the supporting information that I considered necessary, as of the date indicated below. Based on this due diligence review, I make the following conclusions:

- 1.** The nature and extent of the financial and related information is reasonably described, and material assumptions having a bearing on the associated financial requirements have been identified and are supported, with the following observations: Determination of accounting provisions or expected losses on investments are difficult to accurately estimate with the nascent stage of the organization's investing activities. These estimates will be refined over time with ongoing portfolio risk monitoring and loss experience.
- 2.** Significant risks having a bearing on the financial requirements, the sensitivity of the financial requirements to changes in key assumptions, and the related risk-mitigation strategies have been disclosed, with the following observations: Projects and investments assumed for the planning period are based on the best available information at the time. Due to the nature of infrastructure investing, transaction development, structuring, negotiation and agreements on commitments may take longer than anticipated.
- 3.** Financial resource requirements have been disclosed and are consistent with the stated assumptions in the corporate plan, and options to contain costs have been considered, with the following observations: Resource requirements are based on the level of business activity assumed within the plan and the organization will actively adjust resource requirements to ensure cost containment opportunities are realized, without jeopardizing the execution of CIB's mandate.
- 4.** Funding has been identified and is sufficient to address the financial requirements for the expected duration of the corporate plan, with the following observations, including observations with regard to appropriations that have not yet been approved: As noted in item #2, the estimates provided are based on the best available information at time of writing; commitments and funding requirements may change.
- 5.** The corporate plan and budget(s) are compliant with relevant financial management legislation and policies, and the proper financial management authorities are in place (or are being sought as described in the corporate plan), with the following observations: This corporate plan outlines potential commitments and cash funding. Commitments to investments may involve multi-year funding requirements. Authority is being sought to enter into commitments for any of the transactions listed which are determined to deliver outcomes that will benefit the public in accordance with criteria and process set out in the Investment Policy and Framework, some of which may or may not require cash funding in the 2021-22 fiscal year. Total project commitments will exceed the estimated cash funding requirements for the 2021-22 year. Once commitments are entered into, future funding obligations, regardless of fiscal period, must be fulfilled (if conditions precedent are met) in order for CIB to meet its legal obligations under investment agreements. Accounting presentation of the financial statements is based on CIB's interpretation of the relevant accounting standards, and is still subject to concurrence from CIB's Joint Auditors, and therefore is subject to change.

6. Key financial controls are in place to support the implementation of proposed activities and ongoing operation of CIB.

In my opinion, the financial information contained in this corporate plan and budget(s) is sufficient overall to support decision-making.



Evelyn Joerg

Chief Financial Officer

Canada Infrastructure Bank

May 6, 2022

APPENDIX E – Financial Statements

Pro-forma Statement of Financial Position (UNAUDITED)

(in thousands of Canadian dollars)		Planned				
As at March 31	F2020-21	F2021-22	F2022-23	F2023-24	F2024-25	F2025-26
Assets						
CURRENT ASSETS:						
Cash	\$ 1,695	\$ 1,695	\$ 1,695	\$ 1,695	\$ 1,695	\$ 1,695
Government funding receivable related to operating expenditures	5,442	16,447	18,594	21,137	21,864	22,326
HST receivable	2,942	2,898	3,901	4,247	4,364	4,478
Prepaid expenses and advances	140	140	140	140	140	140
	10,219	21,179	24,330	27,219	28,063	28,638
NON-CURRENT ASSETS:						
Loan Receivable	1,244,924	1,267,008	1,289,462	1,312,355	1,335,567	1,359,167
Future Investment interest receivable		1,500	14,520	52,555	122,581	231,720
Future Investments		300,000	2,290,000	5,120,000	8,480,000	12,720,000
Gross investments	1,244,924	1,568,508	3,593,982	6,484,909	9,938,148	14,310,887
Future Investments Provision		(60,931)	(420,133)	(930,719)	(1,536,815)	(2,301,625)
	1,244,924	1,507,577	3,173,849	5,554,191	8,401,333	12,009,262
Right-of-use Asset	3,180	2,918	2,657	2,396	2,134	1,873
Property and equipment	1,943	2,055	1,803	1,492	1,171	842
	\$ 1,260,266	\$ 1,533,730	\$ 3,202,639	\$ 5,585,296	\$ 8,432,701	\$ 12,040,615
Liabilities and Shareholder's Equity:						
CURRENT LIABILITIES:						
Accounts payable and accrued liabilities	8,704	17,398	20,132	22,819	23,527	24,033
NON-CURRENT LIABILITIES:						
Deferred liabilities	1,634	3,863	4,245	4,411	4,511	4,544
Lease liabilities	3,793	3,568	3,342	3,116	2,891	2,665
Deferred government funding related to capital expenditures	1,943	2,055	1,803	1,492	1,171	842
	7,370	9,486	9,390	9,018	8,572	8,051
SHAREHOLDER'S EQUITY	1,244,192	1,506,845	3,173,117	5,553,459	8,400,601	12,008,530
	\$ 1,260,266	\$ 1,533,729	\$ 3,202,639	\$ 5,585,296	\$ 8,432,701	\$ 12,040,615

* Refer to the Capital and Investment Budget section for the reconciliation of provision amounts using Public Sector Accounting Standards.

Accounting presentation of the financial statements is based on CIB's interpretation of the relevant accounting standards and is still subject to concurrence from CIB's Joint Auditors, and therefore is subject to change.

Assumptions – Pro-forma Statement of Financial Position

1. Cash is expected to remain at a steady level, and it is assumed monthly draws are made for operating and capital expenditures when required.
2. Government Funding Receivable, Accounts Payable and Deferred Liabilities increase with expected year-end business and incentive accruals.
3. HST Receivable is based on CIB's current tax status as a not for profit being substantially funded by government appropriations. This assumption may change over time as CIB's business develops and as a result, recoverability may change.
4. Loans Receivable is based on the scheduled annual drawdowns. It is increased annually for the capitalized interest earned and effective interest accretion realized each quarter. The loan is also reduced for the following assumptions:
 - a. Year 1 - fair value provision is deferred and amortized over the term of the loan in accordance with IFRS 9. The provision is based on the fair value difference of the market interest rate (assumed to be the long-term government lending rate, subject to auditor sign-off) and the effective interest rate of the loan; and
 - b. Credit loss allowance (subject to auditor sign-off and adjustment due to change in underlying risk factors)
5. Future investments after 2021-2022 of \$2.0B to \$4.2B per year is a best estimate of cash funding required based CIB's investment pipeline. For simplicity we have assumed these investments are loans receivable, however they could take on the form of equity investments or fair value loans.
6. The future investments provision (fair value or loss provision for future commitments) is based on an average discount of 1% to the current government of Canada long-term borrowing rates and a calculated estimate for Expected Credit Losses under IFRS. Future provisions will be impacted by the nature of CIB investments (equity or debt), regular fair value measurement requirements and recognition of expected and/or actual credit losses. Given the complexity in predicting the nature and structure of new commitments and associated market / credit risk, a long-term average was used.
7. Property and Equipment is increased by computer software for contracts, asset management, approval work flows and expense management and a refresh of the CIB website. Additional computer equipment per new hire (estimated at \$4,000 per hire). In addition, \$80,000 of capital expenditures for operations were included in fiscal 2021-22 for requirements from increased headcount.
8. Accounts payable and accrued liabilities includes the projected incentive compensation accrual based on projected staff. It includes the portion of the long-term incentive that is payable within 12 months (with the remaining balance accounted for in Deferred liabilities) and the respective short-term incentive amounts for each fiscal year.
9. Deferred liabilities include accruals for long-term incentives (the portion payable beyond 12 months).
10. The lease liability - CIB recognized a right-of-use leased asset of \$3.7 million and a lease liability of \$3.8 million as at April 1, 2019. The lease liability is based on the present value of expected lease payments and is amortized using the effective interest rate method. It is reduced by rent payments net of assumed interest expense and the right-of-use asset is amortized over the term of the lease on a straight-line basis.
11. Deferred government funding for capital expenditures is increased for capital purchases and reduced for depreciation each year.

Pro-forma Statement of Income and Comprehensive Income (UNAUDITED)

(in thousands of Canadian dollars)		Planned				
For the 12-month period ending March 31	F2020-21	F2021-22	F2022-23	F2023-24	F2024-25	F2025-26
Investment income						
Interest income	\$ 21,747	\$ 22,085	\$ 22,454	\$ 22,892	\$ 23,212	\$ 23,600
Interest income from future investments		1,500	12,965	37,180	68,372	106,684
Return of capital from Accelerator program		-	55	855	1,655	2,455
Gross income	21,747	23,585	35,474	60,927	93,239	132,739
Provision for losses	(73,996)	(60,931)	(359,202)	(510,585)	(606,096)	(764,810)
	(52,249)	(37,346)	(323,728)	(449,658)	(512,857)	(632,071)
Expenses:						
GENERAL AND ADMINISTRATIVE						
Compensation	17,742	27,800	32,200	39,700	41,100	41,600
Professional fees	7,809	14,774	21,682	24,896	26,114	27,336
Administration	2,419	4,261	6,144	6,872	6,990	7,069
Depreciation	302	484	485	388	319	274
Interest Expense	87	80	80	80	80	80
Contingency		2,021	2,839	3,224	3,350	3,476
Total operating expenses	28,359	49,420	63,430	75,160	77,952	79,834
ADVISORY SERVICES & PROJECT ACCELERATION						
VIA Rail	24,951	12,500	-	-	-	-
Accelerator program		1,100	16,000	16,000	16,000	16,000
Total delivery cost	53,310	63,020	79,430	91,160	93,952	95,834
Net loss before government funding	(105,559)	(100,367)	(403,158)	(540,818)	(606,809)	(727,905)
GOVERNMENT FUNDING						
Investment appropriations	221,000					
Operating appropriations	53,008	62,739	78,852	90,310	92,861	94,743
Capital appropriations	302	281	578	849	1,091	1,091
Government future appropriations	-	300,000	1,990,000	2,830,000	3,360,000	4,240,000
	274,310	363,020	2,069,430	2,921,160	3,453,952	4,335,834
Net income and comprehensive income	\$ 168,751	\$ 262,654	\$ 1,666,272	\$ 2,380,342	\$ 2,847,143	\$ 3,607,929

Accounting presentation of the financial statements is based on CIB's interpretation of the relevant accounting standards and is still subject to concurrence from CIB's Joint Auditors, and therefore is subject to change.

Assumptions – Pro-forma Statement of Income and Comprehensive Income

1. Fiscal 2020-21 numbers reflect actual results.
2. Interest income is comprised primarily from accrued interest from our investments plus interest earned on cash balances
 - a. Interest Revenue is based on total effective interest (capitalized interest plus accretive interest) less the amortization of the loan provision.
 - b. The full loan provision is based on the present value of the fair value difference between market rate and the effective interest rate plus the expected credit losses on our loans.
 - c. The loan provision is amortized over the life of the loan to the income statement through the amortization of discount and the amortization is recorded as a contra to interest revenue with the completion of each draw down.
3. Interest income from future investments: Given CIB's unique approach to financing projects, the timing and amount of revenue on new commitments can vary significantly across deals, making revenue streams difficult to predict. We have assumed a baseline income for new investments to equal 1 percent of funded investments. For reasons of simplicity, we've assumed these are debt financed, however a number of them could take on the form of equity investments.
4. Compensation includes projected salaries, short-term and long-term incentives, benefits and payroll related taxes. More detail is provided in the following pages.
5. Professional fees include assumptions for deal related consulting expenses and will fluctuate commensurate with deal activity.
6. Administration expenses include Travel, Communication, Information Technology, Premises and Equipment and Administration expenses.
 - a. Travel expenses include airfare, lodging/hotel, and meals. Expenses are based on an assumed cost per employee for each department. As the company grows, the volume of travel related to stakeholder outreach, shareholder and governance meetings, investment due diligence and conferences is expected to increase.
 - b. Communication expenses are based on the current annual run rate plus expected deal volume.
 - c. Information Technology expenses include assumptions for core systems and website development, as well as desktop and software support. This expense is expected to grow as new tools are implemented to increase efficiencies and productivity.
 - d. Premises and Equipment is based on projected rental operating expenses for the 150 King Street which is the Toronto head office location and a nominal amount for existing satellite office space in Montreal.
 - e. Administration expenses include general and administrative expenses including, telephone, office supplies and training which are based on an assumed cost per employee for each department and other expenses such as insurance and non-recoverable HST/GST.
7. Depreciation and Interest Expense: Due to the adoption of IFRS 16, interest expense is recognized on the lease liability and depreciation is recognized on the right-of-use lease asset. In addition, depreciation includes projected amounts for leasehold improvements, furniture and equipment and computer equipment. Computer equipment (a capital expenditure) is increased annually for each additional new hire.
8. Due to the early stages of the CIB's operations, a contingency of 10% of operating costs, excluding compensation, has been included to account for uncertainties in estimates.
9. Project development and advisory fees include a provision for costs related to the accelerator program that do not meet the requirements for capitalization and consulting expenses for development studies completed on behalf of the VIA Rail JPO.
10. Government funding (appropriations) are requested quarterly to provide funding for operations, equipment, and requested as required for investment activities.

Assumptions – Resource Growth and Compensation

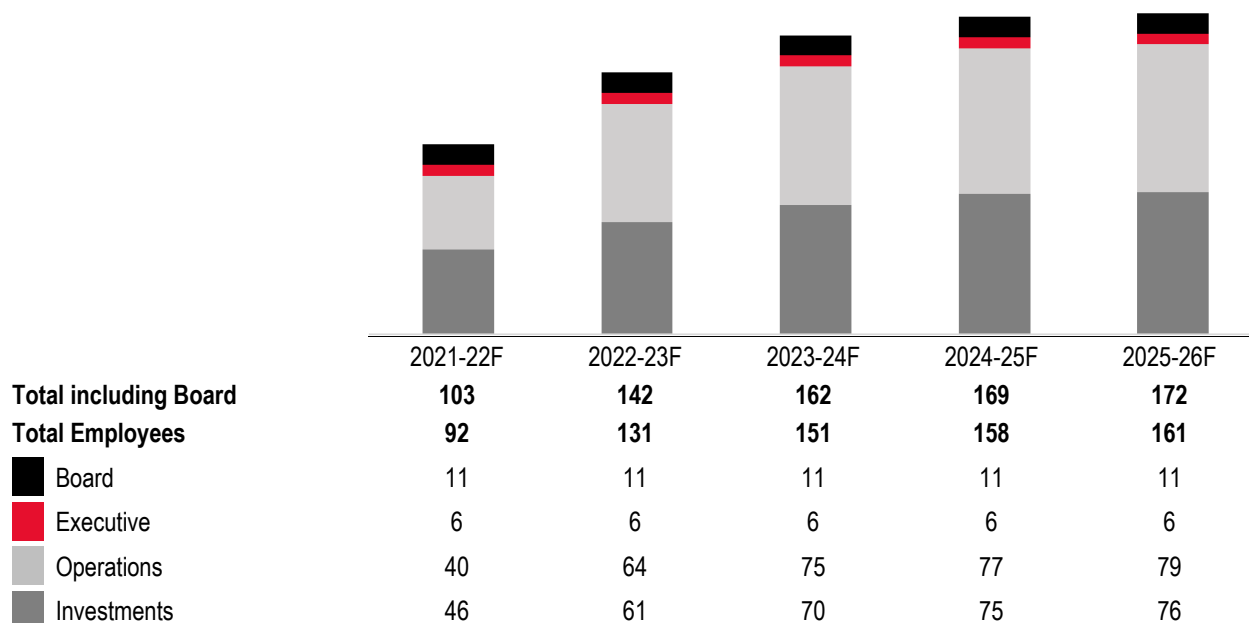
The CIB had budgeted for 86 employees as of March 31, 2021. The current staffing plan entails increasing the full-time equivalent complement in 2021-22 to 92 employees. Human resource costs will increase in step with head count. The CIB will continue to be efficient in aligning its resources to its responsibilities. Independent contractors and consultants and Board members are excluded from the above numbers; when including the Board, the staff and director complement is expected to peak at 172 in 2025-26.

The Executive team continuously monitors and manages long-term staffing requirements to execute on the mandate, and the focus continues to be on resourcing CIB predominantly with full-time employees. Contractors and professional service firms are used to supplement resources when CIB faces short term increases in activity levels or special projects. Contractor and professional service costs are included in the Professional Fees line in the financial statements, and such services are subject to CIB's Procurement Policy.

We are committed to the principles of the *Pay Equity Act*. We maintain a formal compensation structure to establish pay on the basis of objective factors, including external survey data, required qualifications including education and experience. Annually, we review this structure to continually assess and enhance our practices. We monitor regularly to ensure an equitable compensation structure for all employees.

The following chart outlines the anticipated growth trajectory in full-time employees by department as well as total head count including Board members.

Projected Long-term Headcount



Pro-forma Statement of Changes in Equity (UNAUDITED)

(in thousands of Canadian dollars)

For the 12-month period ending March 31	F2020-21	Planned				
		F2021-22	F2022-23	F2023-24	F2024-25	F2025-26
Balance, April 1	\$ 1,075,441	\$ 1,244,192	\$ 1,506,845	\$ 3,173,117	\$ 5,553,459	\$ 8,400,601
Net income and comprehensive income	168,751	262,654	1,666,272	2,380,342	2,847,143	3,607,929
Balance, March 31	\$ 1,244,192	\$ 1,506,845	\$ 3,173,117	\$ 5,553,459	\$ 8,400,601	\$ 12,008,530

Pro-forma Statement of Cashflows (UNAUDITED)

(in thousands of Canadian dollars)		Planned				
For the 12-month period ending March 31	F2020-21	F2021-22	F2022-23	F2023-24	F2024-25	F2025-26
Cash provided by (used in):						
Operating activities:						
Net income	\$ 168,751	\$ 262,654	\$ 1,666,272	\$ 2,380,342	\$ 2,847,143	\$ 3,607,929
Items not involving cash:						
Interest income accrued on loan receivable	(21,721)	(22,085)	(22,454)	(22,892)	(23,212)	(23,600)
Interest income from future investments	-	(1,500)	(12,965)	(37,180)	(68,372)	(106,684)
Return of capital from Accelerator program	-	-	(55)	(855)	(1,655)	(2,455)
Provision for losses	73,996	60,931	359,202	510,585	606,096	764,810
Interest expense on office lease	87	80	80	80	80	80
Depreciation – Right-of-use asset	261	261	261	261	261	261
Depreciation – Property and equipment	302	223	223	127	57	12
Depreciation of deferred capital funding related to capital expenditures	(302)	(223)	(223)	(127)	(57)	(12)
Change in deferred liabilities	1,122	2,229	382	166	100	33
Changes in non-cash working capital:						
Government funding related to operating expenditures	3,170	(11,004)	(2,147)	(2,544)	(727)	(461)
Transaction costs	(1,067)	-	-	-	-	-
HST receivable	(2,526)	44	(1,006)	(342)	(117)	(114)
Prepaid expenses and advances	(35)	-	-	-	-	-
Accounts payable and accrued liabilities	198	8,696	2,737	2,685	709	507
Deferred government spending related to investment expenditures	(221,000)	-	-	-	-	-
Loan disbursements	(221,000)	(300,000)	(1,990,000)	(2,830,000)	(3,360,000)	(4,240,000)
Total cash (used in) provided by operating activities	(219,765)	306	308	307	307	307
Financing Activities:						
Deferred government funding related to capital expenditures	822	334	(28)	(185)	(264)	(317)
Payment of lease liabilities	(308)	(306)	(308)	(307)	(307)	(307)
Total cash provided by (used in) financing activities	514	28	(336)	(491)	(570)	(623)
Investing Activities:						
Acquisition of property and equipment	(822)	(334)	28	185	264	317
Total cash used in investing activities	(822)	(334)	28	185	264	317
Cash, beginning of the period	221,768	1,695	1,695	1,695	1,695	1,695
Net decrease in cash during the period	(220,073)	-	-	-	-	-
Cash, end of the period	\$ 1,695	\$ 1,695	\$ 1,695	\$ 1,695	\$ 1,695	\$ 1,695

Accounting presentation of the financial statements is based on CIB interpretation of the relevant accounting standards and is still subject to concurrence from CIB's Joint Auditors, and therefore is subject to change

Operating Budget

Excluding project development and advisory activities, the final audited operating costs for fiscal 2020-21 was \$28 million. The original operating budget of \$41 million reflected assumptions for higher external deal related professional fees which were not incurred due to the delayed closing of deals and headcount which were impacted by timing of hiring and activity that ultimately increased in the last half of the year due to Growth Plan activity. For 2021-22, the planned operating costs are \$49 million and the forecasted total operating budget over the five-year planning period is \$346 million.

CIB undertakes project development and advisory activities. The JPO with VIA Rail increases CIB's operating cash budget by \$55 million over multiple years. The JPO was established in fiscal 2019-20. The majority of the funding was expected to be used in fiscal 2020-21, however, certain activities, which were beyond the control of the CIB, were delayed and were paused to ensure prudent management of costs until clarity on next steps was provided. As a result, CIB has re-profiled the prior year's unused VIA Rail JPO budget into the current fiscal year corporate plan. The CIB currently anticipates that as of April 1, 2022, the CIB will continue to make funding remaining from the JVA period available for the HFR Project and will continue to provide advisory services and support services to the federal government on the HFR Project. Any further HFR expenses related to third party advisors may be funded by the CIB, and subject to obtaining the necessary authorities, approvals and appropriations, and subject to entering into a Memorandum of Agreement between Transport Canada and the CIB, Transport Canada will reimburse the CIB for the continued funding provided by the CIB as agreed upon by the parties. Funding for the HFR project was announced in the Federal budget on April 7, 2022, and the finalization and execution of the Memorandum of Agreement is contingent on Transport Canada receiving the necessary authorities for such expenditures. The CIB will fund its own advisory services to the Government on the HFR Project.

Project acceleration activity is also included in the operating cash budget at a total of \$65 million over the planning period. These expenditures expedite the advancement of projects to shorten project critical paths. These expenses are expected to be recovered as revenue once a project proceed with either CIB and/or private capital.

The operating budget is based on staffing plans and compensation assumptions previously described, including costs for employees, directors and contractors, as well as benefits and performance pay. It is adjusted for capital appropriations that were deferred on the balance sheet and reduced annually through operating appropriations on the income statement, as well as payments relating to base rent which are not directly expensed to the income statement as a result of IFRS 16 lease accounting.

The budget also includes planned costs for travel and communications, IT and administration, professional fees, and a contingency. An overall contingency of 10% of non-compensation costs has been added because the pace of due diligence activity is difficult to predict. If activities occur on an accelerated pace, additional resources will be required. Increase in costs over the planning period is due to higher headcount and related transaction activity.

Operating Budget (UNAUDITED)

(in thousands of Canadian dollars)

For the 12-month period-ending March 31	F2020-21	Planned				
		F2021-22	F2022-23	F2023-24	F2024-25	F2025-26
Expenses:						
Compensation	\$ 17,742	\$ 27,800	\$ 32,200	\$ 39,700	\$ 41,100	\$ 41,600
Professional fees	7,809	14,774	21,682	24,896	26,114	27,336
<i>Investment</i>	4,149	10,369	17,308	20,434	21,563	22,694
<i>Operations</i>	3,660	4,405	4,374	4,462	4,551	4,642
Administration	1,032	1,582	2,501	2,663	2,728	2,788
Travel and communication	294	1,168	2,117	2,649	2,682	2,702
Information technology	464	840	857	874	890	909
Depreciation	302	484	485	388	319	274
Premises and Equipment	629	671	669	686	689	669
Interest Expense	87	80	80	80	80	80
Contingency	-	2,021	2,839	3,224	3,350	3,476
Total operating expense	28,359	49,420	63,430	75,160	77,952	79,834
Advisory services & Project Acceleration						
VIA Rail	24,951	5,000				
VIA Rail Reprofiled budget		7,500				
Revised VIA Rail	24,951	12,500				
Accelerator program		1,100	16,000	16,000	16,000	16,000
Total delivery cost	\$ 53,310	\$ 63,020	\$ 79,430	\$ 91,160	\$ 93,952	\$ 95,834

Capital and Investment Budget

The final, audited capital and Investment amount for 2020-21 was \$222 million (inclusive of investments and other corporate assets). The original investment budget for 2020-21 was \$2.171 billion. The variance was due to planned funding of investments that were not finalized during the year. As is the nature of long-term infrastructure investing actual funding will be dependent on timing of financial close, which will often vary from estimates. Over the five-year planning period, the total financial close forecast is \$22.3 billion and includes sufficient contingency to ensure the CIB is not constrained to deploy capital on important infrastructure projects. Based on the total financial close forecast of \$22.3 billion, the 5-year capital funding budget is \$12.7 billion. The forecasted capital costs include both new and existing investment commitments and corporate assets (such as computer software and equipment and furniture).

The CIB provides flexible financing terms to accelerate transactions and enable projects to proceed. This results in less visibility on the timing of the deployment of capital. We expect that the majority of transactions will require capital to be deployed based on construction spend over the life of the construction period.

Therefore, it is prudent for the CIB to ensure there is a sufficient capital budget each year to appropriately meet funding needs. Based on this, the CIB is currently assuming that each project will expect to fund 20% of total commitments each year, over a 5-year period. However, the timing for actual funding will reflect the terms of each investment, which could vary from the forecast shown in the table below.

The total forecast for the deployment of capital includes funding for existing investment commitments, a forecast based on projects reaching financial close, and a provision for contingency. This contingency supports the execution of the CIB's investment approach which provides flexible funding terms as required to advance projects. As more transactions reach financial close and are reclassified from 'Future Investments' to 'Loans Receivable' or equivalent, the funding forecast (i.e. increase to the future investment balance) will be updated based on the actual funding forecast provided at financial close, and periodically over the construction life, which may continue to create variances in future corporate plans. However, as our portfolio grows and the company matures, we also expect our forecasting to mature.

Funding of Investment Commitments (UNAUDITED)

(in thousands of Canadian dollars)	Planned								
	As at March 31	Pre-2021	F2020-21	F2021-22	F2022-23	F2023-24	F2024-25	F2025-26	Total
New Investment Funding Commitments	\$ -	\$ -	\$ 300,000	\$ 1,990,000	\$ 2,830,000	\$ 3,360,000	\$ 4,240,000	\$ 12,720,000	
Existing Investment Commitments	1,062,000	221,000							1,283,000
Corporate Assets/Leaseholds	1,848	822	523	217	152	133	122		3,817
Capital and Investments	\$ 1,063,848	\$ 221,822	\$ 300,523	\$ 1,990,217	\$ 2,830,152	\$ 3,360,133	\$ 4,240,122	\$ 14,006,817	

This is based on planned schedule of CIB Financial Closes

	Pre-2021	F2020-21	F2021-22	F2022-23	F2023-24	F2024-25	F2025-26	Total
Investments reaching financial close	1,283,000	407,500	3,300,000	3,900,000	4,800,000	5,000,000	5,300,000	23,990,500

The CIB anticipates that these investments will follow the sectoral breakdown outlined in Section 4 of this corporate plan.

PSAS Reporting

Given the CIB reports to government in accordance with PSAS, the table below is provided to help summarize the expected investment provisions as they would be recognized under PSAS. For periods after fiscal 2021-22 the table indicates no differences between PSAS and IFRS because deal structures, which drive the resulting accounting, are unknown.

Expected Investment Provisions under PSAS (UNAUDITED)

(in thousands of Canadian dollars)	Planned							
	For the 12-month period ending March 31	F2020-21	F2021-22	F2022-23	F2023-24	F2024-25	F2025-26	Total
Provision for existing portfolio	\$ (73,996)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (73,996)
Future Commitment Provision/ Credit Losses		(60,931)	(359,202)	(510,585)	(606,096)	(764,810)		(2,301,625)
	\$ (73,996)	\$ (60,931)	\$ (359,202)	\$ (510,585)	\$ (606,096)	\$ (764,810)		\$ (2,375,621)

APPENDIX F – Risk and Risk Responses

The CIB mandate to provide infrastructure gap financing and the nature of our activities requires us to assume higher risks than those the private sector is willing or able to accept. By assuming higher risk, we are able to attract greater private sector investment allocation to the infrastructure asset class. Risks are managed and mitigated through an Enterprise Risk Management (ERM) program, and by building and promoting a strong risk culture across the organization.

As discussed in section three of this corporate plan, the adoption of a revised ERM Framework and Policy along with adjustments to Credit Policies and Procedures, employee training and the establishment of risk culture is ongoing.

Where risks are assumed in line with CIB's focus on achieving key outcomes and private sector-catalyzing mandate, they will be clearly identified, assessed and described in the context of the estimated Expected Credit Loss (ECL), which is the primary basis for risk assessment in the decision-making process.

CIB's Risk Management Approach

The CIB recognizes that assuming some level of risk is an essential part of doing business, in particular given the context of our specific mandate and business model, which differ materially from those of traditional financial institutions. The measurement of risk against the public impact outcome expectation is evaluated at the management level and put forward for recommendation to the Board on this basis.

Given the unique CIB mandate, ERM remains focused on completing the design and implementation of an integrated risk management approach within each department via processes, procedures and a strong risk culture in order to address and mitigate potential challenges early and efficiently, so as to create value for the organization.

Risk Governance Model

The CIB's risk governance model is supported by:

- a risk taxonomy;
- a Risk Appetite Statement, which articulates the amount of risk the organization is willing to accept in pursuit of its objectives;
- an Enterprise Risk Management Framework;
- an Enterprise Risk Management Policy, and;
- Risk management processes and procedures.

Risk Management Framework and Policy

The CIB's ERM Framework is intended to provide for effective risk management and controls to be implemented across the organization, and to ensure risks are managed effectively and in compliance with market best practices, the CIB's governance and legislative requirements.

Our ERM Policy, which was last reviewed and approved by the Board in November 2020, establishes the high-level principles that enable the CIB to manage and mitigate the key risks to which it is exposed as a result of our investing, lending, business development, advisory, infrastructure data and operational activities. The policy applies to all CIB employees and activities.

Investment Risk Rating Methodology

The CIB has developed an in-house internal risk rating methodology to support the CIB's Investments team through its evaluations and resulting investment risk rating for each investment under consideration. The methodology provides for a consistent approach for risk rating Project Finance and Single Purpose Vehicle Borrowers in accordance with best market practices. Development and adoption of an internal Corporate Debt Rating Model for corporate borrowers is under way. The underlying Risk Rating for a borrower constitutes a fundamental input to the assessment of CIB's Expected Credit Loss (ECL) calculation, which in turn provides a quantitative method of tracking ECL against the \$15 billion fiscal expense, followed by related internal reporting.

Risk-Related Policies and Procedures

A dedicated digital repository has been created where all CIB policies and procedures, including risk-related ones, are classified, stored and available to all employees.

Information security and information management policies are in place, including IT-related procedures with respect to cybersecurity, business continuity and acceptable use of technology, as well as the corresponding training and testing.

An operational risk management program has been developed with key risk indicators reported to the Board each quarter.

APPENDIX G – Legislative and Policy Compliance

The CIB is governed by the *Canada Infrastructure Bank Act*, and is subject to the general governance framework for Crown corporations in the *Financial Administration Act* (“FAA”) Part X. and to other federal legislation and policies that apply generally to Crown corporations, including:

- *Access to Information Act*
- *Canada Labour Code*
- *Canadian Human Rights Act*
- *Canadian Multiculturalism Act*
- *Conflict of Interest Act*
- *Employment Equity Act*
- *Financial Administration Act*
- *Impact Assessment Act*
- *Official Languages Act*
- *Privacy Act*
- *Public Servants Disclosure Protection Act*

The CIB also complies with Treasury Board policies, Governor in Council directives that apply generally to Crown corporations. The CIB has not received a ministerial directive under section 89 of the *Financial Administration Act*.

To manage and mitigate compliance risk, the Board approved the CIB’s Corporate Governance and Compliance Policy Framework (the “Framework”), which is maintained by the General Counsel & Corporate Secretary and describes the principles and activities for the development and ongoing review of the CIB’s corporate policies and related procedures. The Framework also catalogues the CIB’s various legislative and policy compliance requirements and describes the CIB’s reporting requirements and other obligations under its legislative accountabilities. The Human Resources and Governance Committee of the Board monitors the Framework and receives regular reports from the General Counsel & Corporate Secretary on the CIB’s compliance obligations, including new federal requirements.

The following illustrates the CIB’s efforts to comply with a selection of the legislation and policies to which it is subject.

Access to Information Act

The CIB is committed to transparency and meeting its obligations under the *Access to Information Act*, while respecting the confidentiality of commercially sensitive information. In our mandate of investing, and seeking to attract investment, in infrastructure projects in the public interest, the CIB will respect commercial confidentiality with investors and will strike a balance between the public’s right of access and

the protection of privileged information in relation to the proponents of, or private sector investors or institutional investors in, infrastructure projects pursuant to section 28 of the CIB Act.

The CIB's Access to Information Procedure describes the general principles and practices CIB has implemented to assist requesters and provide complete, accurate and timely responses to requests made under the *Access to Information Act*. The CIB also regularly delivers training and education sessions on access to information to make its employees aware of their duties and legal responsibilities under the *Access to Information Act*.

The CIB publishes on its website the annual report submitted to Parliament on the administration of the *Access to Information Act*, including the statistics on requests for access to information. The disclosure of travel and hospitality expenses for the members of the Board, the CEO and senior executives is proactively published on our website within 30 days after the end of the month of reimbursement.

Employment Equity Act

The CIB is committed to building a workforce that reflects the gender, linguistic and cultural diversity of Canada and is developing a diversity and inclusion strategy to ensure that the CIB is an inclusive workplace that can attract, hire, retain and promote talent for diverse backgrounds. The CIB has created a diversity and inclusion committee comprised of employees from across the organization to contribute to and guide goals and actions that support a positive, respectful, and productive workplace.

Canadian Human Rights Act

The CIB is committed to providing equal employment opportunities with regard to hiring, compensation, promotion, training, and other terms of employment for all persons. The CIB's obligations under the *Canadian Human Rights Act*, and its value to promote a diverse, inclusive and respectful workplace are embedded in the Code of Conduct for Employees and the Respectful Workplace Policy, which were reviewed and updated during the 2020-21 fiscal year.

Privacy Act

The CIB is subject to the *Privacy Act* and is committed to protecting personal information and managing this information with utmost responsibility and care. The CIB has adopted the Personal Information and Privacy Protection Procedure to describe the general principles and practices that the CIB's employees and agents must follow to protect the privacy, confidentiality, and security of personal information held by the CIB. The CIB limits as appropriate the collection, use and disclosure of personal information; identifies the purposes for which this information is collected at or before the time of collection; and protects the information with the appropriate safeguards. These measures and activities are disclosed in the Privacy Policy published on the CIB's website.

Personal information collected and held by the CIB is listed in Personal Information Banks and published annually in its Info Source chapter, which describes the purpose for the collection, notes any consistent uses and specifies the retention and disposal standards of the information. The CIB delivers training and education on privacy and privacy breach awareness to make its employees aware of best practices as well as their duties and legal responsibilities under the *Privacy Act*.

Official Languages Act

The CIB has put in place a governance structure and tools to comply with Parts IV, V, VI and VII of the Official Languages Act. During the last fiscal year, the Board approved revision to the CIB's Official Languages Policy, which describes the activities the CIB has adopted to implement its obligations under the *Official Languages Act*. In addition, the CEO has approved the Guidelines on Official Languages for Communications and Services to the Public, which describe practices and procedures in place to ensure the CIB provides services to and communicates with the public in the official language of their choice.

CIB's commitment to official languages is resolute, including ensuring a sizable contingent of senior leaders are fully bilingual and supporting employees engaged in language training to improve their bilingualism. Other measures supporting official languages compliance include: a three-year action plan to ensure official languages obligations are taken into account in the CIB's organizational development; the designation of the General Counsel & Corporate Secretary as the Official Languages Champion responsible for providing leadership in the development of policies and the implementation of measures to promote official languages; an in-house translation resources; regular attendance of official languages meetings with federal stakeholders; and training and awareness sessions to employees on issues that pertain to Part IV, V, VI and VII of the *Official Languages Act*.

Trade Agreements

As a Crown corporation, the CIB sets its own principles, policies and procedures in respect of the procurement of goods and services. The CIB's Procurement Policy and the Procurement Procedure reinforces the CIB's commitment to open, transparent and non-discriminatory procurement practices. During the last fiscal year, the CIB has established internal processes so that each new procurement for goods and services is assessed against the procurement procedure and against obligations under applicable trade agreements. All procurement opportunities meeting the trade agreement thresholds are posted publicly to ensure equal access to all qualified suppliers, while acknowledging that the CIB reserves the right to engage in non-competitive procurements in appropriate circumstances. As is required and requested, related reporting is submitted to government.

Values and Ethics

CIB has adopted a Code of Conduct for Employees and companion policies that reflect the highest standards for good governance, integrity and transparency. The Code of Conduct for Employees incorporates the Values and Ethics Code for the Public Sector and describes the guiding principles and the following seven guidelines for ethical conduct that all employees must demonstrate to exercise sound, ethical judgment in their actions and decisions:

- We promote a diverse, inclusive and respectful workplace;
- We maintain a healthy, safe and secure workplace;
- We communicate openly and honestly;
- We avoid and disclose conflicts of interest;
- We decline inappropriate gifts, hospitality and other benefits;
- We protect the CIB's assets and information; and
- We comply with laws and regulations.

Each employee is required, upon joining the CIB and annually thereafter, to certify their compliance with the Code of Conduct and acknowledge that they have a duty to prevent, correct and promptly report their knowledge of a potential breach of CIB's policies.

The CIB has also adopted the Disclosure of Wrongdoing Policy for Employees, which describes the internal procedures for employees to disclose wrongdoing in the workplace or breach of the CIB's policies, legislation or regulations. The CEO has designated the General Counsel & Corporate Secretary as the Senior Officer accountable for supporting the CEO in meeting the requirements of the Public Servants Disclosure Protection Act.

Conflict of Interest Act

The Board has adopted a Code of Conduct and Conflict of Interest Policy for Directors. Directors must annually review and affirm their commitment to and compliance with these policies, which incorporate the duties and responsibilities under the *Conflict of Interest Act* and the Ethical and Political Activity Guidelines for Public Office Holders released by the Privy Council Office.

Violence and Harassment in the Workplace

The CIB is committed to providing a safe, healthy and supportive workplace environment that is free of sexual harassment, harassment, violence, and discrimination, and where persons are treated with respect, fairness and courtesy. During the 2020-21 fiscal year, the CIB reviewed and updated the Respectful Workplace Policy to comply with the amendments to the Canada Labour Code under Bill C-65 and the Workplace Harassment and Violence Prevention Regulations. All employees are required to complete mandatory training on how to recognize, minimize, prevent and respond to harassment, violence and discrimination in the workplace.

APPENDIX H – Government Priorities

The CIB's priorities and activities focus on the infrastructure and investment spaces, and therefore are aligned with the government's *Investing in Canada* infrastructure plan. CIB activities also align with government-wide priorities in the following key areas.

Transparency and Open Government

CIB supports and promotes the government's priorities towards openness and accountability in a number of areas. CIB openly reports to Canadians about its operations, investments and decision-making processes, while still respecting the confidentiality of commercially sensitive information obtained from partners and counterparties, as required under the CIB Act and the *Financial Administration Act*.

An important initiative towards supporting this priority is the CIB's Communications and Stakeholder Relations Policy. The policy describes the guidelines adopted to ensure the CIB's internal and external communications are well coordinated, effectively managed and responsive to the diverse needs of CIB's stakeholders. In accordance with our policy, we make available the following information on our website:

- Quarterly financial reports;
- Summary corporate plans, including operating budgets and capital budgets, once submitted to the Minister and tabled in Parliament;
- Annual reports of our operations, including annual audited financial statements and auditor's report, once submitted to the Minister and tabled in Parliament;
- Travel and hospitality expenses incurred by Board members and senior executives;
- Annual reports on the administration of the *Access to Information Act* and the *Privacy Act*; and
- Annual public meetings and related documents.

The CIB is also committed to the full transparency of our human resources and compensation strategies and operational procedures, and provided a comprehensive, bilingual response to a request for information from the Standing Committee on Transport, Infrastructure and Communities.

CIB proactively publishes its completed access to information request summaries on the Open Government portal (open.canada.ca) within 30 days of the end of the calendar month in which the requests were closed. CIB also expects to publish its Info Source inventory of information holdings, as well as relevant details about personal information under its control, in 2020.

Each year, CIB holds an annual public meeting to share financial and operational results as well as information on other priorities and plans. The public meeting provides an opportunity for the public to provide feedback and engage in a dialogue with the CIB's Board and CEO on matters directly relating to its business and operations. Following the public meeting, CIB publishes on its website the related proceedings, presentations and responses to questions. The annual public meeting took place on April 23, 2021, with the next planned for June 15, 2022.

CIB will continue to support increased transparency of its activities, operations, investments and decision-making processes over the planning period. This effort will include providing increased disclosure and access to information by employing a variety of ways and means – from traditional methods to digital approaches – to communicate to Canadians.

Gender-Based Analysis Plus (GBA+)

In development of an Investment Framework, the CIB has expressly made outcomes the focal point for articulating the expected return of any CIB potential investment. The CIB recognizes that in assessing outcomes, it is important to understand what will be the impacts of its activities and investments, including gender and diversity considerations.

The CIB now considers its return on investments in how they achieve benefits for Canadians, particularly in the areas of GHG reduction, connecting Canadians, increasing economic growth and addressing the Indigenous infrastructure gap.

Building on the outcomes focus of the Investment Framework, the CIB will undertake steps to incorporate the tracking and measuring of gender and diversity outcomes in the CIB's assessment of its investment portfolio.

Diversity and Employment Equity

The CIB has a diverse Board of Directors. Board members reflect gender, linguistic, cultural, and regional diversity. The CIB also seeks to reflect the diversity of Canada's population when recruiting for and filling available positions. We believe in creating a workplace that is grounded in mutual respect and supportive. Our values reflect a culture that is diverse, respectful and inclusive.

The CIB has a Diversity and Fair Employment Practices Policy, which states in part that:

“The Bank is committed to providing an inclusive, equitable, and respectful work environment for its employees, where diversity is valued. We will strive to attract, hire, and provide fulfilling careers for highly talented individuals with diverse backgrounds and experiences and to create an inclusive environment to which our employees can bring a range of knowledge, ideas and approaches. The Bank supports and is firmly committed to observing the laws, regulations, and most importantly the spirit pertaining to fair employment practices.”

With approximately 86 people, the CIB is very mindful of being a model for inclusion and diversity. For example, 49 percent of our team members identify as visible minorities, 42 percent identify as women, and 22 percent are bilingual.

In 2021 the CIB conducted a diversity and inclusion survey to establish a baseline of information. The CIB also created a diversity and inclusion committee of employees from across the organization to contribute to and guide goals and actions that support a positive, respectful, and productive workplace.

Indigenous and Northern Interests

CIB will contribute to the government's commitment to achieve reconciliation with Indigenous communities, and to establish and maintain mutually respectful relationships.

Separately from the CIB's mandate and its administration of any program directed towards Indigenous investment in infrastructure projects, the CIB recognizes that the CIB has independent obligations to respond to the Crown's duty to consult, and where appropriate, accommodate Indigenous communities when the Crown considers activity that might adversely impact potential or established Aboriginal or treaty rights. The CIB will work with government departments or other governments to coordinate consultation.

Through its active engagement and outreach activities, CIB meets with various groups across the country. Indigenous communities and organizations, along with stakeholders representing northern territories have pressed for considerations of the unique infrastructure gaps facing their communities and regions. CIB has met with all three territorial governments to discuss their overall priorities and to identify potential projects for CIB involvement. CIB will continue to explore opportunities to work with Indigenous and Northern communities to understand the challenges and opportunities relevant to these communities' infrastructure needs, including how they intersect with our mandate.

In March 2021, the CIB launched the ICII, with the aim of building new infrastructure projects in Indigenous communities. The initiative will generate more investments in projects that are vital to economic growth and environmental protection with Indigenous communities across Canada. This ICII was developed with input from Indigenous leaders, communities, and infrastructure organizations, to create an initiative that will support access to capital for community-based projects.

We are also actively investing in Indigenous communities across Canada and have set a target to invest at least \$1 billion in Indigenous infrastructure across our priority sectors. For example, our recent investment in the Oneida Energy Storage project, which is a partnership between NRStor Inc and Six Nations of the Grand River Development Corporation, is responsible for building the largest energy storage facility in Canada. This project will contribute to clean, renewable energy options for Indigenous communities, as well as economic prosperity and growth.

This year we also expanded our specialized Indigenous investment team. This team is dedicated to providing advice and developing projects with Indigenous communities and will conduct internal due diligence on all project investment opportunities.

Sustainable Development

The CIB makes investment commitments to projects that are in the public interest. One factor we consider is whether a project contributes to the sustainability of infrastructure in Canada. This could mean, for example, that a project contributes to the government's ability to fund and maintain critical infrastructure assets for the benefit of Canadians over the long term, or that it would result in positive climate impacts and community benefits.

Investing in a low-carbon future for all Canadians is a driving force behind many of our investments. As set out in the Statement of Priorities by the Minister of Infrastructure and Communities for the CIB, a significant portion of our mandate is dedicated to investing in green infrastructure projects and ensuring that meaningful progress is made in reducing GHG emissions and creating a sustainable future for all Canadians.

This year the CIB also established its first Sustainability Working Group. The group is comprised of leadership and representatives from across the organization, to ensure a wide range of input and perspective on sustainability issues impacting the CIB, such as policy and sustainability-focused outputs for the organization. We also regularly liaise with other climate-action focused stakeholders in our industry and participate in the Crown Corporations Greening Community of Practice (CCGCP).

The CIB is also in the process of compiling and publishing our first climate-related financial disclosures (TCFD) report. This report will demonstrate the CIB's commitment to full transparency regarding the climate opportunities and risks surround our investments and projects, and the full-scale impact of our work on the climate.

Safe Workspaces

CIB recognizes that all employees have the right to work in a safe and healthy environment. Employees have the right to be informed of known or foreseeable hazards in the workplace, to participate in identifying and correcting job-related health and safety concerns, and to refuse dangerous work. At all times, CIB and its employees are required to observe and comply with the requirements of Part II of the Canada Labour Code (Occupational Health and Safety), the Canada Occupational Health and Safety Regulations, any applicable government directives, and with internal policies. CIB will provide health and safety information and training to employees and temporary/contract staff as required.

All CIB executives and employees have a responsibility to take all reasonable and necessary precautions to ensure their own health and safety as well as that of other employees and of any person likely to be affected by acts or omissions. Employees are in the best position to identify any health and safety issues and to recommend and develop appropriate solutions, including implementing reasonable measures to secure CIB's facilities and to promptly and diligently respond to workplace accidents or other emergencies.

We are also committed to providing a respectful workplace and culture that does not tolerate or condone workplace harassment, sexual harassment, discrimination or violence. CIB has a Respectful Workplace Policy, the purpose of which is to minimize the risk of violence or harassment occurring in the workplace and to provide a process to be followed should an alleged incident or incident take place, or should an employee become aware of a potentially violent or harassing situation.

As a result of the COVID-19 pandemic, we safely transitioned all of our CIB employees to remote work operations. We are also in the process of finalizing a business continuity plan to support staff for a safe return to the office in 2022, pending public health guidelines and direction.

Following the Government of Canada's announcement of its intention to require vaccination in the public sector and federally regulated workplaces, all CIB employees will be required to provide proof of two valid doses of COVID-19 vaccination or proof of exemption to enter CIB offices, effective October 1, 2021. The CIB is committed to follow all public health guidelines in order to maintain a safe and healthy workplace.

Accessibility

CIB strives at all times to provide services in a way that respects the dignity and independence of persons with disabilities. We are committed to providing access to our facilities and delivering excellent service at all times in a way that respects the dignity and independence of all of our clients and visitors.

Pay Equity Act

The *Pay Equity Act* was enforced by the Government of Canada on August 31, 2021 to close the gender wage gap and ensure that workers receive equal pay for work of equal value. The CIB is in the initial stages of analyzing, developing, and implementing an internal pay equity plan which is in line with the *Pay Equity Act* legislation and will complete its review within three years from that date.

APPENDIX I – COVID Impacts and Response

Like many organizations, the CIB was impacted by the COVID-19 pandemic. Fortunately, given the nature of CIB operations, we were able to quickly adjust and ensure limited business or work disruptions for our teams and the stakeholders we work with. Throughout the pandemic, the CIB was able to continue business as usual and grow our workforce and expand our investments across Canada.

Internal Operations

At the start of the pandemic in March 2020, the CIB quickly transitioned to remote work, as per the guidance of public health officials. All employees were supplied with the necessary technology needed to continue with their jobs from a remote environment. All CIB employees were also provided with a one-time taxable benefit of \$750, to be used towards the purchase of needed home office equipment or furniture. We also ensured that each employee had sufficient IT support to get their at-home operations set up and running smoothly. The process was quick, efficient, and seamless, thus allowing for no work disruptions for CIB employees.

A Business Continuity Plan and Pandemic Response Committee was established in March 2020. The committee included representation from each functional group across the organization and set out to respond to pandemic related issues, employee health and wellness and strategize return to the office planning. Collaboration and empathetic leadership have been the key to our success throughout the pandemic.

The CIB's workforce has grown by 64.6 per cent since the start of the pandemic. We have actively and successfully recruited, hired, and onboarded 47 employees since the start of the pandemic. We created a virtual recruitment and onboarding process, to support the ongoing hiring and orientation of new staff in a remote work environment.

Much effort has been taken to support CIB staff and increasing virtual collaboration throughout the pandemic by enhancing our technical capabilities, such as updating Microsoft Teams, increasing the number of health and wellness sessions for employees, communicating about the employee assistance program and health benefits as well as increasing the number of all-staff touchpoints. The aim was to stay connected with employees in meaningful ways, and to continue to lead with empathy.

On October 1, 2021, the CIB enacted a COVID-19 Vaccination Policy for the entire organization, as per federal government guidelines, that mandates that all employees must be fully vaccinated, with medical exceptions, and submit proof of vaccination in order to return to the office. Beginning in early 2022, when public health guidelines are gradually eased, the CIB will transition to a hybrid work environment – employees will be returning to work in the office for approximately three days a week and will work remotely for the rest of the week. The CIB continues to monitor public health guidelines and will adjust office operations and adhere to capacity limits based on government guidance.

External Operations


The CIB's external operations continued throughout the pandemic, as efforts to invest in projects accelerated. In October 2020, the CIB announced its Growth Plan—a \$10 billion, three-year plan, aimed at investing in priority sectors, such as transit for cleaner commutes including ZEBs, clean power, green infrastructure with focus on energy efficiency building retrofits, digital connectivity to significantly increase broadband access, and agriculture-related infrastructure in the context of trade and transportation expansion. As part of a broader pandemic response, the Growth Plan is intended to strengthen Canada's economic growth and accelerate Canada's transition to the low-carbon economy. The plan allows the CIB to provide low-cost and long-term capital, which creates opportunities for investors to participate in projects that would otherwise not be viable.

Since the start of the pandemic, the CIB has announced participation in over 20 new investment projects.

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