



INFRASTRUCTURE IN ACTION

Annual Report
2023-2024



The Canada Infrastructure Bank (CIB) is an impact investor advancing infrastructure projects to benefit Canadians from coast to coast to coast. The CIB works in partnership with governments, the private sector and Indigenous groups, addressing gaps in financing that can otherwise prevent projects getting built. By attracting private and institutional capital, the CIB can reduce the burden on public finances and support sustainable outcomes and economic growth for Canadians. The CIB is a Crown Corporation wholly owned by the Government of Canada.

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Accessibility

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

Message from the Board Chair

 *Canada is at a crossroads – a moment in time where what we do today will determine our future prosperity. The CIB’s objective is to invest in projects alongside private and institutional capital to grow our economy while making our country more sustainable and resilient.*

Canada is at a crossroads – a time where what we do today will determine our future prosperity. The CIB’s objective is to invest in infrastructure projects alongside private and institutional capital to grow our economy while making our country more sustainable and resilient.

Canada faces several critical infrastructure challenges: catching up on decades of underinvestment; transitioning to a clean economy while supporting our economic prosperity; responding to global challenges, and addressing long standing inequities, especially in Indigenous communities. These challenges are complex, multifaceted, and interrelated.

At the same time, there are many barriers to infrastructure investment – it is capital-intensive, has lengthy payback periods and long-time horizons, and comes with risks. It takes vision, innovation and tenacity to create nation-defining infrastructure. The railways, canals and trade networks that first connected our vast nation are the building blocks that transformed our economy into one of the most prosperous in the world. Once again, we need to make significant infrastructure investments to be more productive and competitive.

The CIB’s unique model strives to close the infrastructure gap by advancing critical infrastructure projects that are stuck. We drive public impact through our investments – unlocking economic prosperity, enabling housing, reducing greenhouse gas (“GHG”) emissions, facilitating connectivity and improving infrastructure in Indigenous communities. Importantly, our model ensures value for taxpayers. Our investments are just that – they are to be repaid over time. Our approach attracts private and institutional capital which reduces the need for Government grant funding.

It is a model gaining traction throughout other jurisdictions in Canada and globally. The launch of Ontario’s infrastructure bank - the Building Ontario Fund - was a timely example, and we look forward to working with them, and the other partners who share our vision.

It takes the contributions of many to make this vision a reality. In particular I note the work of two members of the CIB Board. Stephen Smith stepped down in January, having served

since November 2017 as a member of the inaugural Board. Stephen was Chair of the Human Resources and Governance Committee throughout his tenure. His experience and counsel were invaluable to the CIB as we matured as an organization. Subsequent to year end, Andrée-Lise Méthot also stepped down. On behalf of the Board thank you to both Stephen and Andrée-Lise for their valuable contributions.

This year also marked the departure of Tamara Vrooman from her role as Chair of the CIB Board after a three-year term. As a member of the Board throughout Tamara's tenure, I saw the exceptional leadership she showed in guiding the CIB's portfolio expansion and in expanding the CIB's mandate to support a low-carbon economy and in enhancing Indigenous partnerships. On behalf of the Board, I extend my sincere gratitude to Tamara.

I want to congratulate CIB management and our employees and partners on a strong year, with demonstrable results. The CIB has now closed 71 investments since inception, and with over half of our portfolio in construction, we are leading the way in building much-needed modern and resilient infrastructure. From improving energy infrastructure to enabling infrastructure for housing to strengthening our trade corridors, we look forward to – with our partners - building the Canada of tomorrow.




A handwritten signature in black ink, appearing to read 'JBird'.

Jane Bird

*Acting Chair of the
Board of Directors*

Message from the Chief Executive Officer

 *Infrastructure in Canada supports our quality of life and drives our collective prosperity. Whether it's clean power generation to enable the next phase of the energy transition, water treatment facilities to unlock housing development, or zero-emission vehicles and charging infrastructure for greener communities, the list is ever-growing.*

In 2023-24, we focused on driving progress and working to transform infrastructure financing across all our priority sectors. We reached financial close on 29 projects, representing \$3.7 billion of CIB investment. Across our portfolio 40 of our investments are now in active construction, delivering projects that will help people get around to work and family, enable more productive crops, generate clean power, improve supply chains to get goods to market more quickly and efficiently, and build the foundational infrastructure to enable more housing starts.

Within our core mandate, we have demonstrated our ability to respond to emerging priorities. Budget 2023 identified a role for the CIB as the primary financing tool for supporting the Clean Power sector, and we have stepped up with investments towards an increased \$10 billion investment target. Housing is an all-hands-on-deck priority, and, following a request from the Minister of Housing Infrastructure, and Communities in the fall of 2023, we quickly launched a new initiative to enable housing through infrastructure in support of getting more homes built.

We have made significant progress working in partnership with Indigenous communities. Our Indigenous Equity Initiative (IEI) enables Indigenous communities to obtain equity ownership stakes in infrastructure projects within their traditional territories. Our first loan to be made under the IEI means 13 Mi'kmaw communities will now have equity in the Nova Scotia Energy Storage Project, the largest energy storage project in Atlantic Canada to date. In total, we have now reached financial close on 14 investments in direct partnership with Indigenous Communities and economic development corporations, with a total value of \$501M – more than halfway towards our goal of at least \$1B in indigenous infrastructure investment.

We continue to innovate to drive projects forward. In 2023-24 we made our first Front End Engineering and Design (FEED) acceleration investment in Calgary's Azure Sustainable Fuels to support the study of sustainable aviation fuel production using Canadian agricultural products.

As an impact investor, sustainability is a key feature of the projects we invest in, and how we measure success. Reflecting this, we have integrated our sustainability reporting fully into our Annual Report. We took a number of significant steps on our sustainability journey this year including our first-ever calculation of financed emissions, and conducting our first climate-impact scenario analysis to identify key opportunities and risks for the CIB.

The CIB is a dedicated team moving with speed to achieve our goals. I am proud to work with such a passionate and committed group of individuals who bring deep private sector expertise in financial markets and an understanding of the barriers projects face and marry that with a passion for public impact. We have accomplished so much over the past year - and we move forward with purpose knowing that our work is far from done.



Ehren Cory

Chief Executive Officer



The CIB has a different approach to investment

The CIB is a catalyst transforming the landscape of infrastructure financing in Canada. We look to invest in revenue-generating infrastructure that positively impact the lives of Canadians and the long-term strength of our economy.

Our investment approach helps de-risk projects and attract private and institutional capital into critical infrastructure across Canada. This results in shovel-worthy projects getting unstuck and built through innovative financing solutions.

We work creatively with public and private sector partners to structure and deploy innovative investment structuring strategies that crowd-in capital and maximize impact. Importantly, CIB investments are structured to provide a return back to the CIB, which increases capacity to finance even more projects.

We are motivated by the public interest. We support leading-edge research to tackle challenges. Our investment professionals roll up their sleeves to help work through opportunities, providing advisory and acceleration support when needed to get projects to an invest able stage. The CIB focuses on five priority sectors with long-term investment targets set by the Government of Canada. Across these sectors we also aim to invest at least \$1 billion in projects that will benefit Indigenous communities. The first five-year Legislative Review of the CIB Act affirmed the CIB’s ability to support federal priorities through an expanded role across its priority sectors and found that the CIB is well-positioned for the future.



Driven to make an impact

Impact investing refers to investing with an intent to contribute to positive social or environmental impacts alongside financial returns.

For the CIB, impact investing is advanced by:

- » Ensuring our investments deliver tangible benefits to Canadians.
- » Leveraging our ability to provide concessionary terms in the consideration of projects, with the expectation of a return of capital.
- » 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.
- » Having a clear framework for evaluating investments based on both their financial and social returns, including defined measurement standards for impact.
- » Transparently reporting on both the financial and broader social returns from our investments.

While our business is investing in infrastructure projects, we understand that outcomes matter to Canadians. This includes being able to travel to work or visit family, having access to reliable broadband, relying upon clean and affordable power and basic infrastructure services, filling long-standing infrastructure gaps for Indigenous communities, and delivering goods and services to market to increase Canadian productivity and competitiveness.

The CIB has developed a comprehensive approach to impact investing to achieve these desired outcomes. The approach informs all aspects of our work from strategy through to compensation. When we define, invest, measure and report on our outcomes, we can ensure that our actions turn into impact and create an organization that is aligned, focused and accountable.

Outcomes



Average Annual MTs of
GHGs reduced

8.3Mt



Indigenous Communities
Benefitting

46



Broadband Access
(Underserved households passed)

434,900



Daily Transit
Trips

174,000



Jobs
Created

165,230



GDP impact of
construction phase

\$22.7B

Note: Outcomes reflect estimated forecast impact associated with CIB investment portfolio. Figures are cumulative of all projects reaching financial close as of March 31, 2024.

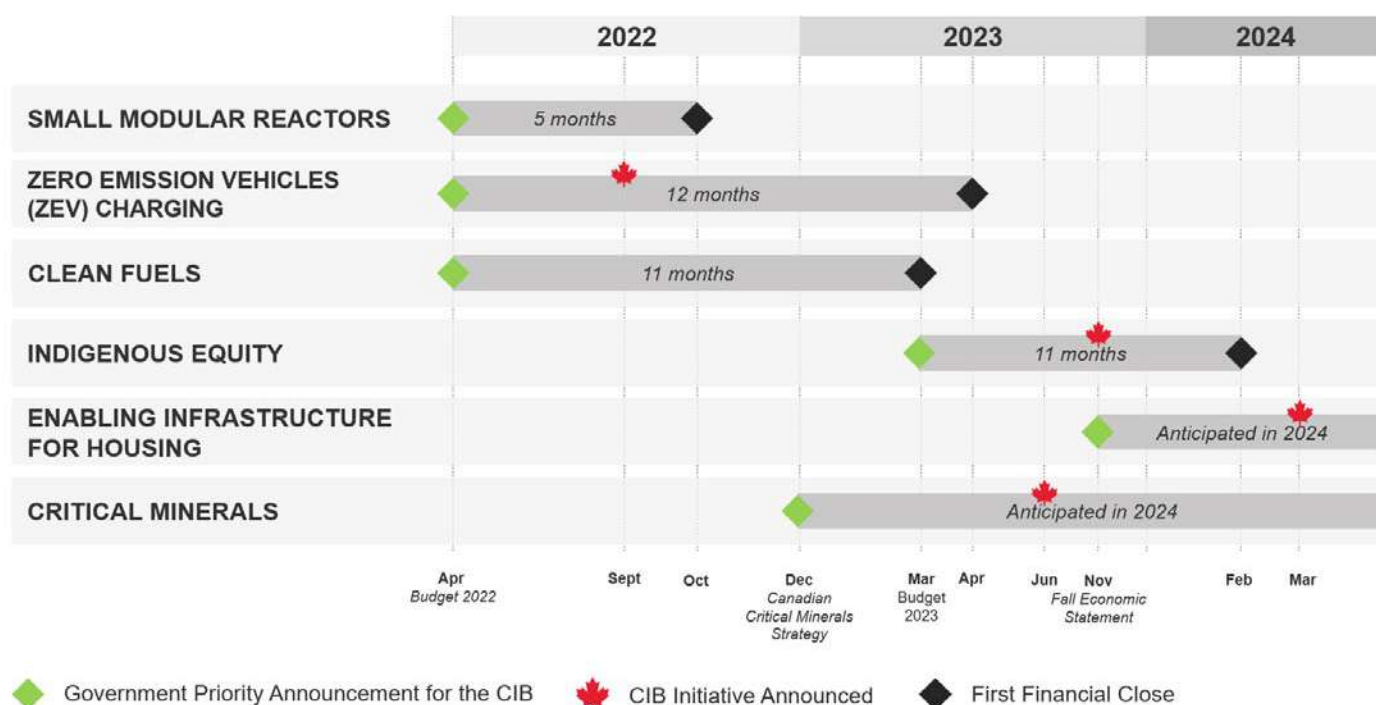
Moving with Purpose and Speed

COVID, global conflict, supply chain challenges, rising interest rates, housing shortages. Recent years have shown that we live in a complex environment where to succeed, Canada must be able to adapt to changing priorities and circumstances.

When it comes to infrastructure, the CIB is ready for the challenge. With the optimized blend of public and private expertise, we respond quickly to new government priorities and deliver real solutions that shorten the interval between idea to investment from years to months.

How do we do this? Building on our foundation of knowledge and experience, we tackle challenges by developing innovative financing solutions that we test through broad market consultations, focused dialogue with relevant industry associations and sector leaders, engaging with government and working with prospective project proponents.

Over the past three years, the Government has asked us to assess the potential to invest in a number of new/emerging areas of infrastructure need, aligned to their priorities. In each case, the CIB has quickly adapted to the challenge – from understanding the key gaps/challenges these projects face, designing a potential investment product, and engaging with potential project owners, all the way through to making investments.



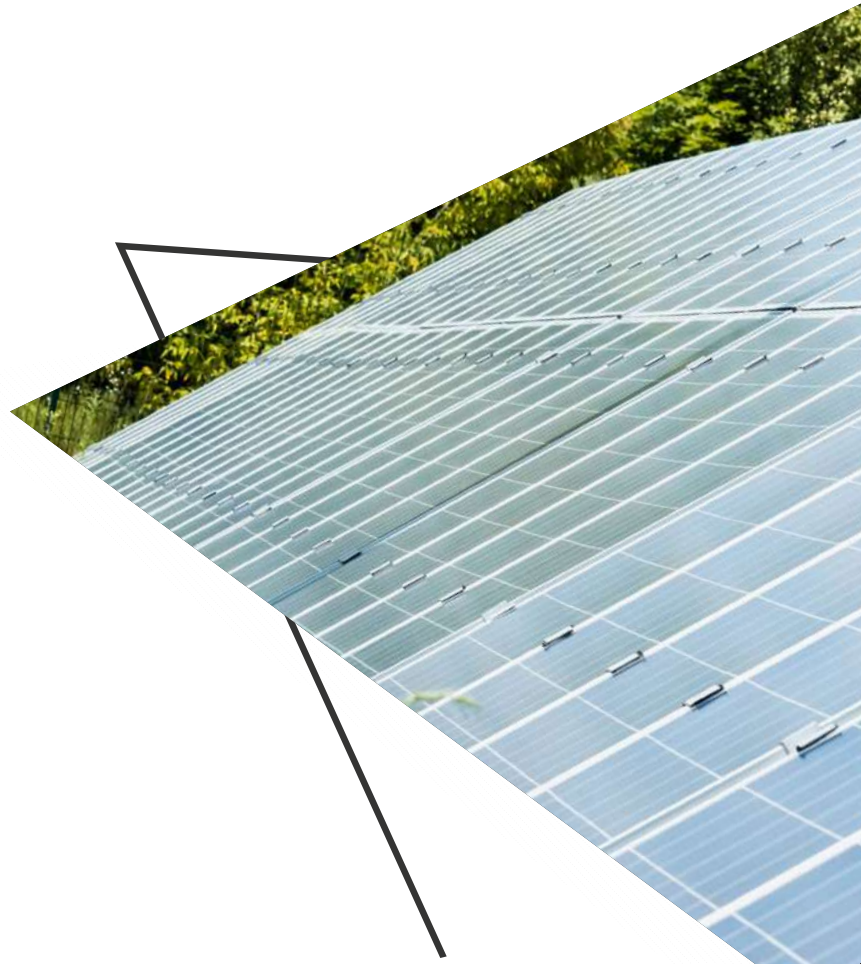
Sustainability is in our DNA

Infrastructure builds the sustainable communities we want and drives economic growth in a rapidly decarbonizing world.

The *Canada Infrastructure Bank Act* established a clear role for the CIB to invest in sustainable infrastructure.

The CIB has combined long-term sector financial targets to invest \$25 billion in Clean Power, Public Transit and Green Infrastructure, along with a long-term target to reduce average annual GHG emissions by 13 Megatonnes (Mt) through CIB project investments. The CIB's investment approach is explicitly structured to measure the return on our capital for these investments in terms of GHG reduction.

Sustainability is more than metrics. We recognize the importance of influencing change – for example by securing Indigenous participation and ownership in projects, encouraging the adoption of greener construction materials, and disclosing climate related financial information associated with our portfolio.

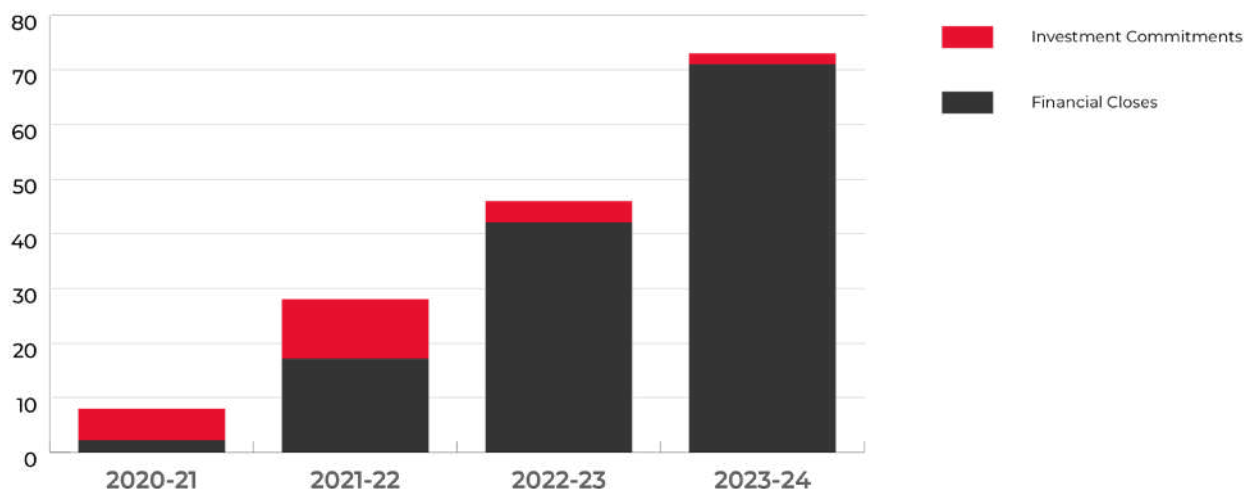


We have developed a Sustainability Framework that serves as a roadmap for our sustainability journey.

As a Sustainable Investor	With impact as our bottom line	As a sustainable corporation
Our ESG Due Diligence	Our sustainability framework	Integrity and responsible business conduct
<p>Ensuring ESG considerations feature in our work, including:</p> <ul style="list-style-type: none"> » Indigenous impacts (including Respect for Aboriginal and Treaty Rights and the Duty to Consult) » Impact assessments and environmental reviews » Health and Safety at the CIB » Compliance with laws (e.g., integrity provisions) » Responsible proponent procurement) » Advancing ESG objectives through our role as an investor 	<ul style="list-style-type: none"> » Embedding Sustainability features in our Investment Framework » Linking impact objectives to our risk appetite » Ensuring consistency and alignment with our mandate » Considering CIB investment contribution to the UN Sustainable Development Goals 	<ul style="list-style-type: none"> » Promoting and living the CIB values » Updating our policies regarding values, ethics and ESG (e.g., Code of Conduct; Respectful Workplace; Disclosure of Wrongdoing)
ERM policy and procedures	Our portfolio strategy	Procurement
<ul style="list-style-type: none"> » Integrating climate and other sustainability risks into our assessment of individual investments, as well as integrating climate risk at an enterprise level through the ESG Credit Risk Framework 	<ul style="list-style-type: none"> » Designing our five-year rolling portfolio strategy to allocate funds across our priority sectors, to achieve our corporate objectives, including sustainability outcomes 	<ul style="list-style-type: none"> » Incorporating sustainability considerations into CIB procurements
Influence as an Investor	Creating policies to guide our sustainable investing	Tracking and reducing our carbon footprint
<ul style="list-style-type: none"> » Leveraging our influence as an investor to encourage project proponents to adopt sustainable practices, such as lower-carbon construction materials 	<ul style="list-style-type: none"> » Defining public impact objectives within our Corporate Plan and Objectives » Developing quantification standards for how we measure our public impact » Using GBA+ analysis to understand distribution of investment benefits across Canadians » Undertaking impact evaluation, and tracking and auditing our impact 	<ul style="list-style-type: none"> » Calculating and tracking our scope 1, 2 and 3 GHG emissions, including financed emissions » Establishing GHG strategies, targets and goals
Corporate Reporting: Integrating climate-related disclosures and our sustainability performance (including TCFD) in our corporate reporting		
		Diversity, Equity and Inclusion
		<ul style="list-style-type: none"> » DE&I Committee established guided by DE&I framework and roadmap » Official Languages commitments and action plan

Highlights of 2023-2024

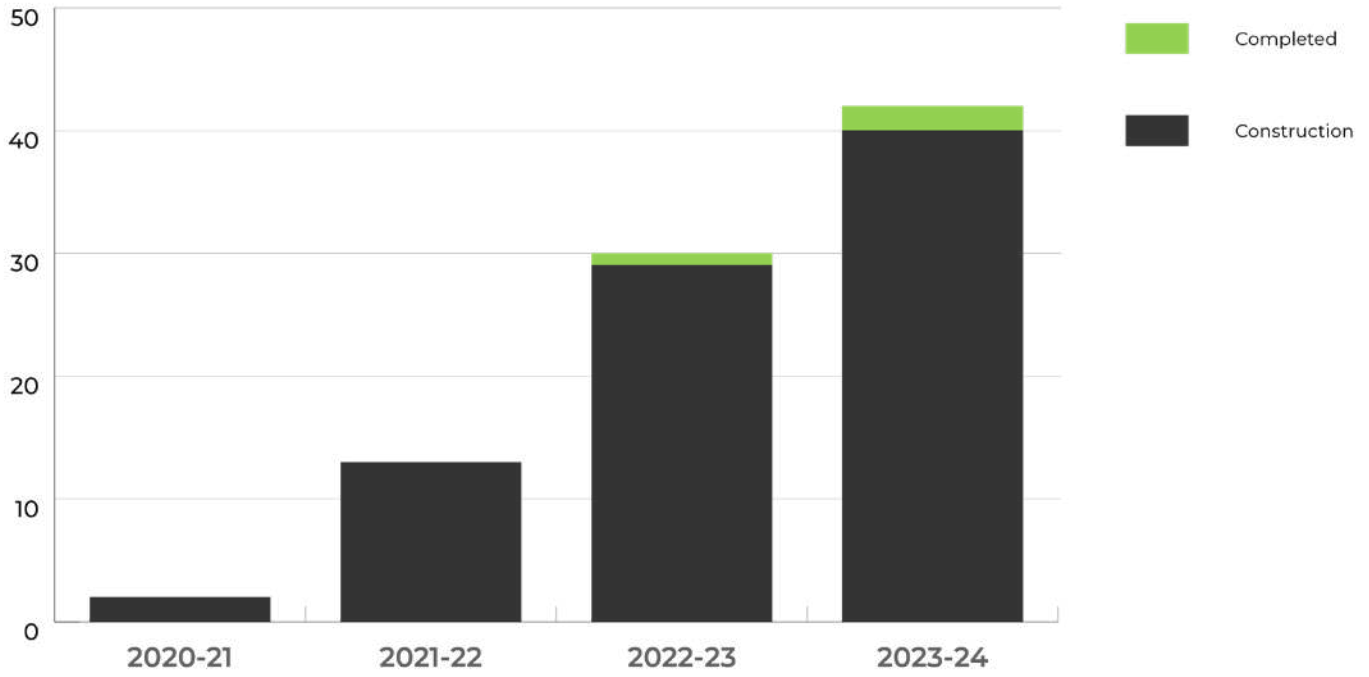
➤ Number of CIB Infrastructure Project Investments (cumulative)



➤ Value of CIB Infrastructure Project Investments (cumulative committed and closed)

	2020-21	2021-22	2022-23	2023-24
CIB Capital	\$3.1 Billion	\$7.2 Billion	\$9.7 Billion	\$13.0 Billion
Private and Institutional Capital	\$5.4 Billion	\$7.6 Billion	\$8.6 Billion	\$13.1 Billion
Public Capital	\$2.6 Billion	\$6.1 Billion	\$8.7 Billion	\$9.8 Billion
Total Project Value	\$11.1 Billion	\$20.9 Billion	\$27 Billion	\$36.0 Billion

> Infrastructure projects in construction and completed (cumulative)



Infrastructure Project investment commitments by Sector (cumulative)

Clean power



Green infrastructure



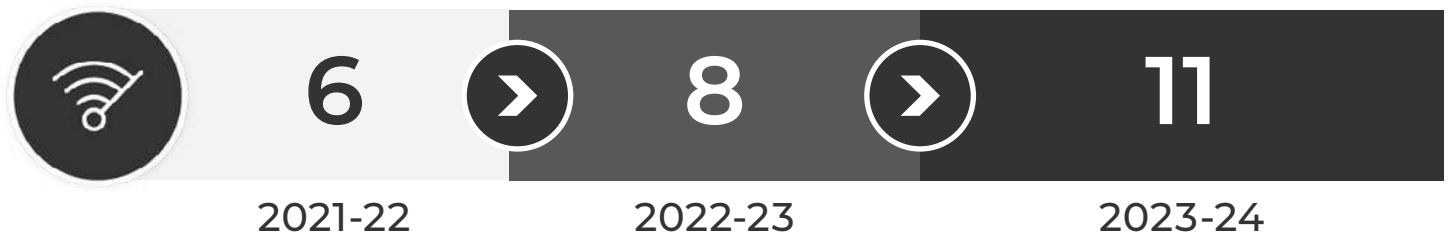
Public transit



Trade and transportation



Broadband



 Achieving Firsts in 2023-24



First Indigenous Equity Initiative investment and first investment in Atlantic Canada (Nova Scotia Energy Storage)



First Front-End Engineering and Design investment (Azure Sustainable Fuels)



First Zero-Emission Vehicle Charging project (FLO EV Charging Network)



First Investment in Airport Infrastructure (Thompson Regional Airport)



First Investment in a Port (Port of Prince Rupert)



First enabling infrastructure aggregator investment for benefit of Indigenous communities (First Nations Bank of Canada)



Management's Discussion & Analysis

The purpose of management's discussion and analysis (MD&A) is to explain, through the eyes of management, how the Canada Infrastructure Bank performed in the fiscal year ended March 31, 2024, its financial position at year-end, and its outlook. This MD&A is intended to complement and supplement the information provided in the financial statements and accompanying note disclosures. It is approved by the Board of Directors.

Figures are expressed in Canadian dollars unless stated otherwise. Figures may not add due to rounding. "2023-24" refers to the CIB's 2023-24 fiscal year from April 1, 2023 to March 31, 2024.

A note on terminology: Investment Commitments and Financial Closes

As part of its investment process, the CIB tracks two significant milestones, investment commitments and financial closes. Both are referred to in this report.

"Investment commitment" means that the CIB and our investment partners have agreed to terms setting out the capital commitment of each party and other financial terms (e.g., length of investment, interest rates and financing structure).

"Financial close" means that the CIB and investment partners have completed all due diligence and entered into legally binding final credit agreements. CIB financing begins to flow to the project and the expected financial and public impact outcomes are included in our corporate scorecard. As an indicator, financial close, with its binding legal agreements, is the appropriate point in time for a project's impact and outcomes to be included in our corporate scorecard. When financial close occurs, a government funding receivable is recognized on the CIB's financial statements for the CIB's total obligation, which is then subsequently reduced as funding is received from the government to fund our counterparts.

Operating Context

Economic and Global Conditions

Global and economic developments presented a range of challenges and opportunities for the infrastructure sector in Canada in 2023-24.

Macroeconomic conditions including inflation, high interest rates, and global supply chain disruptions combined to drive cost increases in projects. Labour shortages persisted, presenting challenges for the execution of projects.

Increased competition for investment was also a factor that impacted the Canadian market, reflected in the attractiveness of Clean Energy Input Tax Credits and Production Tax Credits within the 2022 US *Inflation Reduction Act*.

Extreme weather events around the world such as flooding and wildfires underscored the importance of building resilient infrastructure and transitioning to a low-carbon economy to mitigate climate change impacts. While this creates new impetus for investment, it also has a bearing on the overall need for investment and on individual project cost and design.

Low-carbon technologies such as energy storage, renewable generation and electric vehicles continue to emerge in line with global net zero and GHG reduction commitments and changing consumer demand. This is driving increased demand for critical minerals, electric vehicle charging infrastructure, sustainable aviation fuels, and manufacturing of green infrastructure assets.

In combination, economic and global conditions have generated some hesitancy among investors, with impacts on the investment pipeline. These same conditions however, present an opportunity for the CIB given our role in bridging gaps through creative financing solutions.

To date, the CIB's pace of investment and delivery of projects has not been materially impacted, nor has there been a material effect on the CIB's projects in construction.

For projects that have reached financial close, cost increases are largely expected to be absorbed by contingencies built into project budgets and commitments from our counter parties to fund cost overruns, or mitigation through fixed-price contracts.

The CIB is continuing to monitor ongoing developments for potential impacts to the business.

The Canadian Infrastructure Landscape

Canada's infrastructure needs continue to be significant, driven by a growing population, increasing electricity demand driven by both transition and growth activities, and the need to decarbonize assets, close the Indigenous infrastructure gap and build resilient infrastructure. In 2023-24 the need to build more housing in Canada was identified as another priority, along with the infrastructure to support the growth in supply.

Infrastructure projects are inherently large and complex undertakings. This can lead to challenges related to project permitting and approvals, regulatory uncertainty, and coordinating amongst programs and funding sources, which collectively can have an impact on project development timelines. Investment in infrastructure in Canada remained strong notwithstanding challenges. Total private and public investment in infrastructure assets in Canada totalled \$118.4 billion in the 2023 calendar year, broken out with \$33.1 billion from the private sector and \$85.3 billion from the public sector¹. Across Canada, provinces continued to execute on infrastructure plans such as the 2021-2031 Quebec Infrastructure Plan and Manitoba's Multi-Year Infrastructure Investment Strategy. Ontario launched its own infrastructure bank, the Building Ontario Fund, recognizing the role that such institutions can play as a key financing tool for getting projects built.

Budget 2023

Budget 2023 identified the CIB as “the government's primary financing tool for supporting clean electricity generation, transmission, and storage projects.” It also announced increases in the CIB investment targets for the clean power and green infrastructure sectors to \$10 billion each. This positions the CIB to play a leading role in electrification of Canada's economy, ensuring the availability of clean, affordable energy across the country. Further, the 2023 Budget enabled the CIB to play a role in Indigenous economic reconciliation by providing loans to Indigenous communities to support them purchasing equity ownership in projects in which the Bank is also investing, a critical tool to enable projects to move forward.

¹ *Infrastructure statistics hub, Statistics Canada*


The Legislative Review of the CIB Act

The Government of Canada conducts a Legislative Review of the provisions and operations of the *Canada Infrastructure Bank Act* every five years. The first Review was tabled in Parliament in June 2023. The Review concluded that the legislation governing the CIB is appropriate and the CIB's core objectives remain sound and relevant. It also found that the "CIB is well-positioned for the future", referencing the CIB's alignment with federal priorities, including the transition to a low-carbon economy and Indigenous economic reconciliation.

The review made suggestions to position the CIB for future success in areas such as providing clarity on the CIB role and model, engaging with public partners to advance the use of alternative financing, and supporting CIB governance and results measurement. The CIB is already acting on these suggestions with elements reflected in this report and incorporated into the CIB's development of the 2024-25 Corporate Plan.

The conclusions of the review were emphasized in the September 2023 Statement of Priorities and Accountabilities (SPA) letter from the Minister of Housing, Infrastructure and Communities. The SPA also highlighted opportunities for the CIB related to enabling infrastructure for housing and climate resiliency.

The CIB's Strategic Priorities

 The CIB had three strategic priorities for 2023-24, which served to guide the organization's investments and operations.

1. **Accelerating investment to modernize infrastructure:** marshalling our capital, and capital from private and institutional investors to get projects built across all of our sectors, in every region of the country and in partnership with and benefit to Indigenous peoples.
2. **Delivering outcomes that benefit Canadians:** identifying and investing in projects that deliver measurable outcomes for Canadians in five areas aligned to government policy priorities: increasing economic growth, growing transit ridership, expanding access to 50/10 Mbps broadband, reducing greenhouse gas emissions, and investing in Indigenous infrastructure.
3. **Executing as a results-focused and accountable organization:** building the capacity within our organization to continue to deliver on our mandate year after year.

The CIB's Corporate Values

The CIB's strategic priorities are advanced by a skilled team of investment and corporate professionals, drawn from a wide range of backgrounds and experience. The team shares a deep passion for the projects and outcomes that contribute to Canada's success.

In January 2023, the CIB's corporate values were unveiled –a concise set of attributes that reflect and articulate the CIB team's shared passion for impact and help to guide and explain the team's efforts. The values complement the strategic priorities linked to the CIB's impact outcome targets.

 Make it better, for Canada	 Break new ground	 Be the best of public and private	 Celebrate our differences
Our commitment to Canadians is at the forefront of everything we do, and we measure our returns based on impact and positive outcomes for Canada.	We are flexible and innovative — we think creatively and push the pace to get things done.	We bridge the gap between both worlds, bringing accountability and commercial discipline to public problems to enhance the lives of Canadians.	We recognize that our distinct skills, backgrounds, and knowledge make us stronger — everyone brings something to the table, and we can all learn from each other.

The CIB Investment Model

The CIB invests in revenue-generating projects and seeks to crowd-in private and institutional capital, meaning that there are more dollars made available to finance infrastructure and maximize investment impact.

These revenue sources are important to free up government dollars for other priorities, ultimately getting more infrastructure built faster and making important progress towards closing the infrastructure gap in Canada.

The CIB's financing and investment model is distinct from other funding from government, such as an unrecoverable grant, in that cashflows from the financed projects repay the CIB's upfront investment. This relieves burden on the Canadian taxpayer.

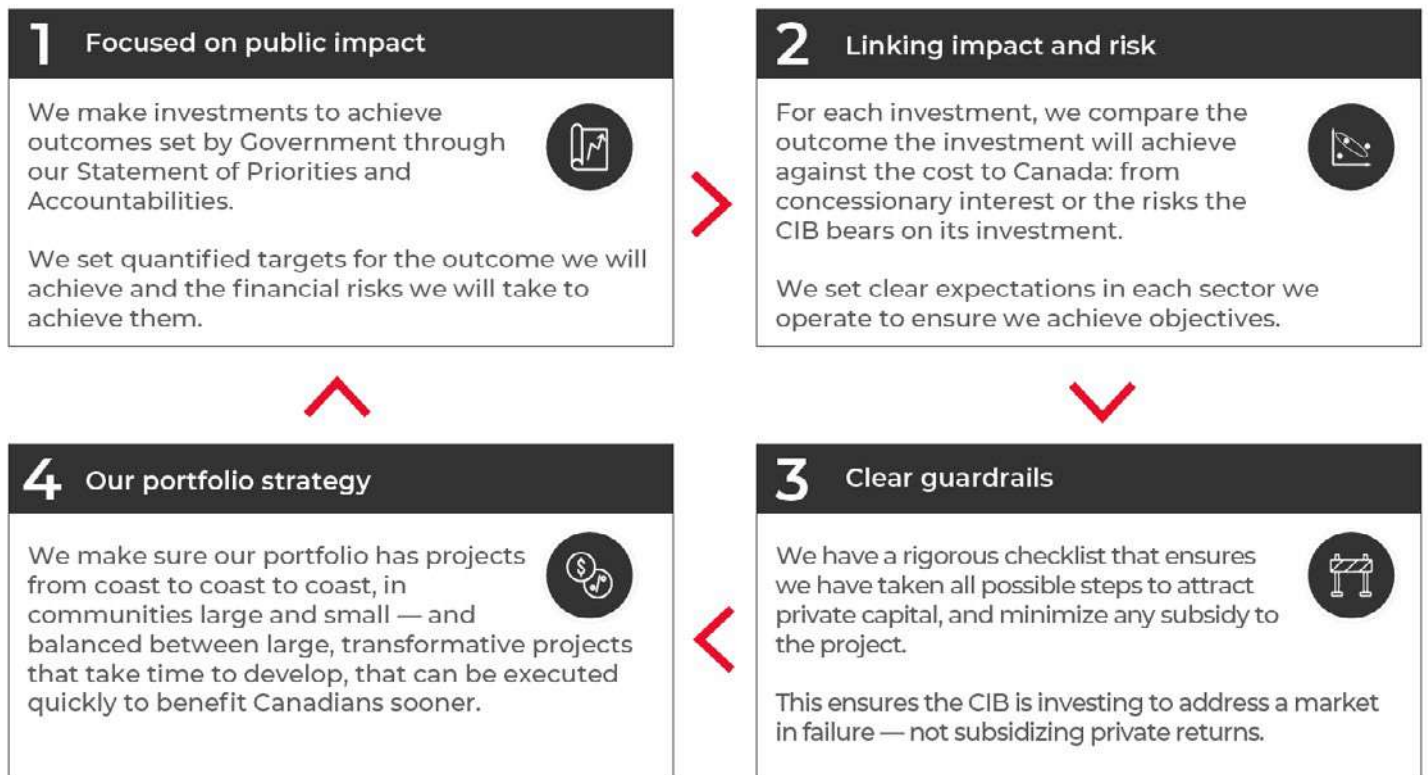
Investment Governance

The CIB conducts its investment activities in accordance with our Investment Policy, which sets out the parameters and guidelines for the CIB's consideration of investments.

The policy integrates our Investment Framework which sets the criteria and thresholds for investment decisions. Under the Investment Framework, the CIB seeks out a maximum return for Canadians' dollars in terms of the public impact while minimizing the concessional financing the CIB provides.

The CIB actively looks to remove the barriers that hold infrastructure projects back by combining commercial discipline, innovative financial structures, and expert advisory function to address the economic, commercial, structural and risk transfer barriers that stall projects. By addressing such gaps, we can make projects more affordable for proponents and investors, and less prone to risk.

The four stages of the Investment Framework (displayed below) guide the CIB in making investment decisions, through evaluating parameters such as public impact and outcomes, investment risk and return.



All investments are subject to a rigorous approval process to ensure alignment to the framework. This includes review and approval by the CIB's Chief Investment Officer, the Management Investment Committee (MIC), the CIB Board Investment Committee, and the CIB Board.

More information about our Investment Framework and Investment Policy can be found in our 2023-24 Corporate Plan summary on our website. Our Investment Policy is also available on our [website](#).

CIB IN ACTION: CASE STUDY 1

Building zero-emission road trips: the FLO EV charging network

The CIB developed the Charging and Hydrogen Refuelling Initiative (CHRI) to address uncertainty in the rate and pace of EV adoption and charger use, which are barriers to private investment in charging infrastructure. The CIB has surpassed our initial goal to invest \$500 million in EV charging infrastructure. As of March 31, 2024, CHRI investments have paved the way to prepare for the installation of more than 4000 new public chargers.

One example of this effort is the CIB's partnership with FLO, which will support more than 1,900 public fast charging ports at up to 400 sites across Canada. A leading North American EV charging network operator and smart charging solutions provider based in Quebec, FLO had a vision to accelerate the adoption of electric vehicles. The CIB's \$220 million loan will mitigate adoption and charger utilization risks.

"With about 2,000 universal public fast charging ports currently in Canada," said Louis Tremblay, President and CEO of FLO, "this extraordinary partnership comes

close to almost doubling the number of public fast chargers across the country. We are pleased to have a lending partner like the CIB and look forward to working together to accelerate the expansion of fast and reliable EV charging, which is critical to Canadian EV adoption."

By collaborating with the private sector, the CIB is helping to expand the availability of charging infrastructure across Canada, reducing transportation sector GHG emissions, and helping more Canadians move more confidently down the road.



2023-24 Portfolio Results

Corporate Results

As of the end of 2023-24, the CIB has made \$13 billion worth of investment commitments to 73 projects with a combined total capital value of \$36 billion. 71 of these projects have reached financial close, 40 of these projects are in active construction or deployment, and two are fully delivered. We were active across all priority sectors in line with our mandate and progressed well towards our long-term targets, both in terms of investment funding deployed, and public outcomes delivered.

We have made more than ten investments in each of the West, Ontario, Quebec, and Atlantic regions, and two in Canada's North.

Across all projects reaching financial close, we estimate that there will be 165,230 construction jobs created, and a \$22.7 billion GDP impact during construction. CIB financing is expected to support the purchase of 6062 Zero-Emission Buses and 4000 fast charging ports for Zero-Emission Vehicles.

The tables below summarize in detail our performance for the 2023-24 year.

2023-24 Performance Results (Short-Term)

Strategic priority	Outcomes	Results indicator	2023-24 Target	2023-24 Results
Investing to modernize infrastructure	Increase total infrastructure investment in Canada from the CIB and private and institutional investors	Scale of projects and diversity of portfolio	\$3-5B value of new CIB investment commitments	\$3.49B
			20-30 new CIB Investment Commitments	27
			\$3-5B value of new CIB financial closes	\$3.72B
			85% of Investment Commitments (#) close within 12 months of investment commitment date	86%
			1x Private Capital: Short-Term Multiplier: the ratio of private and institutional capital to CIB capital across portfolio for new or materially revised commitments	1.0x
			4x Private Capital: Long-Term Multiplier – the ratio of private and institutional capital to the concessional value of CIB investments for new or materially revised commitments	7.0x
Executing as results-focused and accountable organization	Strengthen governance, capabilities, and process	Develop employee value proposition for attraction, retention, engagement, and development	Less than 17.5% turnover	9.7%
		Execute on key organizational improvements	Develop employee support policies and initiatives, with success measured by an employee engagement survey as compared to median results of peer organizations	68%
		Completion of portfolio of management operational improvement initiatives		80%

2027-28 Long Term Performance Targets - Progress

Strategic priority	Outcomes	Results indicator	2026-27 Targets	Current Status
Accelerating investment to modernize infrastructure	Increase total infrastructure investment in Canada from the CIB and private and institutional investors	Scale of projects and diversity of portfolio	7 investments reaching financial close since inception in each geographic region (i.e., West, Ontario, Quebec, Atlantic, North)	North: 2
				Atlantic: 11
				Ontario: 28
			Quebec: 10	
			West: 28	
			(note: projects may count towards multiple regions)	
			\$1B of CIB investments since inception reaching financial close in partnership with and benefits for Indigenous Peoples	\$0.50B
		Capital success factors	1x Private Capital: Short-Term Multiplier: the ratio of private and institutional capital to CIB capital across portfolio	1.0x
	4x Private Capital: Long-Term Multiplier – the ratio of private and institutional capital to the concessional value of CIB investment across portfolio		5.4x	
	Fiscal impact remains below 30% as a percentage of capital committed****		16%	
			Draw Curve: For investments closed in 2024-25, 80% achievement of Financial Close draw curve at end of 2027-28	Will be calculated in 2027-28

Delivering outcomes that benefit Canadians*	Achieve public impact outcomes from project investments for climate action, connectivity of Canadians, Economic Growth, and Indigenous Infrastructure	Deliver the Growth Plan outcomes and go beyond to result in long-term benefits from new infrastructure	Greenhouse gas reduction: Cumulative 13Mt annual CO2e reduction	8.3 Mt
			Cumulative 210,000 Daily Trips on mass transit, passenger rail and other modes	174,000 Daily Trips
			Cumulative 900,000 Underserved Households passed by 50/10 Mbps Broadband	435,000
			Cumulative 60 Indigenous communities benefitting from infrastructure projects**	46
			Contribution to economic growth, as measured by: <ul style="list-style-type: none"> » 14M Total ton-equivalents of trade volume*** » \$90M Total agricultural value added*** <p>The CIB will also track and report job creation and construction related GDP from its investments, consistent with other Federal programs</p>	\$639M trade value*** \$60M annual agricultural value added 165,230 jobs created \$22.7B GDP impact of construction phase

*Figures are an estimated forecast based on projects reaching financial close. When measuring outcomes, the CIB considers a project in its entirety, irrespective of the percentage share of financing provided by the CIB.

** Starting in 2024-25 this target is being adjusted to track the number of indigenous infrastructure projects undertaken.

*** Starting in 2024-25 this target is being adjusted to track ongoing economic impact in trade and transportation sector as measured by GDP contribution.

**** Fiscal Impact is a metric used by the CIB to estimate the use of concessionary tools to advance projects, including a prudent estimate of potential risk factors.

Map/List of Projects (As of March 31, 2024)



Projects
71

CIB Investment
\$13.0B

Total capital value
\$36.0B

Public transit	Autobus Seguin ZEBs British Columbia School ZEBs City of Brampton ZEBs City of Calgary ZEBs City of Edmonton ZEBs City of Ottawa ZEBs Durham Region ZEBs	Highland ZEBs Montréal-Trudeau International Airport REM Station Quebec School ZEBs Réseau express métropolitain (REM) York Region ZEBs
Green infrastructure	Algoma Steel Retrofit Ameresco Retrofits Avenue Living Energy Retrofit BMO Retrofits CAPREIT Retrofits Dream Retrofits Enbridge Sustain-Blackstone Retrofits Enerkem Varennes Carbon Recycling Fairmont Royal York Hotel Retrofits First Nations Bank of Canada FLO EV Charging Network Grasswoods Urban Reserve	Wastewater Treatment Facility IonicBlue and Johnson Controls Retrofits KingSett Capital Retrofits Modern Niagara Retrofits Netmizaaggamig Nishnaabeg Reserve Extension Noventa Energy Retrofits Parkland EV Charging Network Port Stalashen Wastewater Treatment Plant SOFIAC Retrofits Toronto Western Hospital Retrofit University of Toronto Retrofits
Clean power	Atlin Hydroelectric Expansion Bekevar Wind Power Darlington Small Modular Reactor Deerfoot & Barlow Solar Enwave District Energy	Lulu Island District Energy Markham District Energy Nova Scotia Energy Storage Oneida Energy Storage Tilley Solar
Broadband	Arrow Technology Group Broadband Manitoba Fibre	Ontario Rural Broadband
Trade & transportation	Alberta Irrigation Enoch Arena Road Kahkewistahaw Landing Infrastructure MET - Montreal Metropolitan Airport	Thompson Regional Airport Tshuetin Railway
Indigenous infrastructure	Arrow Technology Group Broadband Atlin Hydroelectric Expansion Bekevar Wind Power Deerfoot and Barlow Solar Enoch Arena Road First Nations Bank of Canada Grasswoods Urban Reserve Wastewater Treatment Facility Kahkewistahaw Landing Infrastructure	Netmizaaggamig Nishnaabeg Reserve Extension Nova Scotia Energy Storage Oneida Energy Storage Port Stalashen Wastewater Treatment Plant Thompson Regional Airport Tilley Solar Tshuetin Railway

Financial Closes

In 2023-24, the CIB reached financial close on 29 infrastructure projects representing \$3.72 billion of investments and bringing the total number of projects reaching financial close all-time to 71. The CIB surpassed the target of achieving two financial closes in each sector per year.

Financial closes by sector	Total Prior years	2023-24	Total
Clean power	6	9	15
Green infrastructure	15	9	24
Public transit	11	3	14
Trade & transportation	3	4	7
Broadband	7	4	11
Total	42	29	71

Priority Sector Updates

We were active across all of our priority sectors, evaluating a deep pipeline of potential investment opportunities, advising proponents on financial aspects of projects, and ensuring that our involvement would accelerate infrastructure that delivers clear benefits for Canadians.

This section provides updates on the CIB's activity in each priority sector, including key transactions.

Clean power



The CIB plays a leading role in financing construction of generation, storage and transmission capacity to meet growing demand while reducing GHG emissions in the electricity sector. Over the past year, the CIB's investments in clean power grew in line with the increased long-term investment target.

New investments that have been publicly announced included:

Deerfoot and Barlow Solar: Located in southeast of Calgary, this project is the largest solar installation in an urban centre in Western Canada. The 64-megawatt solar energy facilities include two sites – the 37-megawatt Deerfoot site and the 27-megawatt Barlow site. With \$79 million in CIB financing and in partnership with ATCO Ltd., the project will support energy transition and economic opportunities for the Chiniki and Goodstoney First Nations who benefit as majority owners.



Tilley Solar: The CIB committed \$33 million to the Tilley Solar project, located 200 kilometres southeast of Calgary in Newell, Alberta, on Treaty 7 Territory. The total project cost is \$52 million and will include the economic interests of the Alexander First Nation and First Nations Power Development, an Indigenous-owned organization dedicated to empowering First Nation community ownership and participation in the emerging renewable energy industry.





Nova Scotia Energy Storage: The CIB provided a \$138 million loan to Atlantic Canada’s largest energy storage facilities located in White Rock, Bridgewater and Waverly, Nova Scotia. The project will support Nova Scotia’s efforts to move to more renewable sources of electricity and reduce GHG emissions by an estimated forecast of 98,000 tonnes annually. The project involves a partnership between the Nova Scotia Power and Wskijinu’k Mtmo’taquinuow Agency Ltd (WMA) - which represents all 13 First Nations in the province. Under terms of these arrangements, Nova Scotia Power will receive a loan of up to \$120.2 million while WMA will receive an equity loan of up to \$18 million. The energy storage project is WMA’s first equity participation with Nova Scotia Power and is also the CIB’s first equity loan under the Indigenous Equity Initiative.

These investments add to an already sizeable portfolio of clean energy projects which now totals \$4.1 billion in CIB investment to 15 financial closed projects across the country, representing a total value of \$8.4 billion in new infrastructure.

Green Infrastructure



Green infrastructure includes our Building Retrofits Initiative (BRI), our investments in hydrogen, clean fuels and carbon capture, water and wastewater, and our zero-emission vehicle Charging and Hydrogen Refuelling Initiative (CHRI). In 2023 the government increased the CIB's long-term target for investing in green infrastructure to \$10 billion. Budget 2024 announced that the CIB would invest at least \$500 million in biofuels production, which is included in our hydrogen, clean fuels and carbon capture subsector.

Highlights of the CIB's investment growth and activity in this area over the past year included:

Rapid progress in the CIB's Charging and Hydrogen Refuelling Initiative:

CHRI provides an innovative way to encourage private sector investment in EV charging by addressing the risk inherent with the uncertainty in the rate and pace of EV adoption. The CIB launched the CHRI in October of 2022, and made our first investment commitment of \$235 million in the FLO EV charging network in March 2023.

In 2023-24 the CIB added to this strong start making two more CHRI investments. The CIB is investing \$210 million in the Parkland Electric Vehicle Charging Network, paving the way for the installation of up to 2,000 new fast charging ports across Canada. The CIB is also investing \$337 million in the HTEC charging network.

The CIB has now exceeded the Budget 2022 target of investing \$500M in zero-emission vehicle charging infrastructure – we will be investing over \$750M in this area leading to over 4000 new fast charging ports across the country.





Continued growth in the building and industrial retrofit portfolio: In 2021, the building sector accounted for 87.2Mt of GHG emissions, making it Canada’s third largest source of GHGs. Through the Building Retrofit Initiative, the CIB deploys capital that helps building owners and energy service companies undertake deep energy saving retrofits to reduce their GHG emissions. The deeper the GHG savings, the more attractive the financing.

In 2023-24 the CIB committed \$370 million to four new retrofit projects with Canadian Apartment Properties REIT (CAPREIT), Efficiency Capital, Enbridge-Blackstone Energy and KingSett Capital. The CIB also launched another way to get financing to retrofit projects by developing a unique approach in which retrofits qualifying for certification under Canada Green Building Council standards can access CIB financing through commercial banks or credit unions that have partnered with the CIB. A \$100 million partnership through the Bank of Montreal is the first bank to partner with the CIB using this highly innovative model.

Supporting Indigenous Communities in partnership with the First Nations Bank of Canada (FNBC): The CIB and the FNBC announced a groundbreaking \$100 million loan participation agreement through which the CIB will risk-share in new enabling infrastructure projects in First Nations, Métis, and Inuit communities. Enabling infrastructure such as site works, roadworks and utility connections will support enhanced living conditions, economic opportunities and housing. This partnership with FNBC as a Schedule I Bank crowds in private capital on each project and leverages FNBC’s end-to-end Indigenous community client experience. Together, CIB & FNBC will provide affordable and flexible financing solutions structured to unlock crucial infrastructure projects in Indigenous communities.



The CIB now has a sizeable portfolio of green infrastructure projects totalling \$2.4 billion in CIB investment to 24 projects reaching financial close across the country, representing a total value of over \$6 billion in new infrastructure.

We were excited to launch the **Front-End Engineering and Design (FEED)** initiative and make our first FEED investment this past year, designed to target the specific risks that developers of energy transition projects face. The initiative allows private sector companies targeting energy transition projects in Canada, such as carbon capture and storage, hydrogen and clean fuels, to access CIB financing to help advance projects to an investable state. The CIB's first FEED investment was a \$8.4 million convertible debt instrument to Azure Sustainable Fuels, located in Calgary, to support a FEED study evaluating a sustainable aviation fuel source to reduce aviation emissions by up to 80%. This initiative will help advance projects towards investment decisions.

When the CIB partners with private sector companies, we design a customized financial product that meets the projects' needs while minimizing the investment from taxpayers. An example of this approach in action is the CIB's investment in the Algoma Steel Retrofit, where continued profitability this past year reduced the balance available to draw on our facility to zero. While Algoma will no longer draw on this facility, the project remains under construction and will reduce GHG emissions by 3 million tonnes annually. The CIB made a \$220M initial commitment to the project in 2021 which provided committed financing to allow Algoma to proceed with the project. However, to protect taxpayers, the CIB structured the investment to be automatically reduced through share repurchases, dividends or other restricted payments. This is consistent with the principle that CIB financial support be limited to the minimal amount needed for the project to proceed. More importantly, it is an approach that gets projects done and generates benefits for Canadians – all at lower cost to taxpayers.

CIB IN ACTION: CASE STUDY 2

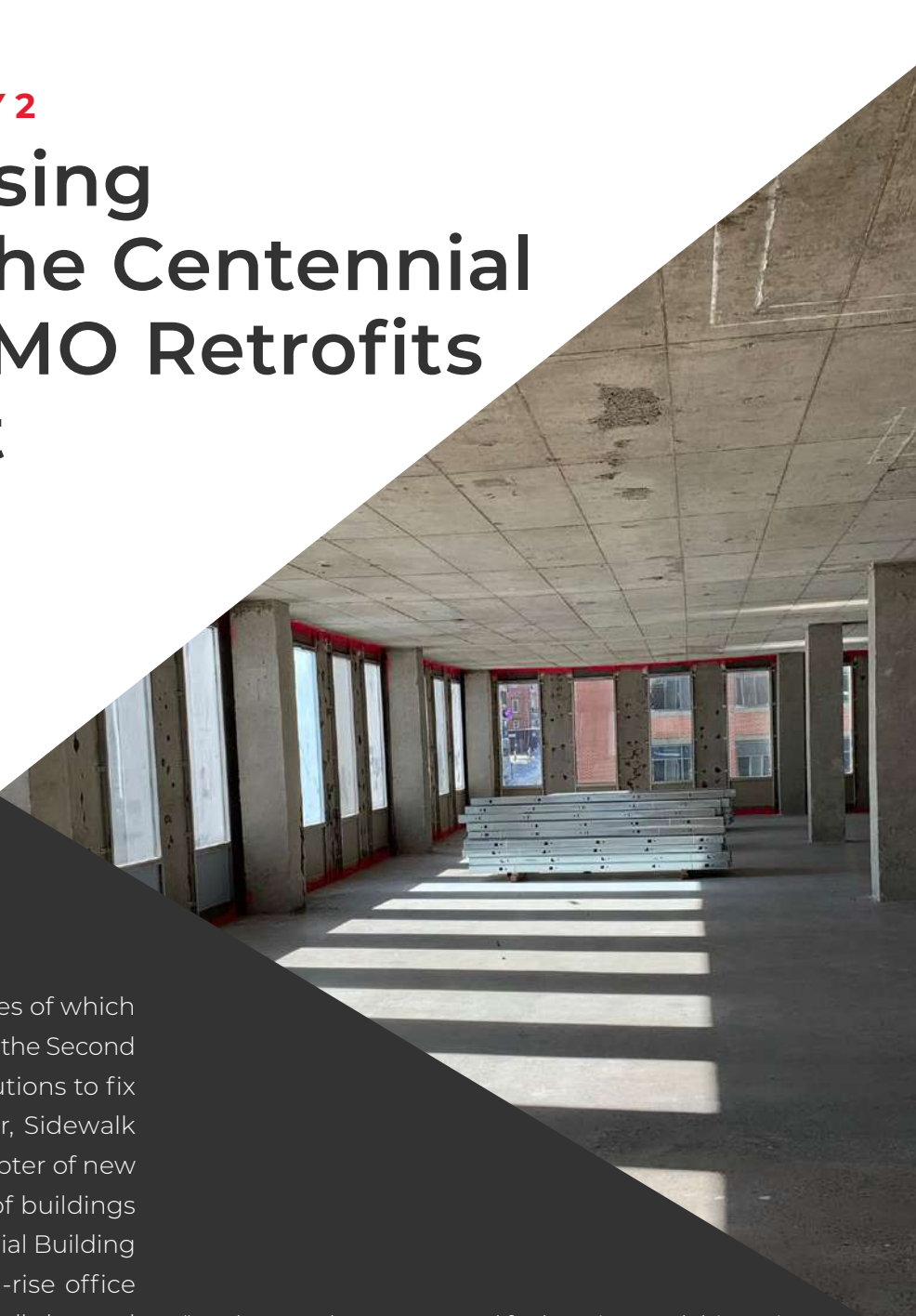
Building housing innovation: The Centennial Building, a BMO Retrofits client project

Canada faces a housing challenge the likes of which haven't been seen since the years following the Second World War. It's going to take modern solutions to fix this historic problem, and one developer, Sidewalk Real Estate in Nova Scotia, is an early adopter of new opportunities to finance the conversion of buildings for housing. Built in the 1970s, the Centennial Building in Halifax was one of the city's first high-rise office buildings, standing 14 storeys tall and centrally located downtown. When acquired by Sidewalk, this office tower was nearly 40% vacant and in desperate need of a new vision.

A Bank of Montreal (BMO) commercial client, Sidewalk learned the idea of converting the building to rental residential units was eligible for the CIB's Building Retrofit Initiative through the BMO retrofit aggregator program. Designed to help small and medium-sized building owners reduce energy use through retrofits, the CIB BMO investment finances the upfront capital costs of green building upgrades to the building, which will be repaid through the sharing of energy savings over a period of several years.

"We have a desperate need for housing and this project is going to bring over 100 housing units to downtown Halifax in a shorter span of time than any other projects underway right now," said John Keating, Regional Vice President, Real Estate Finance, BMO. "It allows us to save on embodied carbon within the superstructure, which is good for the environmental benefit of our community. And it also gives us the expertise by being one of the first building conversions from office to residential in the country to support further conversions and the knowledge around how to do a successful conversion down the road."

The Centennial Building hopes to welcome its first new tenants in 2025.



Public Transit



The CIB has a long-term target to invest \$5 billion in public transit projects across Canada, including major transit projects and zero-emission transit.

A major milestone for the CIB's investment efforts was reached in July 2023, with the opening of the first phase of the Réseau express métropolitain project in Montreal - a 67-km, light rail, high-frequency network with 26 stations. This project was catalyzed by the CIB's very first investment, a \$1.28 billion loan made to CDPQ Infra in 2018.

Other highlights of the past year included:

Continued growth in zero-emission buses: Since launching ZEB financing in 2020, the CIB has helped municipalities, school boards, and private operators in communities across Canada electrify their fleets, contributing to modernized transit that is fast, efficient and clean. ZEB financing of \$1.67 billion as of the end of 2023-24 will support the purchase of 6,062 ZEBs that are forecasted to reduce emissions by an estimated total of more than 188,000 tCO₂e annually. This includes loan commitments to some of Canada's largest operators such as the cities of Ottawa and Calgary and school bus organizations in British Columbia and Québec.

In 2023-24, the CIB made loans to school bus operators Highland Schools and Langs to purchase up to 700 zero-emission school busses. Even as new ZEB investments continue to be made, the CIB is now seeing more and more financed ZEBs take to the road. As of the end of the year, a total of 656 buses funded by the CIB were fully operational across four provinces.



The CIB's first investment in ferry services: Ferry services are an important part of our transit ecosystem in communities situated in coastal areas where they help thousands of commuters and residents get to where they need to go. The CIB expanded the transit portfolio in 2023-24 by investing \$75 million towards an initiative of B.C. Ferries to electrify and modernize a portion of their fleet. Once complete, this new service will achieve estimated GHG emission reductions of 9,000 tCO₂e annually.

The public transit priority sector portfolio now represents \$3.3 billion in CIB investment across 14 projects reaching financial close, at a total value of \$12.1 billion in new infrastructure.



Trade & Transportation



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

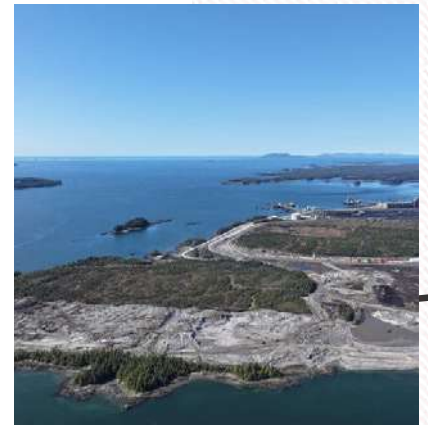
Through investment in ports, airports, rail projects, trade corridors, agricultural infrastructure and other trade and transportation asset, the CIB is supporting the productivity of the Canadian economy and addressing greenhouse gas emissions in the process.

The CIB has a long-term target to invest \$5 billion in this sector.

This past year was a year of firsts for the CIB in the trade and transportation space:

Investing in ports: The CIB is making an investment of \$150 million in phase one of work at the Port of Prince Rupert to develop the CANXPORT logistics facility and associated infrastructure to enable increased throughput capacity of export volumes at the port.

Taking off with investments in airports: The CIB made our first investment in an airport this year, expanding the ways in which CIB investment can connect Canadians and support trade and productivity. A \$52 million loan made in September 2023 will enable the redevelopment of Manitoba's Thompson Regional Airport. The work will replace and upgrade the airport terminal to provide a long-term solution resilient to the impacts of climate change, providing critical service to 37 northern communities, including 15 remote Indigenous communities only accessible by air and ice roads.



This was followed up in February 2024 with the **CIB's second airport investment**, a \$90 million loan towards a new domestic commercial passenger terminal at MET – Montreal Metropolitan Airport. The new terminal will provide a convenient way for passengers travelling to and from major cities across Canada to access Montreal. The new terminal, scheduled to open in 2025, will provide modernized airport amenities for approximately four million travellers per year.



The CIB also continued to make investments in **enabling infrastructure** needed in Indigenous communities to facilitate transportation, committing \$15 million towards infrastructure upgrades at Enoch Cree Nation reserve in Alberta. The project, delivered through the ICII, will upgrade seven kilometres of road, relocate utilities, enhance drainage and build a new multi-use trail, and is being led and delivered by an all-Indigenous crew.



The trade and transportation priority sector portfolio now represents \$0.8 billion in CIB investment across 7 projects reaching financial close, at a total value of \$1.9 billion in new infrastructure.

CIB IN ACTION: CASE STUDY 3

Building for the future of the Canadian food system: Alberta Irrigation

The plentiful and secure food supply Canadians count on depends on things we sometimes take for granted - clean water and healthy soil. The farmers who work that soil can often be the first warning of threats to this abundance, and in southern Alberta, they had begun to identify a need to expand the amount of irrigated land.

Irrigation is critical to agriculture in Alberta. More than 1.7 million acres of the province are irrigated, and the industry generates about \$2.4 billion in annual labour income and supports about 56,000 jobs. But climate impacts mean that Alberta farmers must adapt their irrigation processes to protect both their yields and province's fresh water supply.

The CIB's investment in agriculture means that since 2021, Alberta farmers have had access to nearly \$466 million to expand production through more modern irrigation infrastructure and increased water storage. At the same time, the irrigation investments are expected to create over 7,000 jobs providing additional spinoff benefits for Alberta.

"This is truly a transformational investment for the Alberta irrigation sector and agriculture industry," said David Westwood, Manager, of the St. Mary River Irrigation District near Lethbridge, AB.

As the spring sun sets on another planting season in southern Alberta, several of the irrigation projects financed in this investment are under construction or nearing completion, ensuring Alberta farmers have thousands of new acres of irrigated land to support the Canadian food system.



Broadband



The CIB invests in broadband projects that connect underserved households to a minimum 50/10 Mbps internet service in support of the Government of Canada's "High Speed Access for all" program. Broadband is essential to connect Canadians to economic opportunity, education and healthcare, and to family and friends.

The CIB continued to make investments in large-scale broadband projects in 2023-24 investing \$405 million in four projects in collaboration with ISED's Universal Broadband Fund (UBF). Project sponsors use the CIB's financing in their financial analysis when assessing grant requirements bid into UBF and other grant competitive programs. This reflects a reduction in subsidy required as a result of the CIB's financing and lowers the overall cost to Canadians.

The CIB has a long-term target to invest \$3 billion in broadband projects. To date, the CIB has reached financial close on investments of \$2.1 billion across 11 projects making broadband available to over 430,000 households across Canada.



Working Across Sectors

The CIB deploys a flexible and innovative approach to financing infrastructure that can be deployed in areas where investments there can be made across multiple CIB priority sectors to achieve impactful outcomes.

Housing and critical minerals are two such areas of focus for the CIB where we initiated and advanced efforts in 2023-24.

Launch of the Infrastructure for Housing initiative

Canada needs more housing supply. In many communities, infrastructure challenges can slow or prevent the development of new housing. To help address the challenge, the CIB launched the Infrastructure for Housing (IHI) initiative in March 2024, six months after enabling infrastructure for housing was identified as a priority in the 2023 SPA letter.

The IHI is a financing tool for municipalities and Indigenous communities that are committed to building new infrastructure in support of new housing supply. Industry and municipal stakeholders have emphasized that more municipal infrastructure investment is a prerequisite to building more housing.

Under this initiative the CIB, alongside private and institutional capital, will provide financing to municipalities for investment in the enabling infrastructure, such as water, transportation, transit or clean power. This addresses infrastructure capacity constraints that are limiting new housing construction, by enabling municipalities to build infrastructure ahead of population growth.

Previous projects such as the Lulu Island District Energy, Markham District Energy and the Port Stalashen Wastewater Treatment projects will all support housing efforts. Substantial residential development around REM stations in Montreal is also ongoing.

Supporting the Development of Critical Minerals

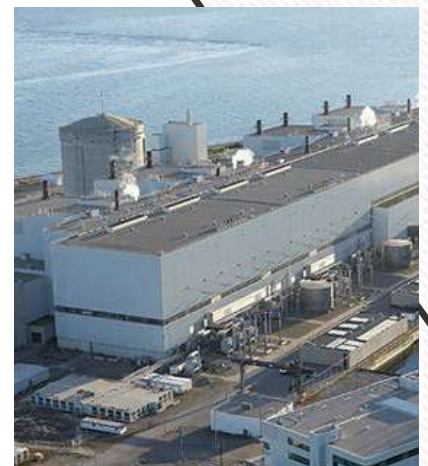
One of the most notable developments in our portfolio this past year was the launch of the CIB's plan for investment in critical minerals enabling infrastructure, through which the CIB will collaborate with government, Indigenous partners and private investors to finance infrastructure that unlocks access to the mineral deposits necessary for the green and digital economy. Enabling infrastructure includes access roads, clean power generation and transmission along with wastewater management facilities that support the mining of Canada's critical mineral deposits. The CIB will also seek to invest in the infrastructure needed to advance projects in the critical minerals supply chain.

Getting Projects Done

The CIB's asset management team onboards and works with all project partners on closed transactions to monitor project construction and delivery to realize impact outcomes and investment performance. Many of these projects are now in construction or development:

Darlington Small Modular Reactor:

Construction work on the Darlington Small Modular Reactor project is ongoing, and crews are actively advancing work on a key component in Ontario's plan for clean electricity. Earth bedding is level and ready for next stage of construction, temporary roads and laydown areas are completed and storm water features, on-site utilities, and IT infrastructure are all in place.



Oneida Energy Storage:

Work is advancing on the project including the pouring of battery pack foundations and grading of the site. Roads, laydowns, parking, fitting of fire suppression piping and installation of the underground drainage system are completed.



Kahkewistahaw Landing:

The Kahkewistahaw Landing Infrastructure project in Saskatchewan saw significant construction progress in 2023-24. Phase 1 construction was fully completed, with commercial assets now being leased out. Construction on Phase 2 is expected to commence in Spring 2024, while design for Phase 3 is underway. Kahkewistahaw First Nation (KFN) is leading new land development at the Kahkewistahaw Landing urban reserve through the three project phases to build a multi-use gathering place for community, sport, and business. This includes housing the Saskatchewan First Nations' provincial political organization, the Federation of Sovereign Indigenous Nations. The CIB's investment enabled KFN to efficiently execute developments to the urban reserve and increase economic self sufficiency.



Noventa - Toronto Western Hospital and Noventa Energy Retrofits:

Construction on a retrofit project at the Toronto Western Hospital is nearing completion and will soon become the world's largest raw wastewater energy transfer system. Once complete, the project will result in an expected emissions reductions of more than 8,000 tCO₂e annually by significantly reducing the hospital's natural gas and water usage. The CIB is enabling the expansion of the technology through a second investment in Noventa Energy Retrofits, an aggregator program to decarbonize buildings through sustainable retrofits through an Energy-as-a-Service model.



SOFIAC:

In 2021, the CIB invested in the Société de financement et d'accompagnement en performance énergétique du Québec s.e.c. (SOFIAC) for large-scale energy efficiency retrofit projects in Quebec. Construction has remained steady on two projects through SOFIAC - a \$3M project at the Collège Jean de la Mennais in Quebec, and a \$12M project at a data center in Quebec, without significant delays or cost overruns. Sales efforts on future potential retrofit projects through SOFIAC continues to be strong, as reflected by a pipeline of close to \$300 million and several projects at the feasibility study stage.



Quebec Zero Emission School Buses:

Nearly 700 zero-emission buses are now fully operational in communities across Quebec, as part of the CIB's \$400 million investment supporting the purchase of 3,500 zero-emission school buses and associated charging infrastructure in the province. Working in conjunction with funding provided by the Ministry of Transport of Quebec, these buses contribute to the Province's shift towards more sustainable transportation and provides high-quality transit for students.



Project Pipeline

Looking ahead, as of March 31, 2024 the CIB has a robust pipeline of approximately 60 potential investments across all priority sectors. These projects, with an estimated total value of over \$14 billion, are in investment structuring, the third stage of our development process. Note such projects are subject to ongoing due diligence and negotiation and not all projects will reach Financial Close.

Building for an equitable future: Deerfoot and Barlow Solar

Some of Canada's sunniest skies shine on southern Alberta, and that sun is powering economic resiliency for the Chiniki and Goodstoney First Nations. The Deerfoot and Barlow solar array is now lighting up homes and businesses in Calgary.

The CIB began discussion with the project partners at Atco soon identified that Deerfoot and Barlow Solar would be a good fit for the Indigenous Community Infrastructure Initiative (ICII). The \$78.8 million loan became the CIB's first clean power investment in Alberta.

Chief Clifford Poucette, of the Goodstoney First Nation, noted the importance of the ICII investment in the project, which will be majority Indigenous-owned.

"These projects set a precedent for Indigenous participation in renewable energy projects in Canada," he said. "Through collaboration with the Canada Infrastructure Bank and our partners at ATCO, we have an exciting opportunity to not only support energy transition but generate economic growth for our First Nations communities."

His position was echoed by the Chiniki First Nation: *"We are fostering economic advancement for our First Nations communities for generations to come," said Chief Aaron Young. "Indigenous involvement in infrastructure projects such as Deerfoot and Barlow underscores the pivotal contribution of our voices in shaping an equitable and sustainable future."*

Stretching the length of 170 football fields, and capable of generating 64 megawatts of solar energy, the combined 175,000 bifacial solar panels at the Deerfoot and Barlow sites were powered up in late 2023.



Indigenous Investment

The CIB is taking an active role in Indigenous inclusion and economic reconciliation. From our innovative investment vehicles to our cultural awareness training, we are working to ensure that each project in our portfolio is done in a way that respects Treaty rights and Aboriginal rights, commonly referred to as Indigenous rights, and considers opportunities for greater Indigenous inclusion in projects where we are making investments.

The CIB has a target to invest at least \$1 billion in Indigenous infrastructure across our five priority sectors. As of the end of 2023-24, the CIB has reached financial close on \$501 million worth of investment towards this goal.

The outcomes we are achieving on First Nation, Métis and Inuit communities are varied, and are intended to address community-based infrastructure needs and assist Indigenous communities with access to flexible and affordable capital to invest in projects being delivered on their territories.

Launch of the Indigenous Equity Initiative

Indigenous communities often lack access to capital in order to purchase equity stakes and be active participants in infrastructure developments. Market lenders are often unwilling to lend to Indigenous communities against these equity stakes.

A significant milestone in the CIB's efforts to support Indigenous infrastructure came when the federal government directed the CIB in its Budget 2023 to provide loans to Indigenous communities to support them in purchasing equity stakes in infrastructure projects in the CIB's mandate. The CIB responded and launched the Indigenous Equity Initiative (IEI) in November 2023.

The IEI is used to fill a market gap by providing First Nation, Métis and Inuit communities access to purchase equity stakes for projects that the CIB invests in. In this way, the CIB can accelerate transformative infrastructure projects across Canada that are in the public interest, while taking another step toward to the objective of reconciliation and economic inclusion of Indigenous communities and peoples.

The CIB delivered its first loan under the program in February 2024 to the Wskijinu'k Mtmó'taquinow Agency (WMA) to partner with Nova Scotia Power on battery storage facilities across Nova Scotia. WMA represents the economic interests of 13 Mi'kmaw communities in Nova Scotia. The CIB's initiative aims to lend the equity required for one or more Indigenous communities with the opportunity to partner on infrastructure projects across Canada.

CIB IN ACTION: CASE STUDY 5

Building Reconciliation: Nova Scotia Power and WMA's Nova Scotia Energy Storage

Since its inception, the CIB has worked with Indigenous communities around the country who are seeking out opportunities to invest in projects for the benefit of their members. To support Indigenous community ownership of projects where the CIB is also investing, the CIB developed the Indigenous Equity Initiative (IEI), an investment program to ensure new infrastructure projects across Canada can bring long-term economic benefits to Indigenous communities.

A partnership with Nova Scotia Power and WMA, which represents all 13 First Nations in the province, was soon developed. And in November 2023, the CIB closed the first IEI investment: Nova Scotia's largest energy storage project, including an equity loan to WMA allowing it to invest in the project.

"Creating a greener future is a priority for the Mi'kmaw Nation and WMA is proud to be doing our part to bring about positive transformations to the energy industry," said Crystal Nicholas, President, WMA. "This investment in battery storage is a significant step towards true economic reconciliation and developing a more sustainable future for all Mi'kma'ki."

When complete, the energy storage sites in White Rock, Bridgewater and Waverley, NS, will help the province move towards more renewable electricity, reduce 98,000 tonnes of GHGs annually, and is another step towards greater reconciliation and economic inclusion of Indigenous communities and peoples.



How the CIB invests in Indigenous Infrastructure

A team of investment professionals that are dedicated to the Indigenous infrastructure portfolio works across the CIB asset classes to make investments across regions that support the priorities of Indigenous communities. The current portfolio of investments includes on-reserve infrastructure and economic development opportunities.

The CIB actively invests in projects alongside Indigenous communities and supports their development in three ways:

- » By recognizing the importance and impact that large-scale infrastructure projects can have to benefit Indigenous communities in ways ranging from direct participation in a project to the employment and investment outcomes that are associated with such investment. We also undertake due diligence on any potential adverse impacts a project may have on Aboriginal and/or Treaty rights. We are deliberate in our approach to upholding the Honour of the Crown as it relates to Indigenous communities.
- » By developing initiatives that are tailored to address unique challenges faced by Indigenous communities. The Indigenous Community Infrastructure Initiative (ICII) is a collaborative financing solution that offers low-cost and long-term loans to Indigenous infrastructure projects. IEI provides equity loans directly to Indigenous communities as described above.
- » By supporting Indigenous infrastructure through providing advisory expertise to projects to accelerate development and planning with the intent of advancing projects to a stage of investment readiness.



In October 2023, the CIB welcomed then Chief Laforme of the Mississauga of the Credit to dedicate our offices with the naming of the Ajijack room.

This meeting room serves as a place to learn about Indigenous communities through a small library of Indigenous literature and art along with a display of our investments in Indigenous communities.

Indigenous reconciliation is a journey for the CIB.

We have, and will continue to offer opportunities for cultural training to our staff by bringing in guest speakers and other learning opportunities from our Indigenous employees and partners.

Projects and Investments

The CIB has reached financial close on 14 investments since inception that are with the participation of and of benefit to Indigenous Communities. These projects range from urban reserves to wastewater facilities on-reserve to renewable energy projects and an Indigenous owned rail project. In 2023-24, the CIB committed nearly \$280 million across five projects:

- » **First Nation Bank of Canada (FNBC) Aggregator:** The CIB committed \$100 million in FNBC to support enabling infrastructure for First Nation, Métis and Inuit community-based projects. It will leverage FNBC client relations with CIB flexible financing and invest in projects that support community growth in housing, businesses and community-owned building.
- » **Tilley Solar Farm:** The CIB committed \$33M million in a 23.6 megawatt Solar farm in Newell, Alberta. It is a partnership between Alexander First Nation, First Nation Power and Concord Pacific.
- » **Thompson Regional Airport:** The CIB committed \$52 million in the redevelopment of the Thompson airport. This investment will replace the terminal building with a long-term solution and improve resilience to climate change. It will support 15 remote communities and over 30 Indigenous communities through improved access and services in Northern Manitoba.
- » **Enoch Arena Road:** The CIB committed \$15 million to improve safety and access to community members through the investment of an on-reserve road, lighting and pedestrian trail. It is a partnership between Enoch Cree Nation and River Cree Development Corp that will support future economic development for the First Nation community.
- » **Deerfoot and Barlow Solar Farm:** The CIB committed \$78.8 million toward this 64 megawatt solar project in Southeast Calgary. The project is possible through the partnership between Chiniki and Goodstoney First Nations and ATCO.

As noted above in 2023-24, the CIB also reached financial close on our first IEl project, the **Nova Scotia Energy Storage** investment. This project is in collaboration with WMA, which will receive an equity loan of up to \$18 million.

While the majority of the CIB's Indigenous projects have been in partnership with and for the benefit of First Nation communities, the CIB is equally committed to providing investments in partnership for Inuit and Métis communities. The CIB continues to see interest in Indigenous investment particularly in the clean power, green infrastructure, critical minerals, and trade and transportation sectors across all regions of Canada.

Capacity Building

The CIB is committed to building capacity for Indigenous participation in large-scale projects. To that end, the CIB, AFOA Canada and TD Bank Group have collaborated to develop a project financing certification program that will strengthen Indigenous peoples' and communities' abilities to structure and manage large infrastructure projects. The program focuses on project financing and will include modules on risk management and project financing, contracting and asset maintenance.

Indigenous communities face challenges with limited human and financial resources and capacity, and great demand to deliver on programs and services. The certification program is designed to empower Indigenous communities to better understand project financing for large infrastructure projects, providing participants with more confidence to work with external consultants. The program will help build capacity in Indigenous communities to support future economic growth.

Indigenous Impact Measurement

The CIB has listened to Indigenous partners about the importance of infrastructure investments for their communities. We are strengthening our impact measurement framework on our investments in partnership with, and for the benefit of Indigenous communities.

In 2022, the CIB gathered an Indigenous advisory group to support this work, including experts from across different First Nations, Métis, and Inuit regions in Canada. The advice from these experts has helped the CIB to incorporate the impact stories told by the Indigenous communities where we are making an investment and to align our impact framework in Indigenous projects to the priorities of the communities where we are making investments.

We continue to refine this work and recognize that our approach needs to be flexible by engaging early with partners to allow for the appropriate impact measurement unique to each project by:

- » recognizing the need for flexibility with partners and communities with varying levels of capacity;
- » being sensitive to the level of appropriate diligence, especially with the outcome as a core need;
- » building internal CIB capacity and expertise in Indigenous relations building and support for Indigenous partners; and
- » respecting Indigenous data sovereignty.

Investments in ICII and IEI will continue to include CIB sector-specific impacts and the perspectives and values as presented by Indigenous community sponsors.

CIB IN ACTION: CASE STUDY 6

Building community: The English River First Nation's Grasswoods wastewater treatment facility

The English River First Nation (ERFN) had a plan – to use a new parcel of reserve land south of Saskatoon to build a business hub close to the city, giving community members centralized access to services and offering First Nations-owned businesses a chance to thrive. To see the development come to life, it needed critical infrastructure – wastewater management capacity – to meet the growing needs of the community.

After an initially unsuccessful development cycle and a failed search for a lender, the ERFN turned to the CIB. Working together with ERFN partners, a deal was struck where the CIB would invest \$27.3 million – 80% of the expected project cost – to enable construction of the wastewater treatment facility. It will serve the Grasswoods development with additional capacity to support neighbouring Corman Park. The project is now well into its construction cycle.

“This unique partnership with English River First Nation, Des Nedhe Group, the Rural Municipality of Corman Park and Saskatchewan Water Corporation, enabled by CIB financing, signals an important step towards economic reconciliation,” said ERFN Vice-Chief, Jenny Campbell. “We look forward to ensuring we can advance future economic development for years to come.”



CIB as a Centre of Expertise

Large infrastructure projects are complex to plan and deliver, requiring extensive engineering and design, alignment across many different stakeholders, significant consultation and adequate timelines for impact assessment and regulatory approvals.

As a “centre of expertise”, the CIB plays an outsized role in advancing major projects. This function is designed to advance projects through early-stage development and into construction and is a core element of developing the CIB’s pipeline of investable projects. Most often, this work takes place in the early development of projects and is led by our investment professionals, for project proponents which may lack capacity or in-house expertise.

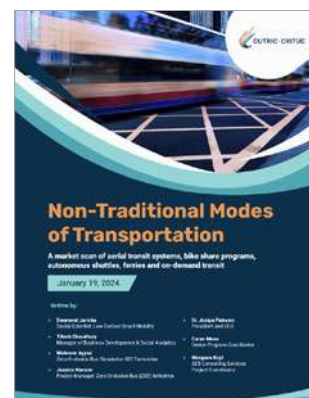
The CIB uses its expertise to accelerate projects to investment through four areas: knowledge and research, advisory efforts, project acceleration, and engagement.

Knowledge and Research

Knowledge and research plays a key role in emerging sectors when there are gaps in understanding, sector level issues and challenges and broad opportunities to explore. In 2023-24, the CIB supported the research and publication of two significant projects undertaken by experts in their respective fields:

The Potential for New Infrastructure Projects to Support Sustainable Growth in Atlantic Canada:

- » This [report](#), produced by the Atlantic Economic Council, highlights factors that are driving substantial need for capital infrastructure investment in Atlantic Canada including moving away from the region's traditional reliance on fossil fuels for energy production, a growing population, its strategic location on major trading routes and the need for powerful climate adaptation solutions. The report highlights specific opportunities in hydrogen and clean fuel, critical minerals, and trade and transportation to propel Atlantic Canada's economic growth and transition towards net-zero.
- » Non-Traditional Modes of Transportation: This [report](#), from the Canadian Urban Transit Research and Innovation Consortium (CUTRIC), is a market scan of domestic and global case studies and industry trends in five non-traditional modes of transportation including aerial transit, micromobility solutions like bikes and e-bikes, autonomous shuttles, ferries, and on-demand transit. The report highlights how an integration of these solutions in a variety of specific circumstances through innovative infrastructure and financing approaches can help get our cities moving.



In 2023-24 the CIB has been actively developing research in several areas including transformational opportunities in trade and transportation, enabling infrastructure for housing, climate resilient infrastructure, and northern infrastructure. These efforts are expected to result in publications, dialogue and engagement in 2024-25 and beyond, depending on the stage and scope of the work.

Advisory Efforts

When the CIB engages with a potential partner on a project, we provide substantive, professional advice on how they can deliver on their infrastructure priorities while crowding in private capital. The CIB brings ability and expertise on infrastructure projects and financing in areas including investment structuring, user-pay models, risk-allocation and ongoing asset delivery and management.

The CIB draws upon knowledge and expertise and provides some form of advisory input into all projects, using approaches that can vary depending on the project, the partner(s), and the context. In some cases, advisory efforts are supported by formal engagements such as a memorandum of understanding (MOU). Examples of such engagements where the CIB has been active over the past year includes:

- » **MD of Acadia and Special Areas Irrigation:** The CIB has signed a MOU with the Government of Alberta, Municipal District (MD) of Acadia and Special Areas Board to assess the feasibility of a large-scale greenfield irrigation infrastructure. The scope of this project development collaboration includes engineering, environmental assessment, financial and impact analysis and other activities that are critical to determine the project's viability and achieve a potential investment decision. If realized, this project could help mitigate the effects of climate change on agriculture by boosting primary crop production and enhancing water security through creating storage capacity.
- » **Contrecoeur Port Expansion Project:** The CIB is working with the Montreal Port Authority (MPA) to advance project development on a new container terminal in Contrecoeur, Quebec. The CIB has signed an MOU confirming that the CIB and MPA will work on financial structuring of the proposed terminal, including due diligence activities such as planning and pre-procurement activities for the design, construction, financing, operation and maintenance of the terminal.

- » **High Frequency Rail:** Following the CIB's involvement in the Joint Project Office established with VIA Rail to conduct further due diligence and plan procurement relating to a proposed high frequency rail network in the Quebec City-Toronto corridor (the "HFR Project"), formal procurement of the HFR Project was commenced in 2023 by the Government of Canada, led by Transport Canada, with the first step being the selection of a private developer partner to co-develop and optimize the project alongside Canada. The CIB has and continues to act as an advisor to Canada during the procurement of the private developer partner and expects to work with both Canada and the private developer partner during the co-development phase.

Project Acceleration

The CIB has established a \$500 million investment target to provide project acceleration funding where such investment would have a measurable impact on the project's development timeline or more comprehensive due diligence, as often identified while providing advisory services.

Examples of these investments include early engineering or feasibility studies, other activities to establish the project's business case, or early works construction. Similarly to our advisory function, the project acceleration is a differentiator from private investors due to our willingness to invest in projects at the early stages of their development cycle. Project acceleration funding addresses the financing gap for these early-stage activities and we make project acceleration expenditures when there is a reasonable probability that the CIB will eventually invest in a project, helping unlock investment decisions for the CIB.

The CIB's project acceleration engagements over the past year include:

- » **Azure Sustainable Fuels Corporation:** In January 2024, the CIB collaborated with Azure Sustainable Fuels Corp. on our first FEED study for sustainable aviation fuel (SAF) production in Canada. The CIB's \$8.4 million funding commitment enabled Azure's SAF study to proceed, with the goal of producing SAF in Canada by 2027 using Canadian feedstock.

- » **East Central Alberta Shortline Rail:** The CIB has signed a MOU with the government of Alberta and Special Areas and Oyen Development Corp to undertake a joint preliminary technical and financial feasibility study on a proposed shortline rail project linking east central Alberta to an intermodal terminal in either Calgary, or Edmonton. The proposed shortline rail project aims to enhance Alberta’s trade and commerce competitiveness while fostering economic development and investment along the rail corridor.
- » **MD of Acadia and Special Areas Irrigation:** The CIB is also providing acceleration funding along with advisory services under the MOU, as described above.

Engagement & Communications

The CIB is committed to meaningful public engagement, actively engaging with stakeholders throughout Canada to form strategic connections to get more infrastructure built faster. We meet with stakeholders in government and industry to build and strengthen partnerships, find opportunities to collaborate and share information on our key priorities.

Our investment experts and leaders present at events across Canada, spanning our priority sectors, and highlighting diverse voices from the CIB. Highlights from the past year included:

- » **Propulsion Quebec Annual Conference:** The CIB shared details on our Charging and Hydrogen Refuelling Initiative to private and public sector leaders.
- » **First Nations Major Projects Coalition Annual Conference:** The CIB announced the equity financing program for Indigenous communities included in Budget 2023.
- » **Federation of Canadian Municipalities Annual Conference:** The CIB’s CEO, with members of the investment team hosted an “Ask Me Anything” session speaking to municipal leaders on how they can advance their sustainability priorities through accessing CIB financing.
- » **Atlantic Economic Council Major Projects Conference:** The CIB’s Head of Project Development for Quebec and Eastern Canada hosted three sessions across Eastern Canada to advance partnership opportunities.

- » **Canadian Chamber of Commerce AGM & Convention:** The CIB's Head of Project Development for Western Canada hosted a fireside chat on how Chamber leaders can engage with the CIB to fund infrastructure projects in communities across Canada.

Through public events the CIB shared our mission as an impact investor and provided important updates on our results and progress. Together these events reached over 1,100 registrants:

- » **Spring Market Update (April 2023):** In collaboration with the Canadian Council for Public Private Partnerships, Ehren Cory and our Board Chair Tamara Vrooman provided updates on the CIB's progress and expanded Budget 2023 mandate.
- » **Annual Public Meeting (June 2023):** A yearly opportunity for interested citizens to hear our annual results and to ask questions of the CIB's leadership.
- » **Fall Market Update (November 2023):** We presented our Q2 results in a live streamed discussion with the Globe and Mail's Andrew Willis, in conjunction with the Ontario Chamber of Commerce.

In 2023-24, we further evolved our engagement efforts to include regional tours. Tours are an opportunity to meet with government officials, communities and leaders, business owners and economic development groups who are looking to partner on infrastructure projects. They allow CIB leadership and project teams to see the progress of projects currently under construction and meet with proponents to understand their priorities and additional regional context:

- » In Spring 2023, CIB leadership toured two investments currently under construction near Saskatoon: Kahkewistahaw Landing and Grasswoods Urban Reserve. During the tour, the CIB met with leadership of the First Nations Bank of Canada, the Saskatchewan Chamber of Commerce and provincial government officials to better understand future infrastructure projects where the CIB could be a financing partner.
- » In Winter 2024, the CIB travelled to Halifax to announce a new investment in the Nova Scotia Energy Storage Project. While in Nova Scotia, meetings were held with the Halifax Chamber of Commerce, local Indigenous leaders, and provincial government stakeholders. Concurrent with the visit, the CIB presented research findings on investment opportunities undertaken in collaboration with the Atlantic Economic Council.

Beyond speaking opportunities, events and regional tours, the CIB routinely engages with individual government stakeholders in support of our mandate, and uses communications tools like our website, social media, and outreach to the media to share news of our initiatives and accomplishments to a broad public audience.

We have also been actively engaging with **global peer infrastructure banks** to share best practices around impact investing, concessionary lending, and ways to minimize risks for innovative projects in infrastructure.

Sustainability

Sustainable infrastructure is of critical importance for delivering benefits to Canadians today and building a cleaner future. Though we invest for the long-term, our team moves with speed in catalyzing impactful infrastructure projects in critical emerging areas such as clean fuels, small modular reactors, and electric vehicle infrastructure. We forecast that our investments to date will collectively result in an estimated average annual reduction of 8.3 Mt CO₂e; the equivalent of over **2.5 million gasoline-powered cars** off the road annually, or the **annual electricity use of over 5.5 million homes**². Estimated future annual GHG reductions driven by CIB investments to date represent over 2.6% of the reductions for achieving Canada's interim 2030 emissions target, and we are on track to exceed our long-term decarbonization target of 13 Mt CO₂e by 2027-28.

In December 2022 the CIB issued a Sustainability and Impact (S&I) document to share our progress and future activities to advance sustainable outcomes. A highlight of the S&I document was the CIB's plan to contribute to Canada's net zero objectives. It also included the CIB's first Task Force for Climate-related Financial Disclosure (TCFD) report as well as the CIB's sustainability framework, which continues to guide efforts on sustainability across all aspects of the business.

The CIB has now incorporated sustainability reporting into our Annual Reporting, including detailed updates on sustainability and disclosures.

² NRCan Greenhouse Gas Equivalencies Calculator

The CIB Sustainability Framework

Framework Pillar One:



As a sustainable investor

Framework Pillar Two:



With impact as
our bottom line

Framework Pillar Three:



As a sustainable
corporation

The CIB Sustainability framework is organized around three distinct ways in which the CIB embeds sustainability into our investments and operations.

- » As a sustainable investor, the CIB is integrating best practices on climate and other ESG considerations into the investment process.
- » With impact as our bottom line, captures the CIB's approach as an impact investor in measuring sustainable returns.
- » As a sustainable corporation, the CIB embeds sustainability into daily operations.

In 2023-24, the CIB continued to make significant progress on its sustainability journey across all three pillars

The CIB's Sustainability Journey

2017

- » Budget 2017 proposes the creation of the Canada Infrastructure Bank and priorities including public transit, trade and transportation and green infrastructure.
- » The Canada Infrastructure Bank Act receives Royal Assent. The Act establishes the CIB and identifies as part of its purpose investment in infrastructure 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."
- » Statement of Priorities and Accountabilities indicates that the CIB should "be guided by best practices with respect to managing and disclosing climate-related risks and opportunities" that its portfolio "make a substantive contribution to supporting Canada's greenhouse gas reduction goals," and that the CIB should "contribute to the Government's commitment to achieve reconciliation with Indigenous people."

2018

- » Established operations and hires first executive team and staff.
- » Made first Investment commitment in Réseau Express Métropolitain, a project that will result in a decrease of 680,000 tonnes of GHG emissions through 25 years of operations.

2019

- » Adopted foundational policies to ensure strong governance practices including Investment Policy, Procurement Policy, Code of Conduct and Human Resources Policy.

2020

- » Released a \$10 billion Growth Plan to create jobs and economic growth while supporting the transition to a low-carbon economy. The plan includes \$2.5 billion for clean power initiatives, \$2 billion to invest in large-scale retrofits and \$1.5 billion for zero-emission buses
- » Launched Building Retrofit and Zero-emission bus initiatives.

2021

- » Launched the Indigenous Community Infrastructure Initiative to support at least \$1 billion towards projects in and with participation of Indigenous communities.
- » Developed the CIB Sustainability Framework and established a Sustainability Working Group, governed by the CIB's Strategy function, to coordinate and lead reporting on sustainability initiatives.
- » Undertook a TCFD gap analysis to inform preparations for climate related reporting.
- » Adopted internal policies to guide investment and ensure focus on outcomes established project level GHG impact measurement standards to measure our avoided emissions.
- » Established long term outcome targets for GHG reduction, transit ridership, broadband connections, economic growth and Indigenous investment.

2022

- » Created an Impact and Risk committee of the Board
- » Began participating in Department of Finance Green Bond Initiative
- » Established project level GHG impact measurement standards to measure our avoided emissions
- » 2030 Emissions Reduction Plan includes \$500M CIB Zero-emission vehicle charging and refueling initiative; Budget 2022 identifies role for CIB to invest in new sub-sectors to support a low-carbon economy (CCUS, Hydrogen, Small Modular Reactors and Clean Fuels).
- » Published the CIB's first Sustainability and Impact Update, including our first Task Force on Climate-Related Financial Disclosure (TCFD) report and featuring our path to net zero.

2023

- » Launched Indigenous Equity Initiative (IEI) to facilitate economic reconciliation and enable indigenous communities to purchase equity in the infrastructure projects in their community.
- » Developed ESG Credit Risk Factors.
- » Conducted GBA+ Analysis at the sectoral level.
- » Expanded scope of D&I committee to become DE&I committee.
- » Undertook climate-related scenario analysis and identified climate-related risks and opportunities
- » Calculated first-ever financed emissions for the 2022-23 year.
- » Joined the Partnership for Carbon Accounting Financials (PCAF).

Pillar One: As a Sustainable Investor

As a Sustainable Investor

Our ESG Due Diligence

Ensuring ESG considerations feature in our work, including:

- » Indigenous impacts (including Respect for Aboriginal and Treaty Rights and the Duty to Consult)
- » Impact assessments and environmental reviews
- » Health and Safety at the CIB
- » Compliance with laws (e.g., integrity provisions)
- » Responsible proponent procurement)
- » Advancing ESG objectives through our role as an investor

ERM policy and procedures

- » Integrating climate and other sustainability risks into our assessment of individual investments, as well as integrating climate risk at an enterprise level through the ESG Credit Risk Framework

Influence as an Investor

- » Leveraging our influence as an investor to encourage project proponents to adopt sustainable practices, such as lower-carbon construction materials

As a Crown corporation with a mandate to invest in sustainable infrastructure, we are uniquely positioned to play a role in driving the transition to a sustainable and low-carbon economy. One way in which the CIB can contribute is to use our role as an investor to influence and promote sustainable outcomes in the projects in which it invests. We advance this pillar through both our investment decision-making process, and in specific features of our investment initiatives.

There are a number of ongoing initiatives under this pillar, such as supporting capacity building within Indigenous communities through a partnership with AFOA Canada, and embedding ESG considerations in our investment due diligence.

New developments and updates with respect to work under this pillar in 2023-24 included the following:

Low-Carbon Construction Materials

The CIB is already achieving significant reductions in projected average annual GHG emissions by investing in projects with lower emissions than baseline alternatives. For example, investments in clean power result in significantly lower emissions than would be the case were a fossil fuel option to be adopted.

However, there is always opportunity to do more. The CIB is actively considering how it may leverage our influence as an investor to encourage project proponents to adopt the use of lower-carbon construction materials in projects. Such an effort is aligned with the CIB's impact objective to

reduce GHG emissions associated through investment and closely aligned with the work of the Greening Government Strategy. We expect to advance these efforts in 2024-25 through engagement and dialogue with project partners.

ESG Credit Risk Framework

The CIB continues to develop its ESG Credit Risk Framework utilized by the CIB's Credit Risk Team in assessing ESG factors that can materially influence the creditworthiness of the borrower in each project. These include the assessment of climate transition and physical risks, in line with TCFD recommendations regarding risk management. This aligns with the Principles of Responsible Investment³ (PRI) definition of ESG integration as “the explicit and systematic inclusion of ESG issues in investment analysis and investment decisions.”

Next Steps

Looking ahead, the CIB plans to further efforts on developing investment guidance on ESG due diligence, leveraging the finalized ESG Credit Risk Framework, as well as looking to promote climate resiliency in projects through using the CIB's influence as an investor.

³ Principles developed in 2006 under the auspices of the United Nations for investors strongly committed to integrating ESG criteria and reporting with respect to their investments. Website: [PRI | Home \(unpri.org\)](https://unpri.org)

Pillar Two: With Impact as Our Bottom Line

With impact as our bottom line

Our sustainability framework

- » Embedding Sustainability features in our Investment Framework
- » Linking impact objectives to our risk appetite
- » Ensuring consistency and alignment with our mandate
- » Considering CIB investment contribution to the UN Sustainable Development Goals

Our portfolio strategy

- » Designing our five-year rolling portfolio strategy to allocate funds across our priority sectors, to achieve our corporate objectives, including sustainability outcomes

Creating policies to guide our sustainable investing

- » Defining public impact objectives within our Corporate Plan and Objectives
- » Developing quantification standards for how we measure our public impact
- » Using GBA+ analysis to understand distribution of investment benefits across Canadians
- » Undertaking impact evaluation, and tracking and auditing our impact

The CIB has a unique ability to take concessionary investment positions to deliver positive social and environmental impacts. We use a comprehensive approach to impact investing and outcome measurement to ensure desired results are achieved. We understand that infrastructure investments must be made for the long-term and deliver benefit to Canadians today as well as future generations. Investments should contribute to a cleaner future, be resilient in our changing environment and address the needs of a diverse population, including Indigenous and other underserved communities.

Our success on this pillar is measured based on our progress towards our long-term outcome targets. Driven by investments in our clean power, green infrastructure and public transit sectors, as of March 31, 2024, the CIB has supported projects that we estimate will collectively result in a forecasted average annual reduction of 8.3 Mt of CO₂e.



Investment Outcome Targets

In 2023-24 the CIB broadened the measurement of impacts associated with our investments. This means, for example, estimating the annual GHG emissions reduced via a major public transit project even when the primary impact used for that investment is transit ridership. This enables a more holistic approach in evaluating potential investments and maximizing investment impact. As well, the CIB updated its measurement of Indigenous impact, seeking to better capture what matters to communities by considering qualitative impacts. Continually refining investment outcome targets is important for the CIB's evaluation of potential investments.

Portfolio Strategy and Sustainability

The CIB has developed business strategies and its investment portfolio taking into account climate-related implications and potential opportunities. Three implications set the context for the CIB's strategy:

- » The CIB is an impact investor with a focus to catalyze new infrastructure projects that will benefit Canadians. The portfolio is deeply aligned with climate oriented objectives. Approximately half of our investment activity has as its primary outcome accelerating Canada's climate transition. Many of our other investment activities, such as the expansion of public transit systems and connecting communities to high-speed broadband, are aligned with the investment needs to reach our government's net-zero targets and goals.
- » The CIB invests specifically in greenfield projects. Unlike a traditional investor there is no legacy investment portfolio where we must address and reduce the emissions we finance. When we invest in emissions intensive industries, it is often linked to financing for specific projects designed to reduce emissions intensity of production: for example, our support of the electric arc conversion at Algoma Steel. However, we also have a mandate from our shareholder to invest in projects in emissions intensive sectors, for example in the transportation sector, in projects that may not reduce GHG.
- » In terms of our investment structuring, the CIB aims to provide the minimal amount of financial support to a project while allowing it to proceed. In many sectors, our aim is to catalyze a private sector investment market that ultimately will no longer require financial support from the CIB. Unlike a traditional corporation, it would be a success if our presence was no longer required in many of our investment sectors.

In 2023-24 the CIB updated our strategy for investment across sectors and launched specific initiatives to address government priorities. These updates included:

- » Launching the Indigenous Equity Initiative (IEI), Infrastructure for Housing and Critical Minerals Initiatives.
- » Updating long-term targets for Clean Power and Green Infrastructure to \$10 billion each.

Climate Impact Scenario Analysis

In 2023-24 the CIB undertook a climate scenario analysis to better understand the impact of various scenarios on our existing portfolio and pipeline of future investments.





Scenario analysis is a tool that leverages a description of multiple plausible and alternative futures to help recognize and navigate in an environment of uncertainty and change. It is a way of creating insights so that an organization can make and discuss decisions that maximize opportunities and minimize risk.

Three different scenarios were chosen in line with guidance from the Network for Greening the Financial System (NGFS). NGFS is widely used by Canadian financial institutions, including being cited in the Office of the Superintendent of Financial Institutions (OSFI) Standardized Climate Scenario Exercise draft guidance. The NGFS scenarios assessed were a **Delayed Transition, Current Policies, and Net Zero 2050**.

Delayed Transition (DT) assumes that annual emissions do not decrease until 2030, resulting in the implementation of strong policies after 2030 to limit warming to below 2° C.

Current Policies (CP) assumes that only currently implemented policies are preserved and net zero targets are not achieved, leading to high physical risks under the status quo due to increased extreme weather.

Net Zero 2050 (NZ) assumes that stringent policies and innovation occur immediately to reach global net zero emissions by 2050 and limit global warming to 1.5° C.

	Net Zero 2050 <i>Immediate and stringent policies and innovation delivering a pathway toward net zero</i>	Delayed transition <i>Sluggishly, no new policy or innovations are introduced before 2030 to support net zero</i>	Current Policies <i>Current policy activity remains intact, while no new progress to limit climate change is made</i>
 Policy Temperature Ambition (by 2100)	1.5 °C	2 °C	3 °C+
 New Climate Policy Reactions	Immediate and progressive introduction of new policies	Delayed, surge of new policies will be introduced after 2030	No new climate policies
 Technology Change	Fast change	Slow change prior to 2030, fast change thereafter	Slow change
 CO2 Removal Adoption	Medium-high use	Low-medium use	Low use

Scenario Analysis Results

In all scenarios, our assets are exposed to the physical risks of climate change. This physical risk exposure increases the importance of assessing the climate resiliency of assets in which the CIB invests, and understanding physical risk impacts under different scenarios.

More opportunities for green investments are expected in the DT and NZ scenarios, driven by emission reductions expectations and increase in energy demands and prices. Higher physical risk impacts are expected under the CP scenario resulting from higher temperatures, sea-level rise and increase in occurrence of extreme weather events, which may also provide investment opportunities in resilient infrastructure.

Short-term: In the short term, there is significant opportunity for the CIB to invest in infrastructure that will play a role in helping Canada to manage climate transition and achieve GHG reduction objectives. The need for investment remains beyond the capacity of either public or private sector to address on its own, suggesting the role for the CIB to partner and address gaps that inhibit project advancement will be required. The magnitude of the investment required is higher in the NZ and DT Scenarios, with investment occurring earlier in the NZ scenario.

Medium-term: Over the medium term, our financial hold period, the CIB faces similar exposure as other infrastructure investors to the pace of the energy transition. In several projects, the CIB bears financial risk to the extent that the cost of carbon emissions falls relative to current projections but may see increased returns if the cost of carbon emissions increases. The CIB also is exposed to merchant or demand ramp-up risks in its projects. For example, in district energy systems, the CIB has lent against infrastructure built for future demand for services, not just current customer demand. This will make it more cost-effective for new buildings to connect to district energy, accelerating the transition. An accelerated transition in the buildings sector would benefit these investments, increasing opportunities related to green infrastructure, energy efficiency, and building retrofits, while mitigating demand risks.

Long-term: In the long-term, extending beyond the financial hold period of our investment portfolio, it is expected that the CIB's investments will continue to shape their communities. Unlike other investors, our assessment of the impact of our projects extends beyond the time horizon we are invested in. The CIB's model is most successful when its investment is repaid, and the project continues to deliver benefits.

The CIB undertook our first systematic Gender-Based Analysis Plus (GBA+) assessment in 2023-24. The assessment spanned the investment portfolio, with the objective of better understanding how public impacts and benefits of investments are distributed across diverse groups of Canadians. The GBA+ Analysis showed that:

- » Infrastructure in CIB's priority sectors create expected benefits for a wide range of Canadians, with an overall distribution that is relatively balanced across income, gender, and age.
- » Some infrastructure categories show some variation in impacts, with public transit more likely to benefit younger and lower income Canadians, and CIB's broadband sector concentrated on lower income and rural areas.
- » The CIB's Indigenous Community Infrastructure Initiative (ICII) provides targeted programming to work with Indigenous partners to close infrastructure gaps spanning across the CIB's priority sectors.
- » The benefits from the construction phase are more concentrated and likely to disproportionately benefit male workers. The sector is reported as 88% male and has average income statistics compared to the general workforce.










The full set of GBA+ outcomes by sector are detailed in the Appendix.

Next Steps

In the coming year, the CIB plans to update the GHG Measurement Standard to better quantify GHG reductions from projects, as well as the process for monitoring and verification of GHG results.

Alignment with UN Sustainable Development Goals

As part of its 2030 Agenda for Sustainable Development, the UN has established a set of Sustainable Development Goals (SDGs) to serve as a common foundation for governments, the private sector, and others. While the CIB's investments contribute in many respects towards all 17 goals, we have identified nine goals to which we are making significant contributions through our outcome areas.

Outcomes	Associated UN Sustainable Development Goals	Examples of CIB Activities
Climate Action	 <p>6 CLEAN WATER AND SANITATION t: <u>6.4</u></p>  <p>7 AFFORDABLE AND CLEAN ENERGY t: <u>7.1, 7.2</u></p>  <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE t: <u>9.1, 9.4</u></p>  <p>11 SUSTAINABLE CITIES AND COMMUNITIES t: <u>11.2, 11.a</u></p>  <p>13 CLIMATE ACTION t: <u>13.1, 13.2</u></p>	<p>Our priority sectors include: clean power, green infrastructure and public transit</p> <p>We have launched initiatives to retrofit buildings, finance zero emission buses and promote zero emission vehicle charging</p> <p>We have set outcome targets for greenhouse gas emissions (13Mt) to drive results</p>
Indigenous Infrastructure	 <p>6 CLEAN WATER AND SANITATION t: <u>6.4</u></p>  <p>7 AFFORDABLE AND CLEAN ENERGY t: <u>7.1, 7.2</u></p>  <p>8 DECENT WORK AND ECONOMIC GROWTH t: <u>8.2</u></p>  <p>13 CLIMATE ACTION t: <u>13.1, 13.2</u></p>	<p>We have established the Indigenous Community Infrastructure Initiative (ICII) to help close the infrastructure gap for Indigenous communities</p> <p>We have launched the Indigenous Equity Initiative (IEI) to advance economic reconciliation by enabling Indigenous communities to obtain equity ownership stakes in infrastructure projects within their traditional territories</p> <p>Our projects deliver outcomes in areas such as reduced GHGs and clean energy solutions, broadband and transportation connections, and clean water</p>

Outcomes	Associated UN Sustainable Development Goals	Examples of CIB Activities
<p>Connected Communities</p>	 <p>t: 8.2,</p>  <p>t: 9.1, 9.4</p>	<p>Our priority sectors include broadband and public transit</p> <p>We have set outcomes for households passed (900 000) and daily transit trips (210 000)</p> <p>We have partnered with Innovation, Science and Economic Development Canada to maximize the reach of broadband projects to underserved areas</p>

<p>Economic Growth</p>	 <p>t: 5.5.5.c</p>  <p>t: 17.17</p>  <p>t: 9.1, 9.4</p>  <p>t: 8.2.</p>	<p>The CIB strives to have a gender-diverse workforce</p> <p>We have completed a GBA+ analysis to incorporate into our investment process</p> <p>We are partnering with Federal, Provincial, Territorial, Municipal, and Indigenous governments and communities on projects</p> <p>We support job growth and employment through our investments</p>
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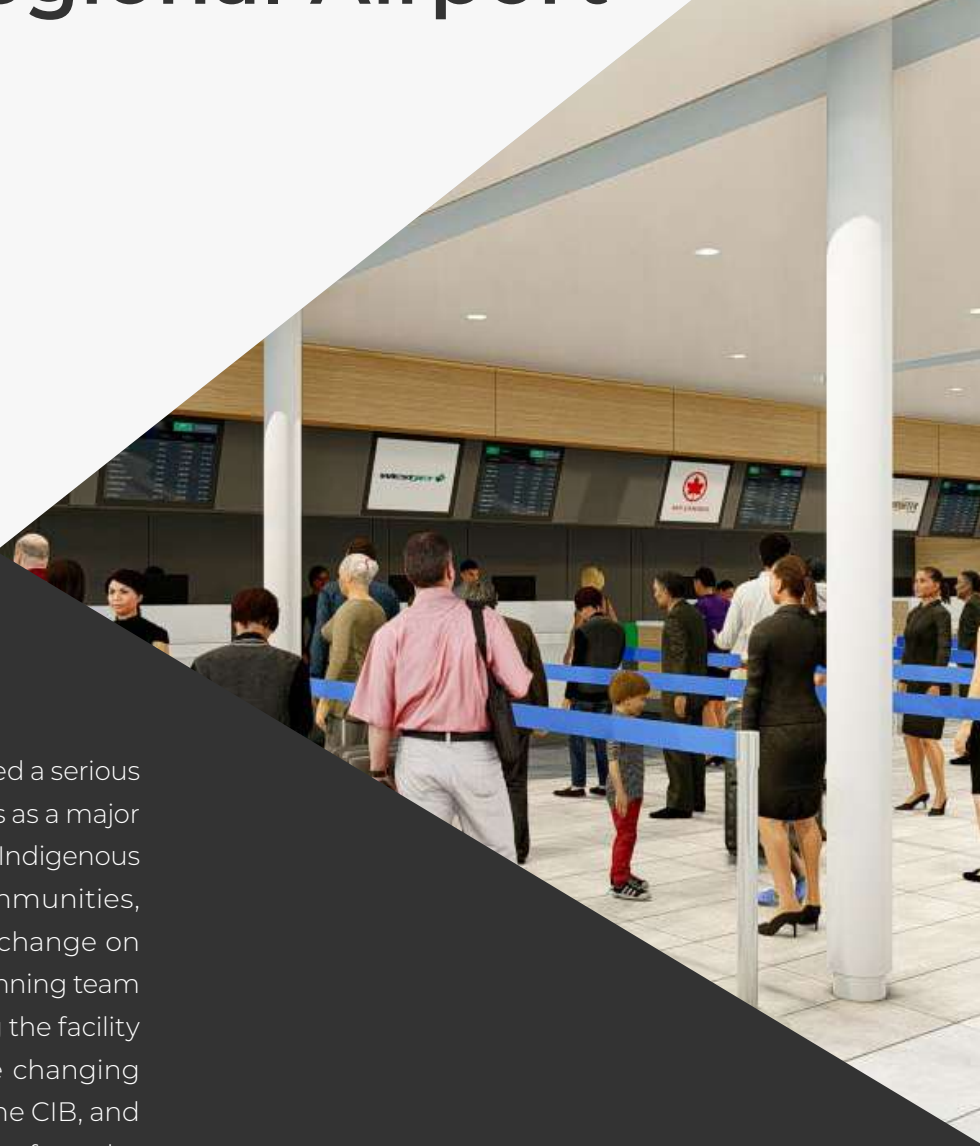
Building for sustainability: Thompson Regional Airport

Thompson Regional Airport in Manitoba faced a serious problem. The airport's terminal, which serves as a major transportation and supply hub for 15 remote Indigenous and an additional 12 rural northern communities, was sinking due to the effects of climate change on permafrost. The airport's operations and planning team went looking for a financial solution to bring the facility up to operational standard and meet the changing conditions. Their search brought them to the CIB, and eventually to closing a \$52 million investment from the CIB towards the large-scale redevelopment project.

The investment is financed through the CIB's ICII, which lends to projects delivering a direct benefit to Indigenous communities. *"Collaborating with the CIB and the Province of Manitoba has been instrumental in securing funds to re-develop the airport infrastructure which will have an enormous impact on the quality of life for all residents within the region,"* said Walter Wastesicoot, the Grand Chief of the Keewatin Tribal Council. *"This infrastructure will serve the region for accessibility to health care, goods and services, justice, education, sports and recreation."*

Construction on the new terminal is well underway and is designed to house features tailored to the unique community where it sits, including a First Nations elders lounge and facilities to accommodate Medevac operations.

The local community is taking notice. *"The new airport terminal building at the Thompson Regional Airport will create an even brighter future facilitating the flow of freight, passengers and tourists as well as improving the accessibility and image of the entire north,"* said Tom O'Brien from the Thompson Chamber of Commerce.



Pillar Three: As a Sustainable Corporation

As a sustainable corporation

Integrity and responsible business conduct

- » Promoting and living the CIB values
- » Updating our policies regarding values, ethics and ESG (e.g., Code of Conduct; Respectful Workplace; Disclosure of Wrongdoing)

Procurement

- » Incorporating sustainability considerations into CIB procurements

Tracking and reducing our carbon footprint

- » Calculating and tracking our scope 1, 2 and 3 GHG emissions, including financed emissions
- » Establishing GHG strategies, targets and goals

Diversity, Equity and Inclusion

- » DE&I Committee established guided by DE&I framework and roadmap
- » Official Languages commitments and action plan

As a responsible and sustainable organization, the CIB embeds sustainability into our daily operations. Progress in this area in 2023-24 included the continuing calculation of the CIB's operational GHG footprint, the initial calculation of the CIB's financed emissions, and refining the role of our Diversity, Equity, and Inclusion (DE&I) committee.

When tracking and reporting on emissions, three "scopes" are commonly used:

- » **Scope 1:** Direct GHG emissions that occur from sources owned or controlled, for example emissions from furnaces, vehicles, etc.
- » **Scope 2:** Indirect GHG emissions from the generation of purchased or acquired electricity, steam, heating, or cooling.
- » **Scope 3:** All other indirect GHG emissions occur in the value chain, such as those associated with purchased materials. For the CIB, this includes its financed emissions (emissions associated with loans and investments).

The CIB's Operational GHG Emissions

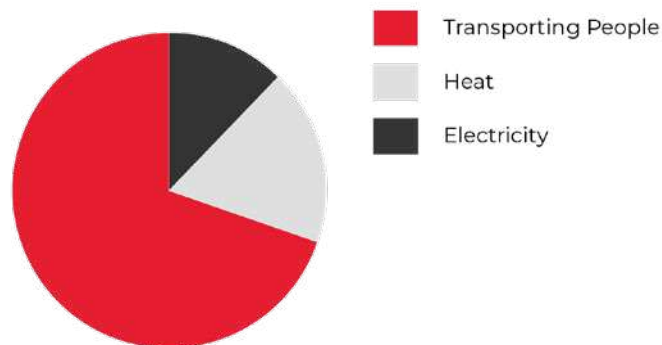
The CIB contributes to the reduction of GHGs primarily through the average annual emissions reduction that will be generated by our investments. In contrast, the CIB's own emissions associated with our operations are exceptionally small. While this may be the case, it remains important to track and manage these emissions.

We calculate operational GHG emissions in accordance with the Greenhouse Gas Protocol (The "**GHG Protocol**"). The CIB's operational emissions footprint in 2023-24 was 169.3 tCO₂e, equal to emissions from 52 passenger vehicles in a year.⁴ This was an increase over previous years, driven by growth in the CIB portfolio, leading to the leasing of more office space and an increase in business travel. The CIB ensures that leased office space is in LEED and BOMA certified buildings.

	2021-22	2022-23	2023-24	YoY Change
Overall Emissions (tCO ₂ e)	69.6	117.2	169.3	44%
Per Employee	0.75	0.96	1.16	21%

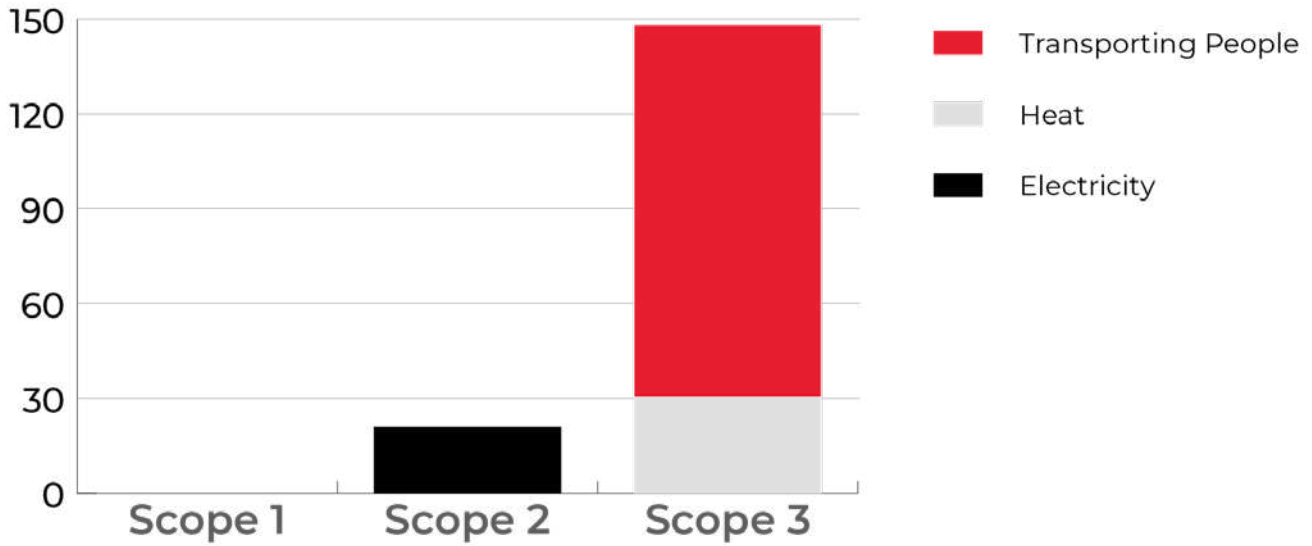
The following discussion provides a breakdown of the CIB's emissions by activity type and scope and in relation to our office and travel environments.

Gross GHG Emissions by Activity Type (Year ending March 31, 2024)



⁴NRCan Greenhouse Gas Equivalencies Calculator

Gross GHG Emissions by Scope
 (Metric tonnes, year ending March 31, 2024)



Office Operations:

The CIB’s office-related emissions consist of both purchased electricity and heat as provided to the CIB by the building operator. In 2023-24 51.55 tCO₂e came from office operations, equating to 0.01 tonnes per square foot.⁵ Emissions were largely driven by expansion of office space in our Toronto office early in 2023-24. The CIB purchased renewable energy certificates to address residual emissions associated with office energy consumption in 2022-23 and will continue to do so for 2023-24.

Air Travel:

Emissions for travel were derived based on assumptions associated with standard GHG totals per km of flight based on use of fuel per passenger/km. In 2023-24 117.7 tCO₂e came from our air travel. Business travel is an essential part of the CIB’s investment activity, to form relationships with the communities we work with, to negotiate complex transactions and to ensure the CIB plays the role of an active investor.

CIB policy requires justification for travel over virtual meetings, and when travel is required, the prioritization of practical, economical and efficient arrangements that reduce greenhouse gas emissions, where practical (e.g., train as opposed to air travel).

⁵Square footage was pro-rated to an average amount over the year to account for the expansion of the Toronto office space in Q2, F2023-24

There will be an important role for new technologies in decarbonizing air travel. The CIB's FEED investment in Azure Sustainable Aviation Fuels is part of investing in solutions to reduce economy-wide emissions from air travel.

The CIB's Financed Emissions

In 2023-24 the CIB undertook for the first time a calculation of financed emissions. Financed emissions are the annual emissions associated with an organization's loans and investments. For the CIB, this means the emissions that come from the construction or operations of the projects in which we invest, proportionate to the CIB's share of investment. The calculation was based on emissions from projects in fiscal 2022-23, reflecting the most current year for which data was available to conduct the calculation.

Methodology

Methodologies to calculate financed emissions continue to evolve as financial and other sectors work to define and establish guidance. The CIB expects to evolve its approach over time drawing from these developments and the best practices of peers.

In this first year, the CIB's financed emissions methodology was developed based on guidance for the project finance asset class under the Partnership for Carbon Accounting Financials (PCAF) Global GHG Accounting and Reporting Standard. Financed emissions for project finance are attributed from the project to the CIB based upon the CIB's outstanding investment relative to the outstanding amount of total project debt and equity, known as the "Attribution Factor."

$$\text{Attribution factor}_p = \frac{\text{Outstanding investment}_p}{\text{Total equity} + \text{debt}_p}$$

2022-23 Financed Emissions

For the initial calculation of financed emissions, the CIB focused on a subset of our largest projects, representing 93% of the CIB's total outstanding balance of investment for the year. The calculation indicated that the projects resulted in an average emissions intensity of 15.74 tCO₂e/\$M invested by the CIB. All of these financed emissions are from projects that are in construction phase. The data quality scores are 2.46 for scope 1 and scope 2, and 2.00 for scope 3 respectively. The data quality scores are weighted by the outstanding amount (outstanding loan drawn by borrowers) for each project, with 1 representing the highest score and 5 the lowest.

Data Quality score	Emission Factor Description	
1	Verified actual GHG emissions data	
2	Unverified actual GHG emissions data	
2	Primary physical activity data for the project's consumption including energy and raw materials, among others	
3	Primary physical activity for the project's production, such as tonnes of steel produced	
4	Revenue based approach whereby the emissions factor is a tCO ₂ e per \$1 of revenue or construction cost for any sector	
5	Assets based approach whereby the emissions factor is tCO ₂ e per \$1 of asset for any sector	LOW

Outstanding Balance (\$M CAD)	Scope 1 and 2 Emissions (tCO ₂ e)	Scope 3 Emissions (tCO ₂ e)	Total Emissions (tCO ₂ e)	Emission Intensity (tCO ₂ e/\$M)
1,513.44	17,417	6,400	23,816.6	15.74

Diversity, Equity and Inclusion (DE&I)

Our commitment to DE&I extends to supporting diverse needs for our employees, stakeholders, and guests. Highlights of this year's progress on DE&I initiatives include a revamped DE&I framework, updated culture statement, and introduction of a DE&I Advisory Committee. The DE&I roadmap guides our actions, and our strong performance surpasses benchmarks in consecutive employee engagement surveys. The DE&I Leadership Committee leads overall progress in alignment with the DE&I roadmap, taking guidance from the DE&I Advisory Committee.

Further to efforts in this area, the CIB has developed and published a comprehensive Accessibility Progress Report that showcased work to ensure that the CIB workplace is not only inclusive but goes above and beyond in supporting the diverse needs of all our employees.

The report focused on several key areas, including the built environment, training and education, procurement, accessible communication, meetings and documents, and accommodations for the CIB's employees, stakeholders, and guests.

Next Steps

We will continue to iterate the process and methodology for Financed Emissions calculation, drawing on the initial experience as well as best practices while considering how the CIB's understanding of financed emissions can be leveraged in regards to broader Net Zero objectives.

Task Force on Climate-related Financial Disclosures (TCFD) Report

Budget 2021 required Crown Corporations with more than \$1 billion in assets to adopt Task Force on Climate-related Disclosures (TCFD) standards or according to more rigorous, acceptable standards applicable to the public sector at time of disclosure, as well as an element of their corporate reporting. The Task Force on Climate-related Financial Disclosures framework has been widely adopted by organizations and governments worldwide. It is built around four pillars: Governance, Strategy, Risk, and Metrics and Targets. The CIB has adopted the TCFD framework in our corporate reporting.

In 2023 the work of the TCFD was deemed to have been completed, and activities related to the TCFD framework and monitoring were transferred to the International Sustainability Standards Board (ISSB), within the IFRS Foundation. The ISSB has indicated that companies can choose to continue to use the TCFD recommendations. The CIB is considering the implications of this change on future annual reports.

The following disclosure uses the TCFD Framework to direct to relevant sections of the Annual Report which provide details on how the CIB is reporting for each pillar of the framework.

TCFD Disclosure	Annual Report Reference	Comment
Disclose the organization’s governance around climate-related risks and opportunities.		
Describe the Board’s oversight of climate-related risks and opportunities.	Page 94	The CIB’s Board of Directors and Executive Committee oversee the organization’s climate-related strategy, portfolio allocation and environment, social and governance (ESG) direction through the governance structures established for the CIB.
Describe management’s role in assessing and managing climate-related risks and opportunities.	Pages 95-100	<p>The Portfolio and Results Committee provides oversight of sustainability and reviews and provides advice to the Board on matters pertaining to impact outcomes and risks.</p> <p>In addition to executive level functions described in the governance section of this report, a Sustainability Working Group meets regularly to identify, review, and provide advice and feedback on matters related to the CIB’s sustainability initiatives. The working group is comprised of members from each of the business and functional groups.</p>
Disclose the actual and potential impacts of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning where such information is material.		
Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Pages 71-76	The CIB’s ongoing portfolio strategy and first climate related scenario analysis exercise identify both the general climate related considerations for business strategy and a discussion of expected impacts and trends for the organization over the short, medium and long term time horizons.
Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning.	Pages 71-76	
Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Pages 71-76	The CIB’s climate related scenario analysis identified both risks and opportunities associated with three different climate related scenarios.
Disclose how the organization identifies, assesses, and manages climate-related risks.		
Describe the organization’s processes for identifying and assessing climate-related risks.	Page 103	The CIB is actively working to enhance the integration of climate risk into the investment process, for example through formally incorporating ESG Credit Risk Management.

TCFD Disclosure	Annual Report Reference	Comment
Describe the organization's processes for managing climate-related risks.	<p>Pages 71-76</p> <p>Pages 95-100</p>	<p>The CIB's inaugural climate-related scenario analysis identifies and assesses risks under a range of climate scenarios and represents a useful framework to continue leveraging in the future through, for example, stress testing at the priority sector and portfolio sector using new scenarios as they emerge.</p> <p>To ensure alignment with the CIB's Enterprise Risk Management (ERM) Framework, the climate-related scenario analysis methodology leveraged the same risk and impact model as within the framework.</p>
Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	<p>Pages 95-100</p>	<p>The CIB's risk activities incorporate consideration of climate-related risks as part of operational risks, as set out in the CIB Risk Taxonomy.</p> <p>Climate risks are also identified and included among key enterprise risks, and addressed in discussion of Investment Risk</p>
<p align="center">Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.</p>		
Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	<p>Pages 28-32</p>	<p>The CIB's corporate targets include annual average GHG reduction to be achieved through investment, and documents results to date.</p>
Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	<p>Pages 80-85</p>	<p>The CIB discloses its operational and financed emissions and related considerations.</p>
Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	<p>Pages 28-32</p>	<p>The CIB's corporate targets include annual average GHG reduction to be achieved through investment, and documents results to date.</p>

Corporate Updates

The CIB's head office is located in Toronto, with additional staff in Montreal and Calgary to help support our activities across the country.

The CIB has developed robust capabilities across the organization. As investments continue to progress into construction and operations, we will further mature and build out corporate functions to support business requirements.

Risk Management

During 2023-24, a number of risk management accomplishments were achieved.

The Enterprise Risk Management Policy and Framework was refreshed. The risk taxonomy was revised to include an 'Investment Risk' category. Investment Risk is a significant focus of the CIB's day-to-day decision making and enterprise risk profile. The addition of the Investment Risk category to the taxonomy provides both risk assessment and appetite decision-making clarity going forward.

As a result of the change to the risk taxonomy, the enterprise risk profile and the risk register were refreshed to reflect the newly introduced investment risk category.

A quarterly risk management dashboard report was developed for the Executive Team and Board of Directors. The purpose is to 1) provide an update on the CIB's key risks, trends and exposures; 2) identify emerging threats and opportunities; and 3) action plans to further reduce key risk exposures. The dashboard is updated quarterly through active discussions with Executive Leadership on risk exposure and mitigation status. It also serves as a foundation to active engagement with the Impact and Risk Committee (IRC) and Board of Directors on the CIB's enterprise risk profile.

Risk Appetite Statements (RAS) were developed through extensive comparative research and collaboration with the Executive team and IRC. In order to support risk-based decision making and high value Board-level oversight, Management developed six (6) enterprise-wide

Risk Appetite Statements (RAS) – one for each of strategic, investment, financial, operational, reputational and legal and regulatory risk. These higher-level statements “set the tone” for risk taking across the enterprise and form a consistent platform for discussion between the Board and Management.

Current loss estimates are based on a combination of industry available data and expert credit judgement. As we continue to collect impact specific loan performance data, we also look to employ various methodologies and tools to assess, manage and monitor the credit risk of our portfolio. A value-at-risk (VaR) model was developed to estimate the potential for losses greater than what is expected due to uncertainty or variability in assumptions. This model allows the CIB to estimate loss volatility, potential impact on the \$15B fiscal expense, and accounts for correlation in risk exposures.

Asset Management

Once financial closes are achieved, the CIB manages investments to ensure compliance with contractual terms and conditions, monitor investment performance and understand the potential shift in investment risk profile. The asset management team works in collaboration with the investment and credit risk teams in monitoring investments’ performance. This includes monitoring the investments’ progress and assessing triggers to identify any credit rating deterioration. The CIB has developed a watchlist process whereby investments deemed to have suffered significant deterioration of credit are monitored more frequently.

The asset management team also works closely with our counterparty project managers and lender technical advisors to review progress reporting on deliverables and ensure the projects meet the outcome targets determined at financial close. In addition, the team is engaged with the finance department in managing the funding and repayment of investments.

As the CIB’s portfolio of investments continues to grow, the asset management team is prudently growing our resources to ensure we can effectively execute on this mandate. In addition, the team strives to streamline processes by implementing new systems and automating workflows where possible. The department is integral in managing the stewardship of assets and helping to ensure the projects meet the intended long-term goals.

CIB IN ACTION: CASE STUDY 8

Building for Innovation: Noventa's wastewater energy system at Toronto Western Hospital

Buildings are one of Canada's largest sources of GHG emissions. Aging structures, outdated materials and improvements in technology mean more than 18% of Canada's emissions come from buildings and make large-scale retrofits an important way to reduce emissions and contribute to Canada's GHG goals.

The CIB's Building Retrofits Initiative was created to drive emissions reductions as well as encourage innovative business models, bring in more private capital, and establish retrofits as a distinct asset class.

That was a fit for Noventa and Toronto Western Hospital. The hospital, which is operated by University Health Partners and began operating in 1905, is known for its innovative treatment and patient care, but their ambitious retrofit plans would put them on the map for their innovative approach to heating and cooling the hospital. Noventa's WET™ system, powered by a \$19.3 million investment from the CIB, will use thermal energy from wastewater flowing through the sewer to heat and cool the facility.

"Over the past decade, our Energy & Environment team has completed more than 300 energy projects, which have already reduced greenhouse gas emissions by 25%," said Ron Swail, University Health Network's Vice President, Facilities Management. "We're excited to add the WET System to the roster – something we couldn't do without support from incredible partners, like the CIB, Noventa Energy Partners, VCIB, Enbridge Gas, Environment and Climate Change Canada and the City of Toronto."

The Toronto Western Hospital Retrofit construction is near completion and will soon become the world's largest raw wastewater energy transfer system with an expected reduction of 8000 tonnes of GHGs annually over the next 30 years.



Human Resources

The CIB's head office is located in Toronto, with additional staff in Montreal and Calgary to help support our activities across the country.

The CIB has developed robust capabilities across the organization. As investments continue to progress into construction and operations, we will further mature and build out corporate functions to support business requirements.

Growth and Development

Our annual engagement survey indicated that a key driver of organizational engagement at the CIB is the growth and development of our people. Leveraging this insight, we developed a learning and development (L&D) curriculum that focused on four key L&D pillars - leadership and mentoring, professional and technical skills, CIB values and compliance, and internal CIB intelligence. These pillars guide learning at all levels of the organization and through various channels of delivery – in-person, virtual, self-study, and on-the job learning opportunities. People managers were also actively engaged through specific leadership programming that recognized the key role they play in nurturing our culture and enriching the CIB employee experience.

Vibrant Hybrid Work Environment

CIB employees have embraced a hybrid work model, which maximizes the benefits of both remote and in-person work. Our primary objective this year was to enhance the employee experience by capitalizing on the strengths of our organizational culture and fostering a vibrant and enjoyable hybrid work environment.

To achieve this goal, we collected feedback from our employees, carefully analyzed the suggestions provided, and used them to guide our investments in training initiatives and office enhancements.

A key focus of our efforts has been to enhance the in-office experience. We expanded two of our three office locations, resulting in increased meeting space and the integration of office design elements that reflect our organizational values. Additionally, we organized a series of in-person events aimed at facilitating meaningful interactions and promoting the professional development of our employees.

Risk Management

The CIB was created as a risk-taking institution. Assuming risk is an essential part of our business, given our specific mandate and business model, which differ materially from those of traditional financial institutions.

The CIB's mandate is to finance revenue-generating projects that are in the public interest, 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 Canadian infrastructure projects, helping to advance projects that otherwise would not proceed.

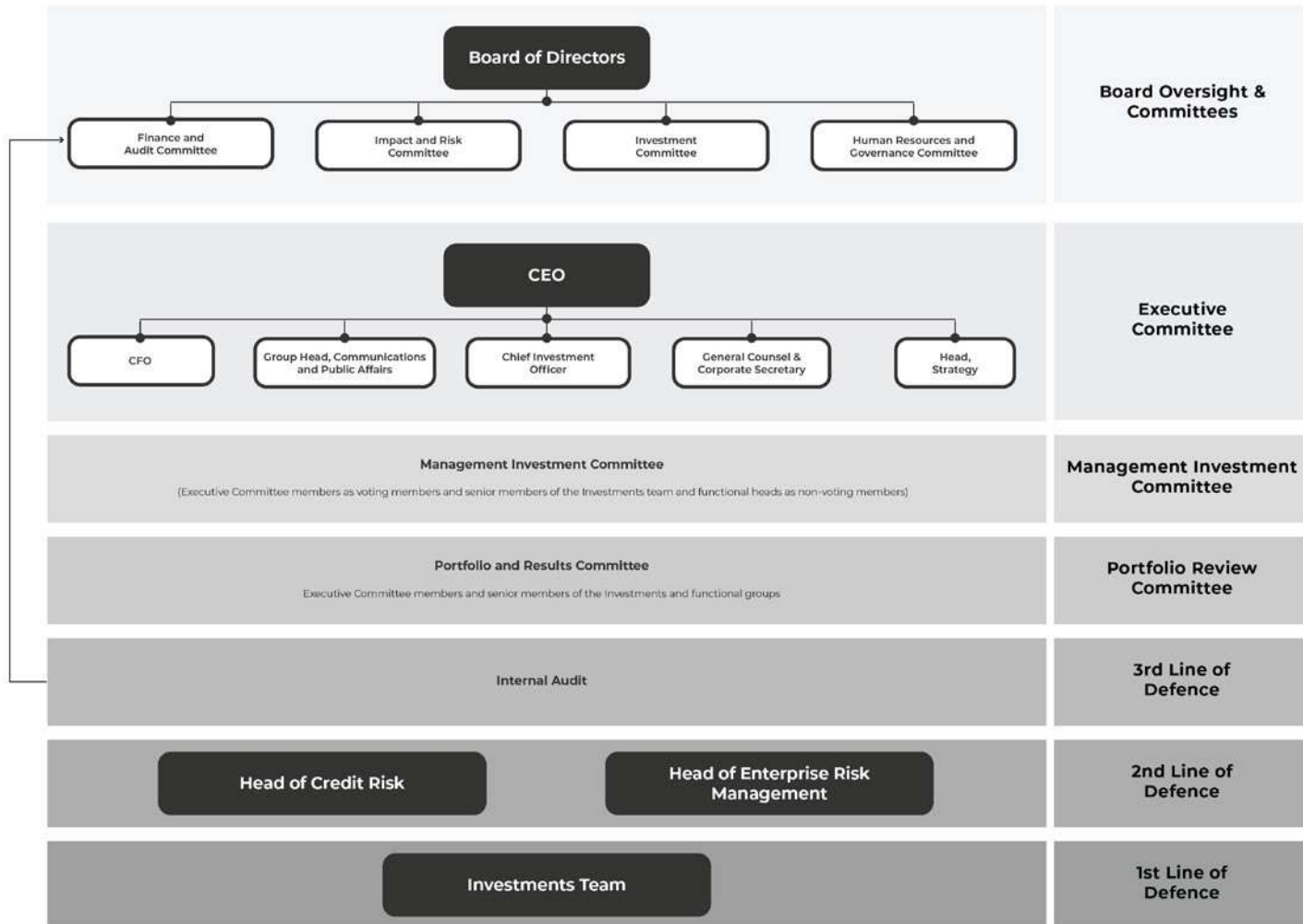
We therefore look at risk differently than other investors do. We don't price our investments solely for risk -- we price and structure our participation to deliver and, where possible maximize, public impact outcomes. The measurement of risk against a project's expected public impact outcome is evaluated at the management level and put forward for recommendation to the Board.

The CIB has adopted a four-pronged approach to managing risks, focusing on 1) enterprise risk, 2) investment risk, 3) credit risk, and 4) operational risk management. The approach provides a disciplined way to determine the best course of action under uncertainty. This occurs by identifying, assessing, mitigating, and monitoring risks which may represent both threats to and opportunities for the CIB's ability to meet its objectives and deliver on its mandate.

The CIB has built and promoted a strong risk culture organization-wide through employee training. In the past year, a revised ERM Policy and Framework were adopted, while credit related policies and procedures were also updated.

Risk Governance Model

The CIB risk governance model aligns with our four-pronged risk management approach. We use the three lines of risk governance model, as displayed below.



Enterprise Risk Management

Principles for Enterprise Risk Management

Enterprise Risk Management (ERM) is a continuous and active process at the CIB that aids the identification, understanding and management of the key risks that can have the greatest impact, either positively or negatively, on the achievement of its objectives. The CIB approach to enterprise risk management is built upon four fundamental principles:

1. **Risk management is about decision making**

The CIB's approach focuses on risk analysis and management as a decision-making tool. Risk management is not fundamentally about risk control and compliance but rather on how the CIB makes decisions and ensuring that we consider the potential impacts of those decisions, both good and bad. In practical terms, this ensures that risk analysis will be integrated into all levels of planning and decision making. Specifically, the CIB strives to:

- » continuously pursue a holistic and integrated approach to risk management;
- » integrate enterprise risk management with the CIB's strategic, investment, advisory, knowledge and research, operational, special initiatives, public policy and legal compliance activities;
- » use risk management to help the CIB develop innovative investment, advisory and knowledge and research approaches to continuously improve the CIB's services to Canadians; and,
- » actively pursue "risk as opportunity" to grow and improve overall public impact outcomes, advisory services, knowledge and research, personnel well-being, operational performance, stakeholder relations and resiliency.

2. Risk management is embedded within existing management routines

The CIB approach is based on the idea that risk analysis and risk management is a part of regular management routines and an ongoing responsibility of all organizational management and decision makers. ERM is not, nor should it be seen to be a separate function or process outside of normal organizational planning, decision-making, reporting and day-to-day management routines. Specifically, the CIB strives to:

- » identify ways to embed risk analysis into existing management planning, decision making, project management, change management and oversight activities and to integrate risk reporting metrics into regular management reporting systems and processes;
- » set clear risk accountabilities across the organization to effectively identify and mitigate significant risks through effective planning, decision-making and resource allocation;
- » put in place appropriate mitigation measures and accountabilities which support the CIB's ability to achieve its strategic objectives; and
- » continually review the CIB's risk management activities and the effectiveness of its mitigation measures to manage the key risks.

3. Risk management is about people and culture

The CIB approach is based on the idea that, ultimately, ERM is about the decisions made and activities taken by its people and the organizational environment within which it must operate. While formal processes and systems can provide critical support to an effective ERM program, they must be actively embraced by personnel that can effectively identify, assess, mitigate and communicate significant risks at all levels. Specifically, the CIB strives to:

- » foster an organizational culture that supports active engagement in the open, honest, timely and critical discussion of potential risks;
- » continuously seek shared perspectives and broader understanding of risks through active personnel engagement, transparency, creativity and consensus decision-making;
- » equip the CIB's management and personnel with the training, tools and capabilities to undertake their ERM roles and responsibilities; and
- » constantly reinforce a risk culture whereby everyone, regardless of position and seniority, has a role to play in ERM and achieving the CIB's strategy.

4. Risk management is context specific

The CIB has established a uniform approach to identifying and assessing risk and recognizes that each business unit may have unique characteristics. While generic ERM tools and processes are necessary, they may not be sufficient to ensure effective risk analysis and management at each business unit. All risk occurs within a specific organizational context, with specific legal, policy, organizational, strategic, financial, operational and reputational characteristics. Specifically, this means that:

- » The risks facing the CIB or any function within can only be truly understood, analyzed, assessed or managed by those who understand this context best.
- » To the greatest extent possible, the CIB's ERM program will engage personnel from across the organization and from multiple levels within the organization.
- » Active engagement will help to ensure that risks are identified, assessed, managed and communicated consistently across all organizational levels and the CIB's shareholder, partners and key community stakeholder groups. Such engagement and adherence to the CIB's ERM principles are foundational to its ERM excellence and achieving its strategy.
- » While Business Unit risk management policies and processes may have unique aspects, for ERM purposes, they will be consistent with this organization wide policy, to facilitate an upward consolidation and review of all significant enterprise-wide risks.

Updated ERM Policy and Framework

The CIB's ERM Policy and Framework was internally revised in 2023-24 to provide the vision, principles, objectives, taxonomy, governance structure, risk assessment process and reporting for effective risk management at the CIB. The Policy and Framework apply to all CIB Directors, employees and activities.

ERM Risk Taxonomy

As an example of an update to the ERM Policy and Framework, the risk taxonomy was revised to include an 'Investment Risk' category. Investment Risk is a significant focus of the CIB's day-to-day decision making and enterprise risk profile. Investment Risk is now clearly distinguished from Strategic and Financial Risk under the taxonomy for risk assessment and appetite decision making purposes. The following is the amended risk taxonomy for the CIB:

Strategic Risks pertain to the CIB's mandate, portfolio and business environment risks. These risks are managed through the ERM governance including the Board of Directors, the Impact and Risk Committee (IRC) of the Board and management committees.

Investment Risks pertain to the CIB's investment strategy and portfolio. These risks are managed through management oversight guided by the Investment Policy and climate change impact assessments. Ongoing monitoring and reporting of investment performance occurs through asset management policies and processes. Investment oversight at the Board level occurs through the Investment Committee and the Impact and Risk Committee.

Reputational Risks pertain to risks that can impact the CIB's brand, image or reputation as the result of the actions of the corporation; indirectly due to the actions of any personnel or tangentially through the actions of other peripheral parties such as counterparties or investees. These risks are managed through good governance practices and transparency and monitored by the Board of Directors, the IRC management committees.

Operational Risks include risks associated with people, process, technology, security, environmental (including climate change), sustainability, health and safety, infectious disease, compliance and mandate execution, which can affect the ability of the CIB to achieve its corporate objectives. Operational risks are managed through the business units and management committees.

Financial Risks pertain to risks that can impact the CIB's cash position, financial results, reporting and ability to function as a going concern. They are managed through various reporting, lending and investing policies and procedures as well as ongoing portfolio/performance management and due diligence.

Legal/ Regulatory Risk is the risk of financial, operational, and/or reputational impact that can result from lack of awareness or misunderstanding of, ambiguity in, or reckless indifference to the way law and regulation apply to the CIB, or the shareholder. This includes non-compliance with applicable legislation and regulations. These risks are managed through appropriate contractual terms and conditions, compliance requirements, in-house counsel advice/reviews and contracted specialized legal services.

Key Enterprise Risks

Fifteen key risks have been identified which may impact the objectives of the CIB. The key risks are concentrated within the strategic, investment, operational and reputational risk categories. Examples include:

- » climate related risks including the impact of physical risk on our portfolio of assets;
- » effect of the investment portfolio on infrastructure renewal in key sectors;
- » cyber security; and
- » reputation threats and opportunities as a result of actions taken by CIB project partners and other key stakeholder groups.

These risks are monitored, reported, mitigation plans developed and discussed with Management and the Board of Directors on an ongoing basis. As part of this process, emerging risks which may impact the CIB are also identified and included as part of the discussion with the Executive team and Board.

Risk Appetite

As noted in the Corporate Updates section, Management has developed six enterprise-wide Risk Appetite Statements (RAS) – one for each of strategic, investment, financial, operational, reputational and legal and regulatory risk to support risk-based decision making and high value Board-level oversight.

Investment Risk

Investment Risk Approach

Since 2021-22, the CIB's Investment Framework has governed our investment decisions. It provides the evaluation criteria and thresholds for our investment decisions and focuses on the relationship between investment risk and public impact outcomes to be achieved.

Investment Policy

Our Board-approved Investment Policy specifies that projects and related risks are overseen by our Management Investment Committee and the Investment Committee of the Board at key decision points, under the oversight of the full CIB Board. We take a systematic and disciplined approach to project origination and evaluation, with appropriate risk management.

As an investor, we face risks commonly associated with investment activity. These include partnership risks such as commercial disputes or an inability to attract partner investment into projects, credit risk, and macroeconomic risks that can affect CIB assets.

Capital Allocation Targets

We have established target capital allocation ranges by priority sector, not by geography or fiscal year. Given the nature of the CIB mandate, we will always have a more concentrated set of risk exposures than would be typical for an infrastructure investment portfolio of similar size. Sectoral and industry concentration risks are an unavoidable consequence of our strategic focus on priority sectors, and our role in the marketplace.

Credit Risk

Credit Risk Approach

To assess credit risks, we use an internal risk rating methodology applicable to project finance transactions. This provides for a consistent approach to risk rating transactions. With respect to corporate borrowers, the CIB uses an industry standard corporate debt rating system. Risk analysis measures counterparties and transactions against industry available information for two specific data elements. The probability of default (PD) measures the likelihood of a default over the term of a transaction using a 17-point scale. The loss given default (LGD) estimates the percentage of exposure the CIB reasonably expects to lose should a default occur. LGD is determined on each transaction by examining the strength of security, level of subordination and the investment structural elements.

Identifying, Managing and Assessing Climate-related Risks

Climate-related risks, specifically physical and transition risk, are identified during the due diligence phase of our integrated investment framework. Efforts are ongoing to more thoroughly integrate climate risk into our investment process through formal mechanisms such as our ESG Credit Risk Framework. Exposure to climate risk and opportunity is also identified, monitored, and assessed on an ongoing basis as part of our annual review function.

The identification of climate risks and opportunities through the climate scenario analysis utilized the impact and likelihood criteria within the CIB's ERM Framework to develop risk and opportunity heatmaps based on the relative impact and likelihood of occurrence. The CIB plans to continually monitor climate-related risks and opportunities that may impact the CIB's ability to meet its priorities and deliver on its mandate.

Operational Risk

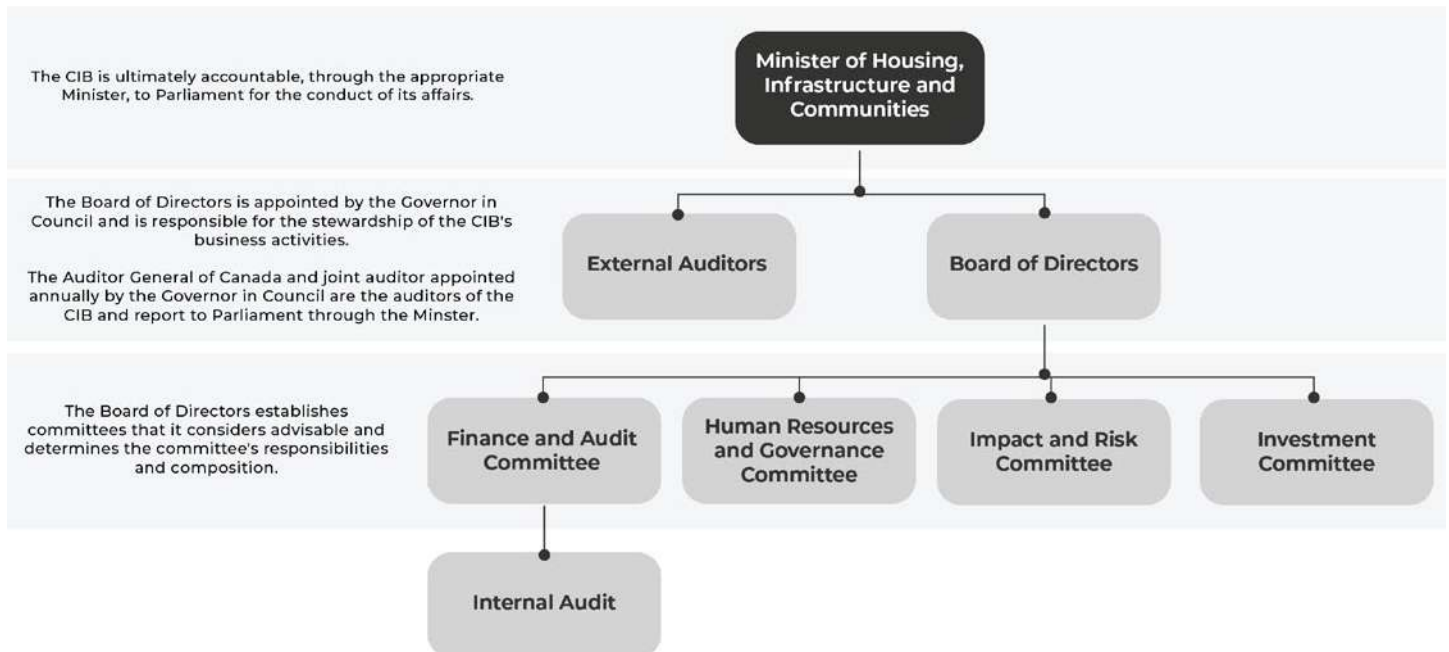
The main objective of the operational risk management at the CIB is to identify and assess threats that may impact critical people, process and technology that support the achievement of the CIB's objectives. Operational risk management is supported by robust internal controls to management, mitigate and report on such threats. Periodic reviews of internal processes, procedures, key documentation requirements (e.g. technical, process or regulatory), data processing systems, contingency plans, and other operating practices to mitigate operational risk exposures are performed.

Operational Risk Incidents and Events

The CIB tracks both operational risk incidents and events. An Operational Risk Incident (ORI) is risk exposure that does not lead to financial loss but may have reputational impact caused by internal control failure(s). An Operational Risk Event (ORE) is an unintended outcome (financial loss) resulting from a control failure. It includes actual and expected operational losses, as well as near misses (i.e., where an ORE occurs but the funds are fully recovered within a short period of time). Both ORIs and ORE are reported to the Executive Team and Board of Directors on a quarterly basis.

Governance

The CIB is a federal Crown corporation established under the *Canada Infrastructure Bank Act* and subject to federal legislation and policies that apply generally to Crown corporations, including Part X of the *Financial Administration Act*. The CIB is accountable to Parliament through the Minister of Housing, Infrastructure and Communities (the Minister). The chart below provides an overview of our governance structure:



Board of Directors

In accordance with the *Financial Administration Act* and the CIB's by-laws, the Board of Directors (the Board) is responsible for the supervision of the management of the businesses, activities and other affairs of the corporation.

The CIB is governed by an independent Board composed of the Chair and not fewer than eight, but not more than 11, other directors. The Chair is appointed by the Governor in Council on the advice of the Minister for a term that the Governor in Council considers appropriate. Each director is appointed by the Governor in Council for terms not to exceed four years. All directors are eligible for reappointment when their term expires.

As of March 31, 2024, the Board was composed of nine directors. On October 26, 2023, the Minister announced the reappointments of Kimberley Baird, Jane Bird, Michèle Colpron, Bruno Guilmette and Patricia Youzwa to the Board. Stephen Smith stepped down from the Board, effective January 14, 2024, after serving since the formation of the inaugural Board in November 2017 and continuing to serve following the expiration of his term in November 2021. On January 26, 2024, the Minister announced the departure of Tamara Vrooman as Chair, effective January 27, 2024. In the interim, the Minister announced that Jane Bird would assume the responsibility for the leadership of the Board's oversight of the corporation until a permanent Chair is appointed by the Governor in Council. Subsequent to the end of the fiscal year, on April 16, 2024, Andrée-Lise Méthot stepped down from the Board of Directors.

In November 2023, the Minister commenced a selection process to invite applications from qualified, diverse, and talented individuals to fill vacancies and ensure that the Board maintains a balance of professional skills, infrastructure expertise, investment knowledge, and diversity. As part of this process, a Notice of Opportunity was published on the Government of Canada's Governor in Council appointments website and a selection committee was established to evaluate the applications and provide recommendations to the Minister. This selection process extended beyond the year end, and we anticipate that candidates recommended for appointment will receive approval from the Governor in Council in 2024-25.

The table below sets out the board members, their appointment dates, and terms, as of March 31, 2024. Director biographies are available on the CIB's website under [Governance | Canada Infrastructure Bank \(CIB\) \(cib-bic.ca\)](#).

Director	Location	Appointment date	Term	End of Term
Jane Bird Acting Chair*	Vancouver, British Columbia	October 20, 2023	3 years	October 20, 2026
Kimberley Baird	Delta, British Columbia	October 20, 2023	2 years	October 20, 2025
Michael Bernstein	Toronto, Ontario	December 2, 2022	4 years	December 2, 2026
David Bronconnier	Calgary, Alberta	November 16, 2017	3 years	November 16, 2020***
Michèle Colpron	Saint-Lambert, Québec	October 20, 2023	2 years	October 20, 2025
Bruno Guilmette	Montréal, Québec	October 20, 2023	1 year	October 20, 2024
Andrée-Lise Méthot**	Frelighsburg, Québec	December 2, 2022	4 years	December 2, 2026
Poonam Puri	Toronto, Ontario	November 16, 2017	3 years	November 16, 2020***
Patricia Youzwa	Regina, Saskatchewan	October 20, 2023	3 years	October 20, 2026

*On April 18, 2024, the Governor in Council authorized Ms. Bird to act as Acting Chair of the Board for a term of one year or until such time as a new Chair is appointed, whichever occurs first.

**Ms. Méthot stepped down from the Board of Directors, effective April 16, 2024.

***Although their terms have expired, these directors continue to hold office until their successor is appointed or until renewed, as permitted under the Canada Infrastructure Bank Act.

Board diversity and competency profile

Collectively, the directors bring a wealth of experience to the Board, including infrastructure expertise and investment experience, and reflect gender, linguistic, cultural and regional diversity to effectively carry out the Board's duties and oversee the management of the CIB's business and affairs. As of March 31, 2024, women represent 67% of the Board, and 22% of directors self-identify as a member of a "designated group" as defined in the *Employment Equity Act* (Canada), including visible minorities, persons with disabilities, and Indigenous Peoples. Moreover, 44% of the directors use French as their first official language spoken or are bilingual (English-French).

The Board has developed and maintains a Board Competency Profile based on the knowledge areas, types of expertise, core competencies, gender diversity and geographical representation required by individual directors and the Board as a whole. The Board Competency Profile articulates to the Minister the desired mix of experience, expertise and other attributes required by the Board, and provides advice to the Minister to inform director appointments and reappointments. The Board also uses the Director Competency Profile to assess Board and committee composition, and plan for the succession of committee chair positions.

The table below identifies the key skills and experience necessary for the oversight of the CIB and the percentage of directors who have identified their areas of specific expertise as "experienced" or "expert".

Key Skills and Experience	% Directors with Advanced Skills
<p>Senior Leadership Experience</p> <p>Experience as a senior executive of a public company, Crown corporation or other major organization; experience in developing and implementing a strategic plan within a major organization.</p>	100%
<p>Accounting/ Financial Literacy</p> <p>Experience as a senior financial officer of a public company, Crown corporation or major organization or experience in financial accounting and reporting, and corporate finance (familiarity with internal financial controls, Canadian GAAP, and/or Public Sector Accounting Standards).</p>	56%
<p>Risk Management</p> <p>Experience or strong understanding of enterprise risk management systems, procedures and practices, including internal risk controls, risk assessments and reporting.</p>	100%
<p>Talent Management/ Compensation</p> <p>Experience in, or strong understanding of, executive compensation programs and benefits, talent management/retention, leadership development, diversity and inclusion, and succession planning.</p>	78%
<p>Government/ Public Sector</p> <p>Experience in, or strong understanding of, the workings of federal, provincial, territorial, municipal and/or Indigenous governments; knowledge of public policy and the regulatory environment in Canada in the context of highly regulated industries.</p>	78%
<p>Governance</p> <p>Experience as a board member of a public company, Crown corporation or other major organization; experience with leading corporate governance practices and overseeing a culture of accountability and transparency.</p>	100%
<p>Relationships with Indigenous Communities</p> <p>Experience in, or strong understanding of, community relations and building partnerships and positive relationships with Indigenous groups to enhance economic and social development.</p>	44%
<p>Project Finance and Investments</p> <p>Experience in structuring and executing public private partnerships, project financings and complex transactions with private sector and institutional investors, and other entities in both the private and public sectors.</p>	78%
<p>Project Development</p> <p>Experience in a major organization in the power/utilities, transportation or infrastructure sectors with responsibility for large-scale, long-term project development.</p>	78%

Key Skills and Experience	% Directors with Advanced Skills
<p>Project Management/ Construction</p> <p>Experience in managing and executing large scale infrastructure projects through to operations; strong understanding of construction and construction-related risks, mitigation and overall management.</p>	56%
<p>Environment/ Climate Change</p> <p>Strong understanding of strategy, execution and compliance with sustainable development practices, including as it pertains to environmental practices, climate change and sustainability reporting.</p>	56%

Board responsibilities

The Board is responsible for the overall governance of the corporation in accordance with the *Canada Infrastructure Bank Act* and its by-laws. The Board has adopted a charter to delineate its duties and responsibilities and promote its effectiveness. Charters for the Board, each of the committees, as well as position descriptions for the Chair and directors can be found on the CIB’s website under [Governance | Canada Infrastructure Bank \(CIB\) \(cib-bic.ca\)](https://www.cib-bic.ca/governance).

Among other duties, the Board:

- » Oversees the management of the businesses, activities and other affairs of the corporation
- » Appoints the Chief Executive Officer (CEO) and set their objectives and their related performance measures
- » Approves the corporate plans and budgets that set out the corporation's strategic direction and expected results in alignment with the Government of Canada’s priorities and expectations communicated in the Minister’s Statement of Priorities and Accountabilities
- » Annually reviews and evaluates the CEO’s performance and approve the performance rating based on results achieved that will be recommended to the Minister for incentive awards
- » Approves the recommendation to the Minister with respect to the appointment and reappointment of the joint external auditor

- » Approves the corporation's annual reports and quarterly financial reports
- » Approves the enterprise risk management (ERM) framework and risk appetite statements, and ensure that the principal risks of the corporation's business are identified and well-managed
- » Approves the investment policy governing the decision-making with respect to the corporation's investment activities
- » Reviews and approves investment strategies, programs and initiatives against the investment framework, including targeted public impact outcomes, risks and expected results
- » Oversees the corporation's human resources strategy to promote the achievement of the CIB's objectives, and talent management programs, including diversity and inclusion, wellness and professional development
- » Oversees the culture of integrity or "tone at the top" established by the CEO and senior management, including the adoption of the desired values and accountability throughout the organization
- » Establishes and monitor corporate governance practices, including by-laws and policies, that are informed by best practices in both the public and private sectors
- » Adopts policies regarding values and ethics as well as procedures to identify and manage conflicts of interest

At every meeting, time is allocated to in camera sessions without management to facilitate open and candid discussion among the directors. Depending on the nature of the business discussed at the meeting, the Board may waive the requirement for these sessions.

Meeting attendance

The table below presents the total attendance of directors at regular and special meetings of the Board and each committee in 2023-24. The Board and Committees convened three in-person meetings, held in the following cities: Toronto, Ontario (April 2023); Calgary, Alberta (June 2023); and Montreal, Quebec (November 2023). The remaining meetings were conducted via videoconference to minimize travel expenditures.

	Board	Investment Committee	Finance and Audit Committee	Impact and Risk Committee	Human Resources and Governance Committee
Tamara Vrooman	6/6	8/9	3/3	5/5	4/4
Kimberley Baird	8/8	9/12	-	6/6	4/5
Michael Bernstein	8/8	12/12	3/3	6/6	1/1
Jane Bird	8/8	11/12	1/1	6/6	5/5
Dave Bronconnier	8/8	12/12	4/4	-	-
Michèle Colpron	8/8	12/12	4/4	-	-
Bruno Guilmette	7/8	11/12	4/4	-	-
Andrée-Lise Méthot	8/8	10/12	-	5/6	-
Poonam Puri	2/8	5/12	-	-	5/5
Stephen Smith	5/6	7/8	-	-	3/4
Patricia Youzwa	8/8	12/12	-	6/6	-
Total	8	12	4	6	5

Notes:

- » Tamara Vrooman and Stephen Smith stepped down from the Board of Directors in January 2024.
- » Pursuant to subsection 8(9) of the CIB Act, Jane Bird was appointed as Acting Chair following the departure of Tamara Vrooman as Chair in January 2024. Ms. Bird joined all of Committees as an ex-officio member in February 2024.
- » Michael Bernstein served as a member of the Finance and Audit Committee from April 2023 to February 2024 and assumed the role of Chair of the Human Resources and Governance Committee in February 2024 following the departure of Stephen Smith.

Orientation and development

The Human Resources and Governance Committee is responsible for overseeing the orientation of new directors appointed to the Board and the development of directors. Upon joining the Board, new directors are provided with a reference manual containing corporate and other information to familiarize themselves with the CIB, its organization, and operations. In addition, one-on-one meetings are arranged with each executive officer to provide an overview of their areas of responsibility.

The Board also ensures that ongoing development opportunities are made available to directors. Current development opportunities include regular presentations by management, such as focused presentations on specific regions or sectors, and opportunities to interact with project partners on the CIB's role to help advance and invest in infrastructure projects that deliver public outcomes. Board working lunches and dinners are held along with the regularly scheduled in-person meetings to strengthen the directors' collegial working relationship, to meet with stakeholders, and to meet with the CEO and other members of senior management. The CIB also maintains corporate memberships with the Institute of Corporate Directors and the Global Risk Institute and directors may voluntarily participate in any of the continuing education seminars offered by these institutions.

Ethical conduct and managing conflicts of interest

The Board is responsible for promoting the highest ethical standards of professional conduct. This responsibility includes the development and oversight of policies and practices for the CIB that are beyond reproach regarding values and ethics. Additionally, the Board actively works to prevent and manage conflicts of interest to ensure independent decision-making.

As public office holders, directors are expected to carry out their roles in accordance with the highest standards of behaviour in the public sector, including the Terms and Conditions Applying to Governor in Council Appointees and the Values and Ethics Code in the Public Sector. The Board has adopted the Code of Conduct for Directors, which outlines the behaviours directors are expected to follow in the exercise of their duties and incorporates provisions from the *Conflict of Interest Act* and the requirements in the *Financial Administration Act* regarding conflicts of interest. Annually, directors must provide written confirmation that they have read and complied with the Code of Conduct for Directors.

The Board has delegated to the Human Resources and Governance Committee the responsibility to monitor the procedures adopted by the Board for identifying and managing conflict of interest situations. Directors are required to complete an annual questionnaire, disclosing their business and personal relationships. In addition to their annual questionnaire, directors have an ongoing obligation to report to the Corporate Secretary any project or decision in which they have an interest which may conflict with their responsibilities to the CIB to determine the appropriate course of action with respect to any such director. In addition to these measures, the Board has implemented the following process to manage conflicts of interest.

Disclosure:

- » Before each Investment Committee meeting the Corporate Secretary shares a draft meeting agenda and list of active projects for the directors' review.
- » Directors are required to inform the Corporate Secretary if they have an interest in any matter brought before the meeting.

Screening:

- » Board documents are screened to flag counterparties listed in the standing declarations of directors, or interests disclosed in advance of the meeting, so that transaction and reporting documents are withheld from the director who has declared an interest in a party related to that project.

Verification:

- » The Corporate Secretary verifies at the outset of the meeting whether any conflicts of interest related to the agenda and matters under consideration have been disclosed and outlines the process to manage the conflict.

Recusal:

- » The director recuses themselves from the meeting in respect of the project where they have declared a conflict of interest and does not participate in the decision or vote on the matter.

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. The CIB's practices to identify and manage conflict of interest situations that arise during and after employment with the CIB are described in the Conflict of Interest Policy for Employees. Employees receive training on the expectations outlined in the Code of Conduct and must annually confirm compliance with the Code of Conduct and supporting corporate policies. Compliance activities are reported quarterly to the Finance and Audit Committee and annually to the Human Resources and Governance Committee.

Board assessment

The Human Resources and Governance Committee is responsible for overseeing the annual Board self-assessment process. The Board self-assessment is meant to be constructive and to assist the Board in reviewing its performance, as well as identifying opportunities for continuous improvement. The self-assessment process also includes a focus on forward-looking priorities, including how the Board fulfills its oversight responsibilities, considering the Government of Canada's evolving priorities and expectations for the CIB. The process followed this year is summarized below.

Questionnaire:

- » Developed by the Corporate Secretary to reflect on the Board's effectiveness and performance and completed by each director.
- » Included specific and open-ended questions for feedback, including with respect to meeting agendas, information provided to directors, and meeting dynamics.
- » Sought feedback on strategic issues, organizational priorities and suggestions for continued improvement.
- » Directors also completed a self-assessment of their core skills, expertise and attributes for the Board Competency Profile.

Report:

- » Corporate Secretary presented a summary report to the HRGC for discussion and feedback.
- » Chair reported on the results to the Board and the directors held an in camera discussion to identify key themes and possible action items for the coming year.
- » Chair met with the CEO to provide the Board's feedback and action items for the coming year.

Follow-Up:

- » Action items and areas of focus are brought forward to the Board throughout the year to allow the Board to monitor and track progress against opportunities for improvement.
- » Directors are also encouraged to approach the Chair and the HRGC Chair at any time with comments or concerns.

This year's process concluded that the Board and its committees were performing well overall. Action items identified for continued improvement included reviewing the charters to the Board of Directors and Impact and Risk Committee to clarify alignment for the review and approval of new investment strategies and sub-sectors, as well as suggestions for management's reporting and documentation provided to the Board and committees in respect of the CIB's investment decisions and asset management activities.

Board Remuneration

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

For the year ending March 31, 2024, the remuneration rates are as follows:

- » Directors: \$40,000 – 50,000 per annum
- » Chair: \$85,000 – 100,000 per annum

The Chair and other directors are not entitled to any performance-based bonuses or other incentives. As permitted in subsection 13(1) of the CIB Act, each director is 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 directors are posted on the CIB's website under [Reports and Transparency](#).

Board Committees

The Board is supported by four standing committees. All directors serve on at least one Board committee and the Chair, or director acting in the role, is an ex-officio member of all committees.

The table below sets out the highlights from the delegated responsibilities completed for each of the Board Committees in 2023-24. The Board also reviewed and updated the membership of the Board Committees following the appointment of the new directors. Board Committee memberships are reported as of March 31, 2024.

Sustainability governance is allocated across the Board's four committees as outlined in the below table.

The Impact and Risk Committee is responsible for assisting the Board in its oversight of:

- » the CIB's Investment Framework, including processes for assessing, measuring, monitoring and reporting public impact outcomes and fiscal impact of investments;
- » enterprise risk management, including financial, operational, reputational and strategic risks which could impact the CIB's ability to deliver; and
- » the CIB's approach to managing ESG risks and opportunities, including disclosure of TCFD recommendations.

The Human Resources and Governance Committee is responsible for assisting the Board in its oversight of:

- » employee diversity and inclusion initiatives, and health and wellbeing;
- » the CIB's compensation framework;
- » the CIB's corporate governance framework, including policies on responsible business conduct and ethics, conflicts of interest and transparency; and
- » the CIB's human resources framework, including programs for talent development, retention and succession planning.

The Finance and Audit Committee is responsible for assisting the Board in its oversight of:

- » the CIB's financial reporting processes;
- » material financial risk exposures; and
- » operational risk governance, including procurement, information security, and business continuity opportunities, including disclosure of TCFD recommendations.

The Investment Committee is responsible for assisting the Board in its oversight of:

- » investment proposals recommended for approval, including reviewing the expected public impact outcomes and fiscal impact;
- » ensuring that material risk exposures are clearly identified and appropriate measures are taken; and
- » the risk profile of the CIB's investments and portfolio.

Finance and Audit Committee

Members

- » Michèle Colpron (Chair)
- » Dave Bronconnier
- » Bruno Guilmette
- » Jane Bird (ex officio)

All members are financially literate with regards to the corporation's accounting and financial issues, and the chair is a financial expert.

Highlights for 2023-2024

Financial reporting and internal Controls

- » Oversaw the CIB's annual and quarterly financial reporting process and recommended the quarterly and annual financial reports for approval by the Board;
- » Reviewed significant areas of accounting and disclosure judgment and key audit matters, including allowances for credit losses and adjustments made to expected credit losses;
- » Reviewed disclosure controls and procedures and internal controls over financial reporting as well as received updates on the control environment, including associated risks and corrective actions.

External audit

- » Discussed with the external auditors, their responsibilities in performing the audit, their determination of areas of significant audit risk;
- » Discussed with the external auditors key accounting risks and judgments made by management;
- » Reviewed and approved the annual audit plan and associated fees for BDO Canada LLP (as joint external auditor) for the audit of the 2023-24 financial statements;
- » Received written confirmation from the Auditor General of Canada and BDO Canada LLP of their independence for the audit of the 2023-24 financial statements;
- » Assessed BDO Canada LLP's effectiveness and recommended to the Board for recommendation to the Minister the appointment of BDO Canada LLP as the joint external auditor for 2023-24.

Internal audit

- » Oversaw the open and competitive procurement for a consultant to perform internal audit services and approved the selection of Richter LLP as the CIB's internal auditor for the 2024-25 to 2027-28 period;
- » Reviewed and approved the annual internal audit plan and monitored its execution and progress against budget;
- » Reviewed quarterly reports of internal audit activities, findings and recommendations, including management responses;
- » Assessed the internal auditor's performance.

Legal and compliance

- » Received updates from the General Counsel & Corporate Secretary on legal matters and compliance with federal legislation and policies that apply generally to Crown corporations, including with respect to disclosures of wrongdoing, access to information and procurement activities;
- » Reviewed and approved updates to significant compliance policies for procurement, information management, IT and information security;
- » Received an update on the review and enhancements to improve the CIB's AML/ATF and sanctions compliance program.

Oversight of finance function	<ul style="list-style-type: none"> » Received updates on operational activities, including with respect to build out of the asset management, credit risk functions, as well as IT strategy and roadmap to effectively support the organization's activities.
Other	<ul style="list-style-type: none"> » Received an update on sustainability reporting requirements for Crown corporations, including requirements for climate related disclosures; » Reviewed director and executive expenses reimbursed for travel while carrying out their duties; » Held separate in camera sessions at the end of each meeting with the external auditors, the internal auditor, and the Chief Financial Officer.

Human Resources and Governance Committee

Members	<ul style="list-style-type: none"> » Michael Bernstein (Chair) » Kimberley Baird » Poonam Puri » Jane Bird (ex officio)
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Highlights for 2023-2024

HR Strategy and policies	<ul style="list-style-type: none"> » Reviewed the three-year HR strategic plan for the 2023-24 to 2025-26 period; » Received reports on the HR initiatives, including the CIB's review of compensation and total rewards, diversity and inclusion action plan, professional development and learning initiatives, performance management, and accessibility progress report; » Monitored the CIB's organizational structure, recruitment activities and employee turnover; » Reviewed and discussed the results of the employee engagement survey.
CEO compensation and performance	<ul style="list-style-type: none"> » Reviewed the performance assessment of the CEO against the corporate and individual objectives for 2022-23 and recommended to the Board the CEO's performance rating for recommendation to the Minister; » Held a joint meeting with the Impact and Risk Committee to review the short-term and long-term performance scorecards and performance measures for the 2024-25 to 2028-29 planning period and made recommendations to the Board.
Executive and employee compensation and succession planning	<ul style="list-style-type: none"> » Reviewed and approved the total bonus pool for employees, including incentive compensation and merit pay increases for employees; » Reviewed with the CEO the performance of members of the executive management team and approved their total compensation; » Reviewed with the CEO the succession and talent management review and succession planning for executive officers and other senior leaders

Corporate governance	<ul style="list-style-type: none"> » Reviewed committee memberships and Board leadership roles and recommended changes to the Board, including appointment of Michael Bernstein as Chair of the HRGC and Jane Bird as Acting Chair; » Reviewed and recommended to the Board amendments to the CIB's by-laws that regulate the business and affairs of the corporation; » Monitored the effective operation of the Board and its committees and oversaw the conduct of the Board self-assessment review; » Discussed the results of the Board self-evaluation and held in camera discussion with the Board to discuss recommendations and action plans.
Board succession planning	<ul style="list-style-type: none"> » Reviewed the Board Competency Profile and advice provided to the Minister with respect to the Board's succession to inform the Minister's director selection process commenced in November 2023.
Oversight of corporate policies	<ul style="list-style-type: none"> » Received reports from the General Counsel & Corporate Secretary and approved updates to the Disclosure of Wrongdoing Policy and the Respectful Workplace Policy, as well as reporting on the administration of these policies in the workplace; » Approved updates to the Official Languages Policy and received an update on the CIB's Action Plan for Official Languages for the 2024-25 to 2028-29 planning period; » Received annual reporting provided under the Access to Information Act, the Privacy Act, and the Public Servants Disclosure Protection Act.

Impact and Risk Committee

Members	<ul style="list-style-type: none"> » Patricia Youzwa (Chair) » Michael Bernstein » Kimberley Baird » Andrée-Lise Méthot » Jane Bird (ex officio)
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Highlights for 2023-2024

Portfolio allocation and impact objectives	<ul style="list-style-type: none"> » Held a joint meeting with the Human Resources and Governance Committee to review and recommend to the Board for approval the portfolio allocation and long-term impact objectives included in the corporate plan for the 2024-25 to 2028-29 planning period.
Investment programs and initiatives	<ul style="list-style-type: none"> » Reviewed and recommended to the Board new investment initiatives from Budget 2023 and the Minister's Statement of Priorities and Accountabilities, including with respect to enabling infrastructure to support Canada's Critical Minerals Strategy, Indigenous equity loans and enabling infrastructure to accommodate housing developments; » Reviewed and recommended to the Board investment program strategies to advance the CIB's mandate in clean fuel production; » Received update on project acceleration initiative for front-end engineering and design ("FEED") capital expenditures for large infrastructure projects; » Received reports from management on annual review of investment programs and recommended to the Board updates to the Indigenous Community Infrastructure initiative, Zero-Emission Buses (ZEB) initiative, Charging and Hydrogen Refuelling Infrastructure (CHRI) initiative, and Broadband priority sector.

Portfolio reporting	<ul style="list-style-type: none"> » Reviewed quarterly portfolio reports describing the performance of the CIB's investments and portfolio towards the corporate objectives and the long-term public impact outcomes set out in the corporate plan; » Reviewed reports on asset management activities for closed investments, including financing provided, project schedule and milestones.
Public impact and sustainability	<ul style="list-style-type: none"> » Reviewed and approved the measurement standard and approach for measuring and reporting the impacts of CIB's investments under the Indigenous community infrastructure initiative; » Received a report from management on research activities undertaken in furtherance of subsection 7(1) of the CIB Act to advance the CIB's mandate in priority sectors for investment.
Risk Management	<ul style="list-style-type: none"> » Received reports on enterprise risk management activities, including reports on the CIB's key risks, trends and exposures, and action plans to reduce key risk exposures; » Reviewed the risk register and engaged in discussions with management regarding the management of key strategic, reputational, operational, and financial risks; » Reviewed the CIB's risk appetite statements and made recommendations to the Board; » Reviewed and recommended to the Board minor amendments to the Enterprise Risk Management Policy and Framework.

Investment Committee

Members	<ul style="list-style-type: none"> » Bruno Guilmette (Chair) <p><i>The Board of Directors has delegated to the Investment Committee the authority to approve all investment proposals, and the Investment Committee is comprised of all directors and operates as a "Committee of the whole Board".</i></p>
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Highlights for 2023-2024

Investment activities	<ul style="list-style-type: none"> » Reviewed over 30 infrastructure projects recommended for investment and approved in accordance with the authorities delegated by the Board of Directors, investment proposals for investment commitments or final approvals for projects proceeding towards financial close; » Received reports from the Chief Investment Officer on investments approved under the investment and administrative authorities delegated by the Board to the Management Investment Committee; » Reviewed investment structure and approach to invest in enabling infrastructure, including water and wastewater systems, needed to accommodate housing developments.
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Investment policy	<ul style="list-style-type: none"> » Reviewed and recommended to the Board amendments to the Investment Policy.
Project development and monitoring closed investments	<ul style="list-style-type: none"> » Received status updates on project milestones and deliverables with respect to significant advisory mandates and project acceleration requests; » Received regular updates from the Chief Investment Officer on the status of projects received and under assessment, including projects that were deemed out of mandate and updates on projects expected to reach a major milestone over the coming quarters; » Received reports from the Chief Financial Officer and Head of Finance and Asset Management on the annual review of infrastructure projects financed by the CIB.

Executive and Management Committees

The Board has delegated to the Chief Executive Officer (CEO) the authority to manage the day-to-day business and affairs of the CIB. The CIB has established three management committees to assist the CEO with the management of the CIB’s activities: the Executive Committee, Management Investment Committee and Portfolio and Results Committee. Terms of Reference for each of the committees, describing the committee’s purpose, composition, and activities, are available on the CIB’s website under [Governance | Canada Infrastructure Bank \(CIB\) \(cib-bic.ca\)](#).

Under the direction of the CEO, the **Executive Committee** leads the CIB’s operations and activities to execute corporate strategy and objectives, implements organizational policies and procedures, and executes direction from the Board of Directors. In addition to the CEO, the Executive Committee is comprised of:

- » 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, risk, information technology and administration.
- » Group Head, Communications and Public Affairs, who is responsible for government relations, communications, and media and stakeholder relations.

- » General Counsel & Corporate Secretary, who is responsible for legal affairs, the corporate secretariat, compliance and regulatory activities.
- » Group Head, Strategy, who is responsible for sector and portfolio allocations and strategy (including sustainability), public outcomes and impacts, corporate outcomes and reporting, and knowledge and research.

The CEO has also established two management committees to provide advice and support corporate decision-making.

The **Management Investment Committee (MIC)** is comprised of members of the Executive Committee and is responsible for managing the CIB's investment activities within the authorities of the CIB Act, the permitted activities in the CIB's approved corporate plans and the parameters established by the Board of Directors. The MIC reviews infrastructure projects at various stages and recommends investment proposals that achieve the CIB's targeted public impact outcomes and fiscal impact to the Board Investment Committee. The MIC may also approve investment proposals within the parameters, conditions and authorities delegated by the Board of Directors.

The **Portfolio and Results Committee (PRC)** is comprised of senior leaders and serves as a cross-functional advisory and decision-making body with respect to matters related to the CIB's strategy, investment focus areas, corporate targets and performance indicators, and organizational development initiatives, including sustainability initiatives. With regards to the PRC's decision-making responsibilities, the committee reviews, provides advice and makes recommendations to the Board on the CIB's investment strategies and initiatives, and having regard to the CIB's mandate and authorities, expected public impact outcomes, material risks and key performance indicators. The PRC also acts as an advisory body with regards to the CIB's progress against its corporate objectives and the performance of the investment portfolio against the targeted short-term and long-term public impact outcomes in the corporate plan.

Statement of Compensation Practices

The CIB has adopted a market-competitive compensation program which reflects the best practices of Crown corporations and other comparable organizations.

This section provides information on the CIB's compensation philosophy and the key elements of its compensation program. The disclosure is informed by the following guiding principles:

- » Align, where applicable, with disclosure practices adopted in the private and public sectors
- » Provide readers with a clear, concise and understandable description of the CIB's compensation practices
- » Strike a balance between transparency and the protection of personal information under the *Privacy Act*

Compensation governance

The Human Resources and Governance Committee (HRGC) is responsible for reviewing and recommending to the Board for approval the CIB's compensation strategy and policies established to promote the achievement of the CIB's mandate and expected results. In collaboration with the Chair, the HRGC also leads the evaluation of the CEO's performance, taking into account the corporate objectives and expected results previously approved by the Board and any other relevant factors, including the Privy Council Office's Performance Management Program Guidelines for Chief Executive Officers of Crown Corporations. All directors serving on the HRGC are independent and have experience in executive compensation programs and performance management at other organizations or board of director positions.

The CEO assesses the performance of each executive officer and makes a decision on their base salary and individual performance for the short-term incentive award, which is reviewed and discussed with the HRGC. The committee also reviews and approves the total annual budget for annual and long-term incentive payments and merit-based increases to be paid to employees, taking into consideration the CIB's corporate performance results. The following diagram sets out the approval process for the review and approval of performance-based compensation:



Compensation philosophy

The CIB’s compensation program is a key factor in attracting, motivating and retaining the talent needed to deliver our mandate and strategy. In searching for qualified employees with expertise in infrastructure project development and investment, as well as supporting roles in risk management, finance, legal and asset management, we compete with other large investment managers and financial institutions in Canada.

To effectively recruit and develop the right talent in a competitive marketplace and ensure that the CIB’s compensation practices are fair and appropriate, the compensation program is based on the following principles:



Benchmarking

We conduct and periodically update a benchmarking review of roles across the organization. This review ensures that the total compensation package remains competitive and aligned with the CIB's market for talent. Due to the CIB's unique mandate, there are no direct industry peers in the Canadian market based on similar investment mandates and operations. To assist with the review of competitive pay information, we review annual total compensation surveys from compensation consulting firms. The benchmark group includes organizations in the financial services industry and the broader public sector including: Alberta Investment Management Corporation; ATB Financial; Business Development Bank of Canada; Caisse de dépôt et placement du Québec; Export Development Canada; Hydro-Québec; Insurance Corporation of British Columbia; PSP Investments.

The CIB targets total compensation at the 50th percentile of the benchmark group. We have established a job evaluation methodology and compensation bands for each level of seniority to provide management the flexibility to set total direct compensation for each employee, relative to the median, based on the employee's skills and experience.

The CIB's approach is to place greater emphasis of total compensation in the form of base salary (and, therefore, provide a lower incentive target percentage for incentive-based awards) relative to the market, with correspondingly lower levels of incentive upside for outperformance. Financial organizations in the benchmark group generally place significant weight on short-term investment returns in measuring total incentive awards, whereas the CIB's objective is to deploy capital to infrastructure projects that deliver positive long-term economic and social outcomes for Canadians and their communities.

Components of the CIB's total rewards program

The table below provides an overview of each component of the CIB's total rewards program. In 2023-24, the CIB undertook a comprehensive review of its existing compensation framework in the investments and functional groups. The goal was to introduce clear levels and salary ranges across the organization to provide greater transparency of compensation placements and career progression within the organization.

Component	Description
Base Salary	<ul style="list-style-type: none"> » Employees receive a base salary established at the time of hiring, which may be adjusted based on competitive market analysis and/or performance (merit) on an annual basis (See section 1 for more details).
Annual performance-based incentive award	<ul style="list-style-type: none"> » Employees are eligible to receive a cash incentive award to reward the achievement of corporate and individual performance objectives (See section 2 for more details).
Deferred long-term incentive payment	<ul style="list-style-type: none"> » The CEO is subject to a grant and a long-term incentive payment based on the progress achieved against long-term public outcomes (See section 3a for more details). » Other Executives and senior-level employees are required to defer a portion of their annual incentive award over three years based on the progress achieved against long-term public outcomes (See section 3b for more details).
Retirement savings plan	<ul style="list-style-type: none"> » Employees are eligible to participate in the CIB's group registered retirement savings plan and group non-registered savings plan to assist them in building build retirement income during their working years (See section 4 for more details).
Health and wellness benefits	<ul style="list-style-type: none"> » Employees have access to market-standard benefits, including health and dental care, disability, critical illness, life insurance. They also have access to a health care spending account, an employee and family assistance program and other programs and tools to optimize health and well-being.
Paid time off	<ul style="list-style-type: none"> » Employees receive a minimum of four weeks paid vacation with incremental increases based on tenure; five paid personal days and three paid education days.
Learning and growth opportunities	<ul style="list-style-type: none"> » Budget is available for the pursuit of professional certifications, language training, and professional development to help employees acquire new skills and enhance their qualifications. » Employees are eligible for reimbursement for professional membership in up to two professional associations to stay connected to their profession or industry.

With regards to perquisites, the CEO is entitled to monthly parking at the CIB's head office. The CIB does not provide any other perquisite allowances, including with respect to vacation allowances, car allowances, club memberships and financial assistance.

1. **Base salary**

The CEO's rate of remuneration and conditions of employment are fixed by the Governor in Council on the recommendation of the Board. In making its recommendation, the Board is to consider the skills required for the position and the remuneration paid to persons in comparable positions. By order in council, the Governor in Council fixed the base salary of the CEO in the range of \$553,400 to \$651,000. Any increase to the base salary of the CEO requires the approval of the Governor in Council.

Employees (other than the CEO) receive a base salary for carrying out their day-to-day responsibilities. Salaries reflect each employee's level of responsibility, skills, experience and market competitiveness. Salary reviews are overseen by the HRGC and are carried out periodically and informed by a market review of the benchmark group and other relevant comparable organizations.

2. **Annual performance-based incentive award**

All employees are eligible to participate in the CIB's annual performance-based incentive compensation program. The annual incentive award is based on the achievement of annual objectives of the CIB documented in the corporate plan and individual performance.

The CEO's annual incentive award is set at 50% of base salary for performance that meets objectives (based on a mix of corporate and individual objectives). The recommended performance rating and short-term incentive award paid to the CEO is approved by the Governor in Council, having regard to the recommendation made by the Board to the Minister.

The incentive award target for each employee is determined based on a percentage of the employee's base salary earned during the preceding financial year in alignment with market practices for comparable positions. For executive officers other than the CEO, incentive plan award targets range from 40% to 110% of the

executive's base salary.

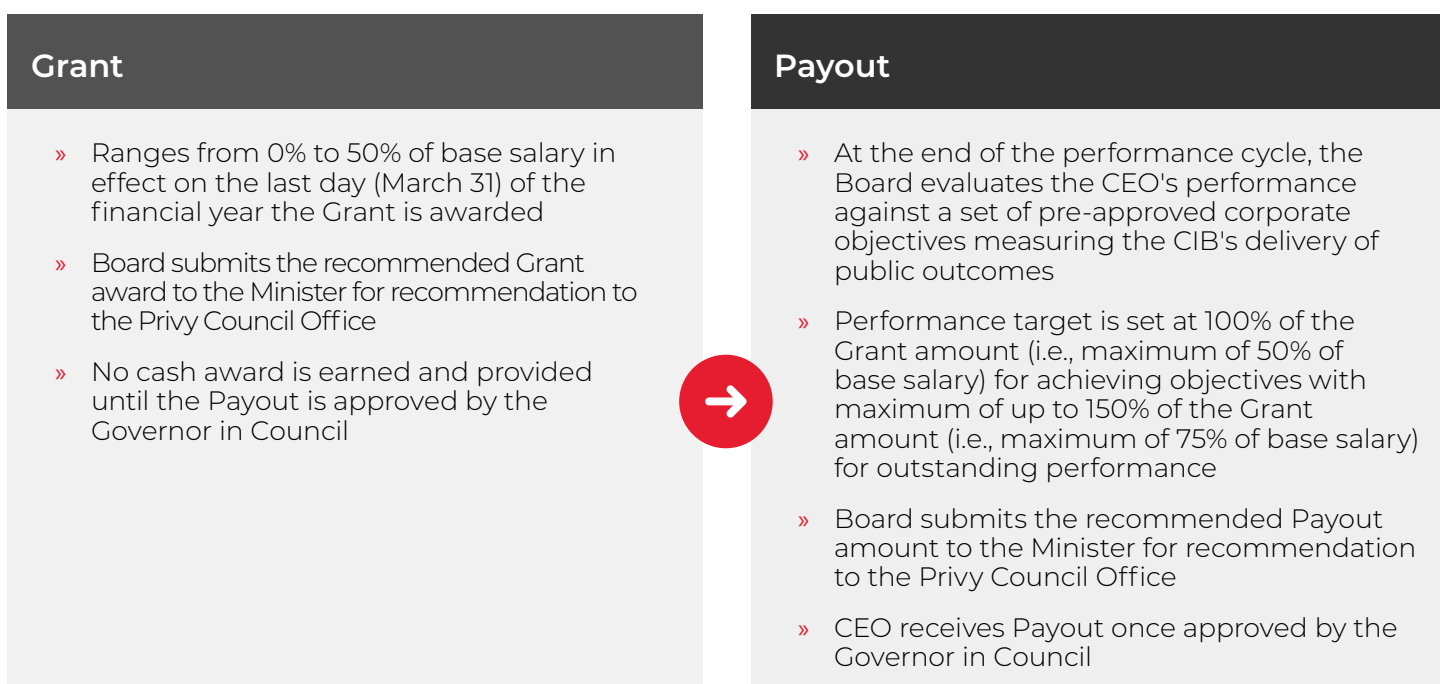
Due to the strategic nature of their roles, a significant portion of the short-term incentive award paid to the CEO and senior-level employees (80%) is tied to the achievement of corporate objectives documented in the corporate plan and 20% is tied to the achievement of individual objectives. Individual performance objectives are jointly established annually based on the role of the individual and organizational priorities.

At year-end, the employee's performance is evaluated in relation to the achievement of the CIB's corporate objectives and the employee's personal objectives and actions in contributing to the CIB's values and culture. Target performance will result in a payment of 100% of the employee's individual performance measure. The CEO reports on the results of the review and performance rating awarded for each executive officer to the HRGC. This evaluation also informs the recommendations made to the HRGC for approval regarding the total budget for incentive compensation awards (including salary range movement and annual and long-term incentive payments) available for employees.

3. Deferred long-term incentive payment

a) CEO

The CEO's long-term incentive award consists of an annual granting of potential amounts, based upon an evaluation of the achievement of annual long-term objectives (the Grant) and an evaluation to determine the final award at the end of a three-year



performance period (the Payout), as further described in the table below:

At the end of the performance period, the CEO’s performance is measured against a set of measurable long-term objectives outlined in the corporate plan. These measures are focused on the successful delivery of the CIB’s mandate over the long-term, including measures focused on the achievement of project milestones and delivery of public outcomes for climate action, connectivity of Canadians, economic growth, and Indigenous Infrastructure.

b) Other senior-level employees

Senior-level employees, including all executive officers, are required to defer a portion of their annual incentive award which vests after three years. At the end of the three-year performance period, performance is evaluated against the same set of pre-approved corporate objectives outlined in the corporate plan. Payouts can range from 0 to 1.5x the amount of the incentive award deferred for the three-year performance period. The

	Annual incentive award	Mandatory deferral
Chief Investment Officer; Chief Financial Officer	60%	40%
Group Head, Communications and Public Affairs; Group Head, Strategy	80%	20%
General Counsel & Corporate Secretary	90%	10%

table below describes the breakdown of the incentive award deferred for each executive officer (other than the CEO).

4. Retirement savings plan

The CIB offers 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 offer a defined contribution or defined benefit pension plan. All employees, including the CEO, are eligible to participate in the retirement savings plans. Employees who participate in the plans direct their own investments within the plans.

5. Termination Benefits

Where circumstances warrant a termination of employment without cause, the CIB will pay a severance that is calculated in accordance with the Canada Labour Code, the individual's employment contract and what is deemed reasonable and appropriate by the CIB.

Summary Compensation Table for Executives

Position	Base Salary Range	Short-Term Incentive	Deferred Long-Term Payment
Chief Executive Officer	\$553,400 – \$651,000	Award is set at 50% of base salary for performance that meets objectives.	Grant amount is 0% to 50% of base salary. Payout ranges from 0 to up to 150% of the Grant amount (i.e., maximum of 75% of base salary) for outstanding performance.
Other Executive Officers*	\$215,000 – \$570,000 As of March 31, 2024, the median base salary for executive officers (other than the CEO) was \$293,550.	Award range is set between 40% to 110% of the executive's base salary for performance that meets objectives.	Mandatory deferral between 10% and 40% of the award based on seniority. Payout ranges between 0 to 1.5x of the amount deferred based on performance.

**Includes the Chief Investment Officer, Chief Financial Officer, Group Head, Strategy, Group Head, Communications and Public Affairs and General Counsel & Corporate Secretary.*

For the 2023-24 financial year, the CIB's corporate performance was assessed at 110% due to the performance exceeding corporate objectives in several areas. The table in the corporate results section of the MD&A section describes the results achieved for the annual incentive award for the 2023-24 financial year.

The CIB does not disclose individual total compensation received by the CEO and other executive officers, consistent with the requirements and governance standards recommended by the Treasury Board of Canada Secretariat. An individual's specific compensation is personal

information and protected in accordance with provisions of the *Access to Information Act* and the *Privacy Act*.

Total compensation paid to employees over the past three years.

Year	Number of Employees	Base Salary	Annual Incentive Award	Deferred Long-term Payment*
2023-24	146	\$20,280,026.93	\$7,730,625.44	\$444,533.82
2022-23	122	\$16,537,866.85	\$6,224,436.00	\$578,547.66
2021-22	92	\$13,320,020.79	\$5,779,436.75	\$201,052.57

**The deferred long-term payment covers senior-level employees who are required to defer a portion of their annual incentive award over a three-year performance period.*

Financial Highlights

As a Crown corporation entrusted with investing public funds, the CIB adopts best practices for financial management and is an effective steward of its financial resources.

The financial statements are prepared in accordance with the Public Sector Accounting Standards (PSAS) as issued by the Public Sector Accounting Board (PSAB) which align the CIB's reporting framework with its business objectives, to take risk and/or provide concessionary pricing to investments as outlined in the investment approach.

The 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 the CIB's external auditor for 2023-24.

Highlights

In 2023-24:

- » **29** investments achieved financial close (life-to-date, **71** investments)
- » Financial closes totalled **\$3.5 billion**, net of a **\$236.2 million** reduction post financial close (\$12.8 billion and \$438.3 million life-to-date, respectively)
- » **\$1.3 billion** of capital was funded (**\$2.9 billion** life-to-date)
- » **\$59.2 million** of interest income was realized, a 99% increase over the prior year
- » Operating expenses totaled **\$55.3 million**, representing **1.5%** of the total revenue recognized and **93%** of interest earned

For the year ended March 31 (in millions of Canadian dollars)	2024		2023
	Budget	Actual	Actual
Revenue			
Government appropriations - investments	\$ 4,597.1	\$ 3,444.4	\$ 4,448.9
Government appropriations - operations	91.6	66.2	51.5
Interest income	23.9	59.2	29.7
	4,712.6	3,569.8	4,530.1
Operating expenses			
Compensation	44.5	37.5	30.2
General and administration			
Professional fees	13.4	11.2	10.7
Administration	10.9	6.0	4.6
Amortization of capital assets	0.6	0.6	0.5
	69.4	55.3	46.0
Non-operating expenses			
Project development	14.1	2.2	1.5
Concessionary loan provision	3.1	-	0.2
Loan valuation allowance/ (recovery)	185.1	5.4	(4.9)
	202.3	7.6	(3.2)
Total expenses	271.7	62.9	42.8
Annual surplus	\$ 4,440.9	\$ 3,506.9	\$ 4,487.3

Versus prior year

Revenue

Government appropriations: The Government of Canada provides funding for the CIB to advance its priorities and deliver on its mandate. Consistent with the CIB's financial reporting framework, a government receivable is created at the time an investment reaches financial close and an investment government appropriation is recorded as revenue. The government receivable is then reduced when appropriations funding is received to fulfill project funding requirements, or the CIB commitment is reduced, subject to the terms and conditions of each

respective credit agreement. Operating appropriations are recognized as received each year.

The CIB recognized \$3.4 billion of government appropriations – investments revenue in 2023-24, a decrease of \$1.0 billion compared to the prior year. The CIB expects to achieve approximately \$3.0 billion to \$5.0 billion in financial closes each year, while recognizing the potential for the timing of large and complex projects to vary. It is important for the CIB to ensure it can balance the need to maintain a steady pace of investment in all sectors and all regions of the country, while also giving due focus on efforts to advance larger transformative investments, creating variation in financial closes year-over-year. During 2023-24, the CIB achieved financial close on 29 investments, with an average commitment amount of \$128.0 million, while the prior year averaged \$184.4 million on just 25 investments.

Interest income: Interest income was \$59.2 million, an increase of \$29.5 million from the previous year. \$34.3 million (fiscal 2022-23, \$24.6 million) of income was from financing activity and \$24.9 million (fiscal 2022-23, \$5.1 million) was earned on cash and short-term investments from appropriations. The increase was driven by an additional \$1.3 billion of capital funded in 2023-24, a 75.5% increase in the amount of capital deployed since March 31, 2023.

Expenses

Expenses for 2023-24 totaled \$62.9 million (fiscal 2022-23, \$42.8 million) and consisted of operating expenses of \$55.3 million (fiscal 2022-23, \$46.0 million), loan valuation allowance of \$5.4 million (fiscal 2022-23, \$4.9 million loan valuation recovery), project development expenses of \$2.2 million (fiscal 2022-23, \$1.5 million), and concessionary loan provision of \$nil (fiscal 2022-23, \$0.2 million).

The CIB's operating expenses were \$55.3 million in 2023-24, or 1.5% of total revenue, as compared to \$46.0 million, or 1.0% of total revenue in the prior year. Increases year over year came primarily from compensation of \$37.5 million (fiscal 2022-23, \$30.2 million) due to the continued buildout of staffing across the organization, as well as general and administration expense ("G&A") of \$17.8 million (fiscal 2022-23, \$15.8 million). Included in general and administration expenses were professional fees of \$11.2 million that were \$0.5 million higher than the prior year primarily due to increased due diligence activities stemming from increased deal volume. Due diligence includes the assessment of project scope, design, risks and viability. In addition, professional fees for non-transaction activities such as the investment, accounting and risk management frameworks, contributed to the increase year over year.

Loan valuation allowance expense was \$5.4 million for 2023-24 (fiscal 2022-23, \$4.9 million loan valuation recovery). This is a general valuation allowance that is an estimate of short-term credit risk on our portfolio of assets, which is expected to increase as more capital is deployed. In the prior year, an updated expected credit loss model resulted in a favourable adjustment to a provision related to the public transit sector from a change in probability of default curves and loss given default factors.

Project development expenses totalled \$2.2 million for 2023-24 (fiscal 2022-23, \$1.5 million). Project development expenses primarily relate to project acceleration funding that the CIB invests in due diligence and early construction works to accelerate high impact infrastructure projects in which the CIB expects to make a long-term investment. Project Acceleration shortens critical paths to construction and operations by (i) expediting due diligence, planning and development activities which could include engineering studies, demand forecasting or other activities necessary to establish the project business case and (ii) shortens the critical paths of high-impact projects in which the CIB expects to invest in as part of the overall CIB capital plan. Project acceleration funding is either expensed as incurred or capitalized over the life of the project. Such distinction is dependent on each project's characteristics.

Versus budget

Revenue

Government appropriations – investments revenue during 2023-24 was \$3.4 billion, within the expected range of approximately \$3.0 billion to \$5.0 billion per year, recognizing the potential for the timing of large and complex projects to vary. As outlined above, there is significant variability in the timing of large-scale capital projects, which contributed to the variance from plan. The CIB achieved financial close on 29 investments (2022-23, 25), and the average commitment per financial close was \$128.0 million.

Interest income was \$35.3 million greater than the plan which is attributable to an increase in the average effective interest rate of projects funded to date and better than forecasted interest earned on cash and short-term investments.

Expenses

Operating expenses were \$14.1 million lower than budget, mainly driven by compensation expenses (\$7.0 million below budget), and administration expenses (\$4.9 million below budget). Both variances were driven by the CIB realizing operating efficiencies through delayed hirings and with portfolio growth.

Project development expenses were \$2.2 million during 2023-24, compared to \$14.1 million per the budget. As outlined above, project acceleration funding is either expensed as incurred or capitalized over the life of the project. Such distinction is dependent on each project's characteristics and difficult to predict until final project terms are finalized. During 2023-24, the CIB deployed capital to several projects which were classified as project acceleration, but whose costs have been capitalized to the loan receivable balance. Notably, capital deployed to the first investment in a front-end engineering and design project to advance energy transition is part of our accelerator program and was capitalized during 2023-24.

The loan valuation allowance expense was \$5.4 million versus a budgeted expense of \$185.1 million. \$5.4 million represents a general loan provision related to the loan receivable balance, which is a short-term estimate of loss (i.e. likelihood default amount over the upcoming 12-months), while the budgeted allowance of \$185.1 million was estimated based on the lifetime expected credit loss of the portfolio. The timing and realization of the lifetime expected loss and unexpected loss is unknown and difficult to predict. Only when losses are realized, are they fully recognized as a specific valuation allowance expense on the CIB's financial statements. To date, the CIB has not incurred any realized losses.

Operating efficiency

For the year ended March 31 (in millions of Canadian dollars)	2024	2023	Change
Cumulative financial closes*	\$ 12,805.3	\$ 9,328.0	\$ 3,477.3
Loans receivable	3,042.6	1,755.7	1,286.9
Operating expenses	55.3	46.0	9.3
Non-operating expenses			
Project development	2.2	1.5	0.7
Concessionary loan provision	-	0.2	(0.2)
Loan valuation allowance/ (recovery)	5.4	(4.9)	10.3
Non-operating Expenses	7.6	(3.2)	10.8
Expenses as a % of financial closes			
Operating expenses	0.4%	0.5%	(0.1%)
Non-operating expenses	0.1%	0.0%	0.1%
Expenses as a % of Loans receivable			
Operating expenses	1.8%	2.6%	(0.8%)
Non-operating expenses	0.2%	(0.2%)	0.4%

*Figures are presented net of reductions, post financial close.

The CIB's operating expenses are 0.4% of cumulative financial closes and 1.8% of loans receivable, both reductions to the prior year. Despite the absolute increase in operating expenses, the CIB has become more efficient in managing its operating expenses. Total non-operating expenses, which include project development expenses, loan valuation allowance/(recovery), and concessionary loan provision are less than 1% of both financial closes and loans receivable.

For the year ended March 31 (in millions of Canadian dollars)	2024	2023	Change
Cumulative financial closes*	\$ 12,805.3	\$ 9,328.0	\$ 3,477.3
Cumulative drawdowns	2,934.5	1,670.5	1,264.0
Weighted average effective interest rate	2.0%	1.6%	0.4%
Cumulative drawdowns as a % of total financial closes	22.9%	17.9%	5.0%

*Figures are presented net of reductions, post financial close.

The CIB works to grow and accelerate the pace of infrastructure development across the country but remains disciplined in its approach to capital deployed. Projects are funded as milestones are achieved, and the CIB actively monitors them to ensure risks in construction, operations, maintenance, lifecycle, and financial performance are mitigated prior to advancing capital. Over time, cumulative drawdowns as a percentage of total financial closes will increase and interest earned from CIB investments will resemble the effective interest rate of the portfolio. Since the prior year, the weighted average effective interest rate increased by 0.4% to 2.0%.

As outlined in Section 3, Highlights of 2023-24, 40 projects are in active construction at the end of 2023-24, and 2 projects have been completed. Project proponents are adequately managing identified occurrences of development risks such as scheduling delays, supply chain disruptions and cost inflation due to labour and/or material shortages. In these limited circumstances, project proponents are working to recover time from, and prevent future instances of, project delays, and have either increased their commitment amount towards a project or used available project contingency. The CIB has not increased its commitment towards a project because of cost overruns, nor has the CIB extended its loan availability period by more than five months to accommodate delays. Overall, construction is advancing well across the portfolio.



FINANCIAL STATEMENTS

Annual Report
2023-2024

Financial Statements

Management's responsibility for financial information

Management is responsible for the preparation of the statement of financial position, statement of operations and accumulated surplus, statement of change in net financial assets, statement of cash flows and related notes (collectively the “Financial Statements”) of the Canada Infrastructure Bank (“CIB” or the “Corporation”) in accordance with the Public Sector Accounting Standards; and for ensuring compliance with applicable authorities. The information contained therein normally includes amounts requiring estimations that have been made based upon informed judgment as to the expected results of current transactions and events. Management is responsible for ensuring consistency of the financial information presented elsewhere in this Annual Report, with the Financial Statements. In discharging its responsibility for the integrity, fairness and quality of the Financial Statements and for the accounting systems from which they are derived, management maintains a system of internal controls designed to provide reasonable assurance that transactions are authorized, assets are safeguarded, proper records are maintained, and compliance with applicable authorities. The external auditors have full and free access to the Finance and Audit Committee of the Board of Directors, which is responsible for overseeing and reviewing management’s internal control and reporting responsibilities. The Board of Directors, through the Finance and Audit Committee, which is entirely composed of independent directors, is responsible for reviewing and approving the audited Financial Statements. The CIB’s independent auditors, BDO Canada LLP, Chartered Professional Accountants, and the Auditor General of Canada have audited the CIB’s Financial Statements and their report indicates the scope of their audit and their opinion on the Financial Statements.



Ehren Cory

Chief Executive Officer

June 20, 2024



Evelyn Joerg

Chief Financial Officer



INDEPENDENT AUDITORS' REPORT

To the Minister of Housing, Infrastructure and Communities

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Canada Infrastructure Bank (the Corporation), which comprise the statement of financial position as at March 31, 2024, and the statement of operations and accumulated surplus, statement of change in net financial assets and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2024, and the results of its operations, changes in its net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in the 2023-24 Annual Report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. We obtained the 2023-24 Annual Report prior to the date of this auditors' report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditors' report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the

financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Compliance with Specified Authorities

Opinion

In conjunction with the audit of the financial statements, we have audited transactions of Canada Infrastructure Bank coming to our notice for compliance with specified authorities. The specified authorities against which compliance was audited are Part X of the *Financial Administration Act* and regulations, the *Canada Infrastructure Bank Act* and the by-laws of Canada Infrastructure Bank.

In our opinion, the transactions of Canada Infrastructure Bank that came to our notice during the audit of the financial statements have complied, in all material respects, with the specified authorities referred to above. Further, as required by the *Financial Administration Act*, we report that, in our opinion, the accounting principles in Canadian public sector accounting standards have been applied on a basis consistent with that of the preceding year.

Responsibilities of Management for Compliance with Specified Authorities

Management is responsible for Canada Infrastructure Bank's compliance with the specified authorities named above, and for such internal control as management determines is necessary to enable Canada Infrastructure Bank to comply with the specified authorities.

Auditors' Responsibilities for the Audit of Compliance with Specified Authorities

Our audit responsibilities include planning and performing procedures to provide an audit opinion and reporting on whether the transactions coming to our notice during the audit of the financial statements are in compliance with the specified authorities referred to above.



Mathieu Le Sage, CPA
Principal
for the Auditor General of Canada

Ottawa, Canada
June 20, 2024

BDO Canada LLP

Chartered Professional Accountants,
Licensed Public Accountants

Toronto, Canada
June 20, 2024

Statement of financial position

As at March 31	Note	2024	2023
(in thousands of Canadian dollars)			
Financial assets			
Cash and restricted cash	3	\$ 310,160	\$ 121,353
Government funding receivable	5	9,579,180	7,546,298
Loans receivable	4	3,042,649	1,755,711
Interest and other receivables		5,079	7,838
		12,937,068	9,431,200
Liabilities			
Accounts payable and accrued liabilities		15,389	18,010
Deferred liabilities		6,250	3,897
		21,639	21,907
Net financial assets		12,915,429	9,409,293
Non-financial assets			
Tangible capital assets		2,508	2,018
Prepaid expenses and advances		534	277
		3,042	2,295
Accumulated surplus		\$ 12,918,471	\$ 9,411,588

Commitments (Note 9)

The accompanying notes are an integral part of these Financial Statements.

On behalf of the Board:



Michèle Colpron

Chair, Finance and Audit Committee

June 20, 2024



Jane Bird

Acting Chair, Board of Directors

Statement of operations and accumulated surplus

For the year ended March 31	Note	2024		2023
(in thousands of Canadian dollars)		Budget	Actual	Actual
Revenue				
Government appropriations - investments	5	\$ 4,597,088	\$ 3,444,444	\$ 4,448,926
Government appropriations - operations		91,616	66,200	51,500
Interest income		23,923	59,184	29,712
		4,712,627	3,569,828	4,530,138
Expenses				
Compensation		44,507	37,483	30,225
General and administration		24,861	17,816	15,763
Project development		14,100	2,232	1,479
Concessionary loan provision		3,121	-	189
Loan valuation allowance/ (recovery)	4	185,105	5,414	(4,852)
		271,694	62,945	42,804
Annual surplus		4,440,933	3,506,883	4,487,334
Accumulated surplus, beginning of year		9,411,588	9,411,588	4,924,254
Accumulated surplus, end of year		\$ 13,852,521	\$ 12,918,471	\$ 9,411,588

The accompanying notes are an integral part of these Financial Statements.

Statement of change in net financial assets

For the year ended March 31	Note	2024		2023
(in thousands of Canadian dollars)		Budget	Actual	Actual
Annual surplus		\$ 4,440,933	\$ 3,506,883	\$ 4,487,334
Change in tangible capital assets – acquisitions		(1,882)	(1,111)	(535)
Change in tangible capital assets – amortization		634	621	466
Change in prepaid expenses and advances		-	(257)	143
Net financial assets, beginning of year		9,409,293	9,409,293	4,921,885
Net financial assets, end of year		\$ 13,848,978	\$ 12,915,429	\$ 9,409,293

The accompanying notes are an integral part of these Financial Statements.

Statement of cash flows

For the year ended March 31	Note	2024	2023
(in thousands of Canadian dollars)			
Cash and restricted cash provided by (used in):			
Operating activities:			
Annual surplus		\$ 3,506,883	\$ 4,487,334
Items not involving cash:			
Capitalized interest paid in kind	4	(25,235)	(23,083)
Amortization of tangible capital assets		621	466
Loan valuation allowance/(recovery)	4	5,414	(4,852)
Concessionary loan provision	4	-	189
Accretion of concessionary loan provision	4	(13)	(4)
Changes in non-cash working capital			
Government funding receivable	5	(2,032,882)	(4,115,976)
Interest and other receivables		2,759	(5,841)
Prepaid expenses and advances		(257)	143
Accounts payable and accrued liabilities		(2,621)	7,369
Deferred liabilities		2,353	821
Net cash outflow from loans receivable	4	(1,267,104)	(270,218)
Total cash provided by operating activities		189,918	76,348
Capital activities:			
Acquisition of tangible capital assets		(1,111)	(535)
Total cash used in capital activities		(1,111)	(535)
Net increase in cash and restricted cash during the year		188,807	75,813
Cash and restricted cash, beginning of year	3	121,353	45,540
Cash and restricted cash, end of year	3	\$ 310,160	\$ 121,353

The accompanying notes are an integral part of these Financial Statements.

Notes to the financial statements

For the year ended March 31, 2024

1. Act of incorporation, objective and operations of the Corporation:

The Canada Infrastructure Bank (“CIB” or the “Corporation”) is a Crown Corporation established by an Act of Parliament (the *Canada Infrastructure Bank Act* (the “CIB Act”)) on June 22, 2017. The CIB is incorporated in Canada and wholly owned by the Government of Canada. The CIB was nominally capitalized with 10 shares issued at a par value of \$10 per share (actual dollars), or total share capital of \$100 (actual dollars).

The CIB’s purpose 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.

The CIB develops projects in partnership with federal, provincial, territorial, municipal and Indigenous sponsors and the private sector. As part of this, the CIB also engages in project development, with the objective to expedite studies, technical reports and analysis required to shorten critical paths to investment. Project development also encompasses project acceleration which includes spend on early construction works in order to accelerate high impact infrastructure projects in which the CIB expects to make a long-term investment.

As set out in the CIB Act, the CIB also has a mandate to provide advisory services to “provide advice to all levels of governments with regard to infrastructure projects” and to “act as a centre of expertise on infrastructure projects in which private sector investors or institutional investors are making a significant investment.” In keeping with this role, the CIB provides advice on how projects may be structured to optimize delivery outcomes in the public interest while attracting private and institutional investment and generating revenue.

The CIB receives appropriations from the Government of Canada. Parliament has authorized funding of not more than \$35 billion in aggregate (or any greater aggregate amount that may

be authorized from time to time under an appropriation Act) to the CIB and the authority to invest in infrastructure transactions. Of the \$35 billion, the Government of Canada will allow up to \$15 billion against the fiscal framework which aims to catalyze projects that benefit Canadians and will provide the flexibility and scope for the CIB to use its capital to innovate and take more risk than the market will take.

The CIB will execute a wide breadth of financial instruments, including loans, equity investments, and where appropriate, loan guarantees to projects that will mobilize private investment where otherwise no investment would occur. The decision on the use of different types of financial instruments will depend on a transaction's unique characteristics. The CIB model is aimed at mobilizing and leveraging private sector and institutional investment and attaching its returns to the usage and revenue risk of infrastructure projects. To crowd-in private sector and institutional investment, support may be provided at below market rates, with more flexible terms or on a subordinated basis. Separately, the CIB is expected to make investments in projects that are in the public interest in the priority areas of public transit, clean power, green infrastructure, broadband, and trade and transportation.

The CIB is not an agent of His Majesty, the King in Right of Canada, except when, (i) giving advice about investments in infrastructure projects to ministers of His Majesty in right of Canada, to departments, boards, commissions and agencies of the Government of Canada and to Crown Corporations as defined in subsection 83(1) of the *Financial Administration Act* (Canada) (the "FAA"); (ii) collecting and disseminating data in accordance with the CIB Act; (iii) acting on behalf of the Government of Canada in the provision of services or programs, and the delivery of financial assistance, as provided under the CIB Act; and (iv) carrying out any Canada Infrastructure activity conducive to the carrying out of its purpose that the Governor in Council may, by order, specify. The CIB is also named in Part I of Schedule III to the FAA.

The CIB is exempt from Federal Income Tax under Section 149(1)(d) of the *Income Tax Act*.

The CIB is accountable for its affairs to Parliament through the Minister of Housing, Infrastructure and Communities.

2. Summary of significant accounting policies:

a. **Basis of preparation:**

These financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards (“PSAS”) established by the Public Sector Accounting Board (“PSAB”) of the Chartered Professional Accountants of Canada.

The Financial Statements and notes are presented in thousands of Canadian dollars unless otherwise stated.

b. **Budget figures:**

Budget information is reflected in the Statement of Operations and Accumulated Surplus, and the Statement of Change in Net Financial Assets. Budget data presented for 2024 is sourced from the projections and estimates of year one of the 2023-24 to 2027-28 approved Corporate Plan.

c. **Cash and restricted cash:**

Cash and restricted cash includes funds deposited in bank accounts on a short-term basis with financial institutions that are chartered banks in Canada and cash that is externally restricted based on agreements entered into between the CIB and external parties that stipulate the purpose for which cash must be used.

As per the CIB Act, the Minister of Finance may pay to the Corporation not more than \$35 billion (or any greater aggregate amount that may be authorized from time to time under an appropriation Act). Periodically, the CIB makes appropriation requests from the Department of Finance, which are in line with the CIB’s approved Corporate Plan, based on forecasts for anticipated needs. Actual cash disbursements may deviate from forecast, which in addition to restricted cash, contributes to the cash and restricted cash balance.

d. **Government funding:**

Government appropriations are recognized in the period the transfer is authorized and all eligibility criteria have been met. A receivable is recognized when the CIB gains control of the resources that meet the definition of an asset and when it is expected that the inflow of resources will occur, and their value can be reliably measured. Operating and capital appropriations are recognized when the cash is received. Investment appropriations are recognized at the time an investment achieves financial close (i.e., binding agreements with counterparties have been entered into).

e. Financial instruments:

Loans receivable

Loans are initially recorded at cost, which is when cash is disbursed, and subsequently measured at amortized cost less loan valuation allowances and write-offs.

Where a loan is deemed to be significantly concessionary relative to the face value by discounting using the Government of Canada average cost of borrowing, it is recognized at a cost equivalent to the face value less the discount on a prorated basis as funds are advanced. The recorded value of the loan at the date of issue is its face value offset by the discount which is subsequently amortized to revenue in a rational and systematic manner over the term of the loan using the effective interest rate (“EIR”) method. The discount would initially be expensed and then subsequently amortized by increasing the loan balance and crediting revenue.

Eligible transaction costs are included as part of the initial carrying value of the loan and amortized to income, based on the EIR method.

Other financial assets/liabilities

The CIB’s cash and restricted cash, related party accounts receivable, accounts payable and accrued liabilities are measured at amortized cost.

Impairment of financial assets

At each reporting date, the CIB assesses all financial assets or groups of financial assets to determine whether there is any credit deterioration or objective evidence of impairment both of which contribute to a valuation allowance that is recorded to have the financial asset reflect its expected net recoverable value. The valuation allowance reflects collectability and the risk of loss based on past events, current circumstances, and all available information at the date of the preparation of the Financial Statements. The general valuation allowance applies to loans receivable and is based on a short-term estimate of portfolio credit risk that is monitored on an ongoing basis and adjusted with changes in credit risk. A reduction to the general valuation allowance would lead to a recovery. A specific valuation allowance is established in instances of known impairment events (by extension write-offs) that applies to all financial assets that would reduce their expected recoverability. If the specific valuation allowance subsequently decreases, the impairment would not be reversed. Recovery of amounts written off would be recognized as revenue only when received.

f. Measurement uncertainty:

In preparing the Financial Statements in accordance with PSAS, management is required to make subjective judgments, estimates and assumptions that affect the carrying amounts of certain assets and liabilities, and the reported amounts of revenues and expenses recorded during the period. Significant changes in the underlying assumptions could result in significant changes to these judgments and estimates. Consequently, management reviews these assumptions regularly. Revisions to accounting judgments and estimates are recognized prospectively – i.e., in the period in which the judgments and estimates are revised and in any future period affected. Management uses assumptions in determining the CIB’s loan valuation allowance such as the CIB’s internal credit rating methodology and other primary factors as described in Note 8 and estimates the timing of expected drawdowns and repayments which impact the effective interest rate on loans. Where actual results differ from estimates and assumptions, the impact will be recorded in future periods when the difference becomes known.

g. Tangible capital assets:

Tangible capital assets are carried at cost less accumulated amortization, and accumulated impairment losses, if any.

The cost of a tangible capital asset includes its purchase price and any costs directly attributable to acquisition, construction, development, or betterment of the tangible capital asset, including installing the asset at the location and in the condition necessary for its intended use.

The cost of tangible capital assets in use is amortized over their estimated useful lives, as follows:

Assets	Amortization method	Rate
Leasehold improvements	Straight-line	Lesser of lease term & useful life
Computer software	Straight-line	5 years
Computer hardware	Declining balance	55%
Furniture and equipment	Declining balance	20%

The residual values, useful lives and amortization methods are reviewed, and adjusted if appropriate, at least at each financial reporting date.

When conditions indicate that a tangible capital asset no longer contributes to the CIB's ability to provide goods and services, or that the value of the future economic benefits associated with the tangible capital asset is less than its net book value, the cost of the tangible capital asset is reduced to reflect the decline in the asset's value. The net write-down is then accounted for as an expense in the Statement of Operations and Accumulated Surplus.

h. Deferred liabilities:

Deferred liabilities consist of accrued long-term performance incentives which are time-based deferrals of incentive compensation earned, unearned revenue, accrued rent or leasehold improvements related to the lease for office space amortized over the term of the lease.

i. Interest income:

Interest income includes interest on loans receivable recognized when earned and is based on the carrying value of the loan using the EIR method as well as interest derived from cash balances in the year it is earned. The interest earned and recognized as revenue may differ from the interest receipt for certain investments that have interest being paid in kind and capitalized, increasing the outstanding loan balance. Refer to Note 2(e) for the impact to interest income when a loan is deemed to be significantly concessionary.

The EIR method calculates the amortized cost of a financial asset and allocates the interest income over the relevant period in interest income in the Statement of Operations and Accumulated Surplus. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset. When calculating the EIR, the CIB estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all costs paid or received that are an integral part of the effective interest rate, such as transaction costs and other premiums or discounts.

j. Leases:

The CIB enters into operating leases for its office accommodation and storage space which are recorded on a straight-line basis over the term of the lease.

k. **Inter-entity transactions and related party transactions:**

Inter-entity transactions are transactions between commonly controlled entities of the Government of Canada and are recorded at the carrying amount unless they are undertaken on similar terms and conditions to those adopted if the entities were dealing at arm's length, which requires inter-entity transactions to be recorded at the exchange amount.

Related party transactions, other than inter-entity transactions, are recorded at the exchange amount.

l. **Recently adopted accounting standards:**

The CIB adopted PSAS 3400, Revenue, effective April 1, 2023. The new standard establishes overall guidance on how to account for and report revenue. The adoption did not have a significant impact on the CIB's Statement of Operations and Accumulated Surplus.

m. **Reclassification of prior period figures:**

During the fiscal year ended March 31, 2024, the CIB reviewed the presentation of certain items within the Financial Statements to enhance the clarity and usefulness of financial information. As a result, the CIB modified the aggregation of line items reported in Statement of Financial Position and Statement of Cash Flows and reclassified amounts in Note 9(b). As a result, related prior period figures were reclassified to conform to the current year presentation. These changes did not affect the CIB's accumulated surplus, annual surplus, or net financial assets of the comparative period.

3. Cash and restricted cash

For the year ended March 31	2024	2023
Cash	\$ 298,035	\$ 121,353
Restricted cash	12,125	-
Cash and restricted cash	\$ 310,160	\$ 121,353

4. Loans receivable:

The portfolio of loans may be subject to a number of terms and conditions including restrictive covenants and be subordinate to senior debt or rank pari passu with other lenders.

The following table sets out the amounts related to the loans receivable and their associated loan valuation allowance (“LVA”) by sector:

As at March 31	2024			2023		
	Carrying amount	LVA	Loans receivable (net)	Carrying amount	LVA	Loans receivable (net)
Public transit	\$ 1,539,647	\$ (11,590)	\$ 1,528,057	\$ 1,398,935	\$ (9,398)	\$ 1,389,537
Clean power	747,085	(1,431)	745,654	125,994	(117)	125,877
Green infrastructure ¹	493,373	(1,588)	491,785	32,323	(97)	32,226
Broadband	133,911	(494)	133,417	80,471	(131)	80,340
Trade & transportation	144,245	(509)	143,736	128,186	(455)	127,731
Total	\$ 3,058,261	\$ (15,612)	\$ 3,042,649	\$ 1,765,909	\$ (10,198)	\$ 1,755,711

¹Includes amounts attributable to capitalized project acceleration funding. Refer to Note 9, commitments, for further details.

The portfolio weighted average effective interest rate for projects the CIB has funded to date is approximately 2.0% (March 31, 2023 – 1.6%) over an average weighted term remaining of 17 years (March 31, 2023 – 14 years).

Of these loans, \$15.0 million has been provided directly to municipalities (March 31, 2023 – \$15.0 million) and \$6.9 million has been provided directly to Indigenous governments (March 31, 2023 – \$0.6 million).

The following table presents the changes in the CIB loans receivable carrying amount:

As at March 31	2024	2023
Opening balance	\$ 1,755,711	\$ 1,457,743
Drawdowns	1,263,987	261,570
Capitalized interest paid in kind	25,235	23,083
Transaction costs (net of amortization)	6,941	8,688
Concessionary loan provision	-	(189)
Accretion of concessionary loan provision	13	4
Principal repayment	(3,824)	(40)
Loan valuation recovery/(allowance)	(5,414)	4,852
Loans receivable	\$ 3,042,649	\$ 1,755,711

The loan valuation allowance consists of the general loan valuation allowance of \$15.6 million as at March 31, 2024 (March 31, 2023 – \$10.2 million) and the specific loan valuation allowance of \$nil as at March 31, 2024 (March 31, 2023 – \$nil).

As outlined in Note 8, collateral is used to minimize losses that would otherwise be incurred in the event of a default. Collateral can take various forms depending on the type of borrower or counterparty, the assets available, and the structure and terms of the credit obligations.

Examples of collateral currently held by the CIB, without consideration to priority, include, but are not limited to:

- » Assignments of material contracts
- » Mortgages on project sites
- » Pledges of shares of the borrowers and general partners.

- » Present and future assets, property and undertaking of the borrowers (including zero-emission busses)
- » Project bank accounts (i.e., debt service reserves)

Depending on the loan, the CIB can rank senior, pari passu or subordinate to other lenders. If subordinated, the collateral will be subject to prioritization on a liquidation event, making collection difficult to predict. Irrespective of rank, collateral is also often subject to significant fluctuations in value depending on the advancement of the underlying infrastructure projects.

Due to the difficult nature of valuing the collateral in place, management considers the maximum exposure to credit risk equal to the loan receivable balance.

The following table illustrates the outstanding loan receivable principal repayments expected for the next five years and thereafter, not including interest, transaction costs (net of amortization), accretion of concessionary loan provision or concessionary loan provision:

For the year ended,	March 31, 2024
2025	\$ 24,968
2026	279,961
2027	58,150
2028	136,725
2029 and thereafter	2,539,107
Outstanding loans receivable principal repayments	\$ 3,038,911

5. Government funding receivable:

Consistent with the original funding process established with the Government of Canada, the CIB receives funding through government appropriations for operating expenditures, capital, including tangible capital assets that are subject to amortization, and to fund investments once financial closes have occurred.

The details of the government funding receivable are as follows:

As at March 31	2024	2023
Opening balance	\$ 7,546,298	\$ 3,430,322
New investment contractual agreements	3,721,954	4,651,036
Government appropriations received – investments	(1,452,907)	(332,950)
Net reductions ¹ , post financial close	(236,165)	(202,110)
Government funding receivable	\$ 9,579,180	\$ 7,546,298

¹ Refer to Note 9, commitments, for further details.

6. General and administration expenses:

As at March 31	2024	2023
Professional fees	\$ 11,224	\$ 10,665
Administration fees	5,971	4,632
Amortization of capital assets	621	466
General and administrative expenses	\$ 17,816	\$ 15,763

7. Inter-entity transactions and related party transactions:

The Corporation is wholly owned by the Government of Canada and is related in terms of common ownership to all Government of Canada departments, agencies, and Crown corporations. The Corporation enters into transactions with these entities in the normal course of business, including government funding (Note 2(d)), which is approved in the form of a statutory authority, as well as the CIB's annual Corporate Plan.

Key management personnel are defined as officers having authority and responsibility for planning, directing and controlling the activities of the CIB and their close family members, including members of the Board of Directors. In the normal course of business, the CIB may transact with entities in which key management personnel of the CIB owns an interest in, or is a director or officer of, an entity that receives financing from the CIB in respect of an infrastructure project. These transactions occur on similar terms and conditions to those adopted if the entities were dealing at arm's length and are recorded at the exchange amount. Affected key management personnel are required to recuse themselves from all discussions and decisions relating to such transactions.

During the year ended March 31, 2024, the CIB issued drawdowns to one (March 31, 2023 – none) entity in which a director of the CIB also serves as a director of such entity. Approval and financial close of the transaction both occurred prior to the existence of a related party relationship. The table below summarizes the impact of the transaction on the financial statements of the CIB.

As at March 31	2024
Financial closes	\$ 600,000
Loans receivable	(61,371)
Remaining commitment	\$ 538,629

8. Financial instruments and risk management:

The CIB is exposed to a variety of financial risks: market risk, liquidity risk and credit risk. The CIB's overall risk management program focuses on the unpredictability of financial and economic markets and seeks to minimize potential effects on the Corporation's financial performance. The CIB's Board of Directors has overall responsibility for the establishment and oversight of the Corporation's risk management framework and approves the Corporation's risk management policies. The Corporation's enterprise risk management framework is established to identify the risks faced by the Corporation.

The Corporation's Impact and Risk Committee oversees how management monitors compliance with the Corporation's enterprise risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Corporation.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The key market risk relates to interest rates which is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The interest rates on the CIB's loans receivable are fixed at time of financial close or in some cases variable with some having limited correlation to the Government of Canada borrowing rate at a future date. For the year ended March 31, 2024, there were no funds advanced to projects that had a variable interest rate (March 31, 2023 – \$nil).

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are to be settled by delivering cash or another financial asset. Liquidity risk is low since the CIB does not have debt instruments to service and receives regular funding from the Government of Canada. The CIB manages its liquidity risk by preparing and monitoring forecasts of cash flows for anticipated operating, capital, and investing activities. Also, the Board of Directors reviews and approves the CIB's operating, capital, and investment budgets.

The following table sets out the contractual maturities (representing undiscounted contractual cash flows) of financial liabilities.

	Carrying amount	Contractual cash flow	F2025	F2026	F2027	F2028	F2029
Accounts payable and accrued liabilities	\$ 15,389	\$ 15,389	\$15,389	\$ -	\$ -	\$ -	\$ -
Long-term performance incentives	4,308	4,308	-	1,285	1,391	1,632	-
	\$ 19,697	\$ 19,697	\$ 15,389	\$ 1,285	\$ 1,391	\$ 1,632	\$ -

Credit risk

Credit risk is the risk that a counterparty will default on its contractual obligations resulting in financial loss to the CIB. The CIB invests in a variety of infrastructure loans from more standard project finance structures – i.e. wind farms, to obligations where borrowers are corporate entities. Loan structures are designed to mitigate credit risk following extensive due diligence including in-depth fundamental credit analysis. This initial diligence is further supported by ongoing transaction monitoring and reporting.

Credit risks are attributed to all phases of a project/transaction, from initial design to construction and through operations until term maturity. Each relevant risk is reviewed and assessed both quantitatively and qualitatively as appropriate. This analysis is undertaken by experienced credit professionals who work closely with other CIB functions areas to fully understand the risk profile of the transaction and to recommend appropriate and relevant mitigants. The types of risks inherent in the current CIB portfolio include the following:

Risks	Risk exposure	Mitigating factors
Construction risk / deployment risk	Schedule and cost overruns, design and technology, engineering, procurement, and construction (EPC) contractor and suppliers	Security from the contactor and suppliers, schedule buffer, construction contingencies
Operating risk	Revenue estimation/ volatility, operation and lifecycle cost escalation, Operations and Maintenance contractor, changes in regulation	Covenants, budget contingencies, reserves (such as debt service and maintenance reserve accounts), security from the O&M provider
Financial structure risk	High debt, subordination, low recovery	Bankruptcy remote structures, step-in rights, equity interest.
Corporate counterparty risk	Industry trends, competition landscape, and financial leverage	Covenants, warranties, etc.

As described in Note 2(e), the CIB uses a general valuation and specific valuation allowance to recognize risk on its portfolio of assets. The general valuation allowance is calculated on a short-term basis and represents a general reserve of uncollectible amounts against the loan portfolio as at the reporting date. The allowance is estimated based on an internal credit rating for each investment that considers an assessment of risk factors outlined in the table above, along with the mitigating terms and conditions included in each loan agreement. In addition, the general valuation allowance incorporates short-term economic uncertainty and historical losses from loans with similar credit risk.

For specific valuation allowances, the CIB assesses whether a specific loan is credit impaired at each reporting date. The CIB considers a financial asset to be credit impaired when objective evidence of impairment exists and the borrower is unlikely to pay its credit obligations to the CIB in full, without recourse by the CIB to actions such as realizing collateral (if any is held). Refer to Note 4 for a breakdown of the allowance by sector.

Subsequent to closing of a transaction by the CIB, the credit exposures are regularly monitored by assessing the above-mentioned factors. Monitoring is event driven during construction

(Lenders Technical Advisor reports, etc.) and compliance is monitored regularly. Full reviews are done annually via the credit review process with more regular monitoring warranted in the event of covenant breaches or any other issues or impairment events impacting the transaction. As at March 31, 2024, there were no amounts past due (March 31, 2023 – \$nil). The CIB is exposed to credit risk as 44% of the amounts advanced relate to one borrower (March 31, 2023 – 77%) but only represents 10% of total financial closes (March 31, 2023 – 14%).

9. Commitments

a. **Leasing commitments:**

The CIB currently maintains three leases for offices located in Toronto, Montreal, and Calgary. The Toronto location is the primary office of the CIB, with additional staff located in Montreal and Calgary to build relationships and support our activities across the country.

On August 31, 2017, the CIB entered into a long-term lease agreement for both office and storage space at the Toronto location. The term of both leases is 10 years and commenced on June 1, 2018. The CIB has the option to extend the office lease for two further consecutive terms of five years each. Since then, the CIB has entered two additional lease expansion and amending agreements for additional premises to the original rentable area. Terms and conditions of the expansions are on similar terms to the original agreement. A portion of the expansion premises was subsequently subleased for a term of 18 months.

The CIB does not receive substantially all of the benefits and risks incident to ownership, and therefore the offices and storage spaces meet the classification of an operating lease. The CIB recognizes these lease expenses straight-lined over the lease terms. The cumulative annual payments for each of the next five years and thereafter are as follows:

As at	March 31
2025	\$ 720
2026	677
2027	696
2028	701
2029 and thereafter	3,929
Total lease commitments	\$ 6,723

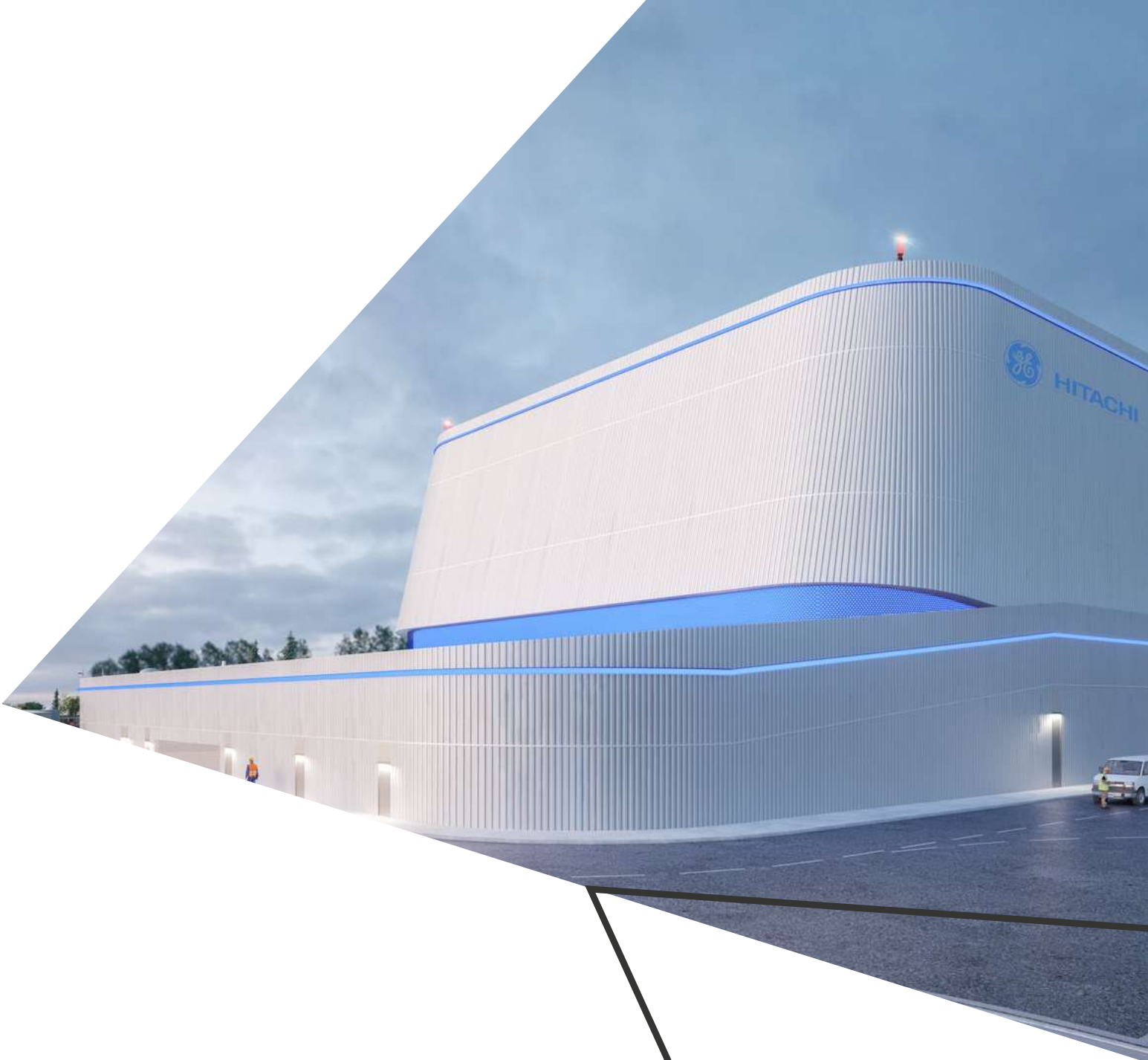
b. Financial closes:

Financial close occurs when the CIB and investment partners complete all due diligence and have entered into binding agreements with its counterparties. On the financial close date, the CIB has a commitment to lend a specific amount of funding towards the respective infrastructure project. The CIB commitment is reduced by:

- » Net reductions, post financial close to the CIB commitment: The terms of the CIB's credit facilities are structured consistent with our objectives of providing the minimal amount of financial support necessary to allow the infrastructure project to proceed. As a result, committed capital may increase or decrease following financial close, subject to the terms and conditions of each respective credit agreement.
- » Amounts advanced (cash basis) to the respective infrastructure project: The expected timing and amount of future drawdown requests is variable as they are generally based on the reimbursement of eligible project costs incurred. Amounts advanced do not factor in interest being capitalized as payment in kind or loan valuation allowances.

As at March 31	2024	2023
Public transit	\$ 3,332,840	\$ 3,184,940
Clean power	4,301,504	2,746,616
Green infrastructure	2,694,781	1,395,925
Broadband	2,075,550	1,670,840
Trade & transportation	838,949	531,749
Total financial closes	13,243,624	9,530,070
Amounts advanced (cash basis)	(2,930,107)	(1,670,549)
Net reductions, post financial close	(438,275)	(202,110)
Total commitment related to financial closes	\$ 9,875,242	\$ 7,657,411

In addition to the table above, the CIB has an outstanding commitment of \$4.0M (March 31, 2023 - \$nil) to project acceleration investments which meets the criteria for capitalization.



APPENDIX

Unaudited

Annual Report
2023-2024

Appendix – GBA+ Results Summary by Sector

Unaudited

The GBA+ analysis was guided by Finance Canada’s methodology, focusing on infrastructure users. Labour force benefits of the construction phase of the CIB’s projects were reported separately within the results of the analysis. The analysis reviewed existing data to estimate benefits across the CIB’s sectors, using a standard process to ensure consistent, unbiased reporting and to fully capture the effects on diverse groups. Consistent with the Finance Canada methodology, the gender, income distribution, and inter-generational groups were the primary populations reported. Additional characteristics of diverse populations were also reported where data was available, for example Indigenous communities, rurality, gender-diverse groups and immigrants and newcomers.

GBA+ impact – infrastructure operations	
Sector	Sector GBA+ Summary
<p>Public Transit projects seek to provide benefits to Canadians across the country by reducing GHG emissions and connecting communities.</p> <p>Transit users are relatively gender balanced (slightly more women users) and are typically younger, more diverse, more urban, and lower-income profile than the rest of Canada.</p>	<p>Gender: <i>Men</i> ○—○—●—○—○ <i>Women</i></p> <p>Income: <i>Low</i> ○—●—○—○—○ <i>High</i></p> <p>Age Cohort: <i>Youth</i> ○—●—○—○—○ <i>Senior</i></p> <p>Additional Characteristics: CIB Transit sector projects have been more likely in urban and sub-urban areas.</p>

GBA+ impact – infrastructure operations	
Sector	Sector GBA+ Summary
<p>Clean Power projects provide benefits to all Canadians via reductions in GHGs. The more affordable clean electricity supports households and the economy and reduces negatives from other forms of power.</p> <p>CIB projects in this space are relatively balanced among users, with urban and rural/remote communities benefitting from new clean power generation, storage and transmission. Higher income households tend to use more electricity. However, more affordable clean power has progressive benefits in lower income households who spend a significantly greater share of household income on electricity.</p>	<p>Gender: Men ○ ○ ● ○ ○ Women</p> <p>Income: Low ○ ○ ● ○ ○ High</p> <p>Age Cohort: Youth ○ ○ ● ○ ○ Senior</p> <p>Additional Characteristics: Rural communities may benefit specifically when being connected to the grid and switching off diesel in future projects. Clean power projects are also sometimes located in more rural areas, providing indirect economic benefits.</p>
<p>Broadband projects are targeted to benefit Canadians that currently do not have access to 50/10 Mbps.</p> <p>The CIB’s investments in this space have so far been disproportionately in rural and lower income areas, which are less likely to have existing access to 50/10 Mbps internet and the associated benefits.</p>	<p>Gender: Men ○ ○ ● ○ ○ Women</p> <p>Income: Low ○ ● ○ ○ ○ High</p> <p>Age Cohort: Youth ○ ○ ● ○ ○ Senior</p> <p>Additional Characteristics: Broadband projects have been more focused in rural and Indigenous communities</p>
<p>Green Infrastructure projects seek to provide benefits to Canadians across the country by reducing GHG emissions and are supporting a decarbonized economy.</p> <p>The CIB’s projects in this space are highly varied by sub-sector (from building retrofits to hydrogen infrastructure), but overall see greater urban usage, with benefits expected across gender and income.</p>	<p>Gender: Men ○ ○ ● ○ ○ Women</p> <p>Income: Low ○ ○ ● ○ ○ High</p> <p>Age Cohort: Youth ○ ○ ● ○ ○ Senior</p> <p>Additional Characteristics: Both of our water and wastewater subsector projects to date have been in partnership with and benefited Indigenous communities.</p>
<p>Trade and Transportation projects support increased trade, movement of goods and people, and economic growth.</p> <p>Impacts in this sector are likely to support a broad set of Canadians. Most of CIB’s Trade projects are so far benefitting rural and Indigenous communities, such as agricultural infrastructure in rural Alberta supporting economic development for farmers.</p>	<p>Gender: Men ○ ○ ● ○ ○ Women</p> <p>Income: Low ○ ○ ● ○ ○ High</p> <p>Age Cohort: Youth ○ ○ ● ○ ○ Senior</p> <p>Additional Characteristics: Our projects in this sector have so far seen benefits accrue disproportionately to rural and Indigenous communities.</p>

GBA+ impact – Indigenous Infrastructure	
Sector	Sector GBA+ Summary
<p>Indigenous infrastructure benefits - CIB programs seek to support infrastructure in partnership with and for the benefit of Indigenous Peoples in three key ways: targeted lending solutions for smaller community owned infrastructure to close infrastructure gaps in Indigenous communities; financing for Indigenous participation in infrastructure projects including equity stakes; and providing advisory expertise to help advance important projects.</p> <p>These areas of CIB work are expected to provide benefits to a broad group of Indigenous communities. Indigenous Peoples in Canada are younger and have lower average income than the overall population.</p>	<p>Gender: <i>Men</i> ○ ○ ● ○ ○ <i>Women</i></p> <p>Income: <i>Low</i> ○ ● ○ ○ ○ <i>High</i></p> <p>Age Cohort: <i>Youth</i> ○ ● ○ ○ ○ <i>Senior</i></p> <p>Additional Characteristics: CIB projects in partnership with and for the benefit of Indigenous Peoples have been primarily in rural areas.</p>

GBA+ impact – construction phase	
Sector	Sector GBA+ Summary
<p>The construction sector is primarily male, with 88% of the workforce being reported as men.</p> <p>The sector has an increasing proportion of employees over 55 but remains younger on average than most workforces. The construction sector reports average income statistics.</p>	<p>Gender: <i>Men</i> ● ○ ○ ○ ○ <i>Women</i></p> <p>Income: <i>Low</i> ○ ○ ● ○ ○ <i>High</i></p> <p>Age Cohort: <i>Youth</i> ○ ○ ● ○ ○ <i>Senior</i></p> <p>Additional Characteristics: Immigrants and newcomers to Canada are reported as being underrepresented in the construction labor force.</p>



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