



# Canada Infrastructure Bank

Annual Report under the Fighting Against Forced Labour and Child Labour in Supply Chains Act

2023-2024

CIB  BIC

Canada Infrastructure Bank | Banque de l'infrastructure du Canada

# Table of Content

- 1. Introduction .....3
- 2. Structure, activities and supply chains .....3
- 3. Policies and due diligence processes .....6
- 4. Forced labour and child labour risks .....8
- 5. Remediation measures .....9
- 6. Remediation of loss of income .....9
- 7. Training and Awareness .....10
- 8. Assessing effectiveness .....11
- 9. Moving forward.....12
- 10. Consultation and approval .....13

## Accessibility

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

# 1. Introduction

## Purpose of the Fighting Against Forced Labour and Child Labour in Supply Chains Act

The purpose of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “**Act**”) is to implement Canada’s international commitment to contribute to the fight against forced labour and child labour through the imposition of reporting obligations on government institutions producing, purchasing or distributing goods in Canada or elsewhere.

## Annual Report

This Annual Report describes the steps taken by the Canada Infrastructure Bank (“**CIB**”) during the reporting period from April 1, 2023 to March 31, 2024 (the “**Reporting Period**”) to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods purchased by the CIB. The CIB’s mandate and activities do not provide for the production or distribution of goods in Canada or elsewhere.

This Annual Report is prepared in accordance with 6(1) of the Act.

# 2. Structure, activities and supply chains

## Structure

### *Mandate of the CIB*

The CIB is a Crown Corporation established pursuant to the *Canada Infrastructure Bank Act* on June 22, 2017, and is 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 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.<sup>1</sup>

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<sup>1</sup> *Canada Infrastructure Bank Act*, S.C. 2017, c. 20, s. 403, s. 6

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) and the requisite authorities to participate in infrastructure transactions in new and innovative ways, using loans, loan guarantees and equity investments. Of the \$35 billion, the Government of Canada expects the CIB to prudently manage its portfolio so the net fiscal expense will remain under \$15 billion. The CIB develops projects in partnership with federal, provincial, territorial, municipal, and Indigenous government sponsors and the private sector. As indicated in the Minister's Statement of Priorities and Accountabilities ("**SPA**"), the CIB makes investments in five priority sectors: Public Transit; Clean Power; Green Infrastructure; Trade and Transport; and Broadband. The SPA is available on the CIB's Web site (<https://cib-bic.ca/en/about-us/governance/>).

As an impact investor, the CIB is focused on achieving outcomes through its investments to address climate change, connect Canadians and their communities, increase economic growth, and build partnerships with Indigenous Peoples.

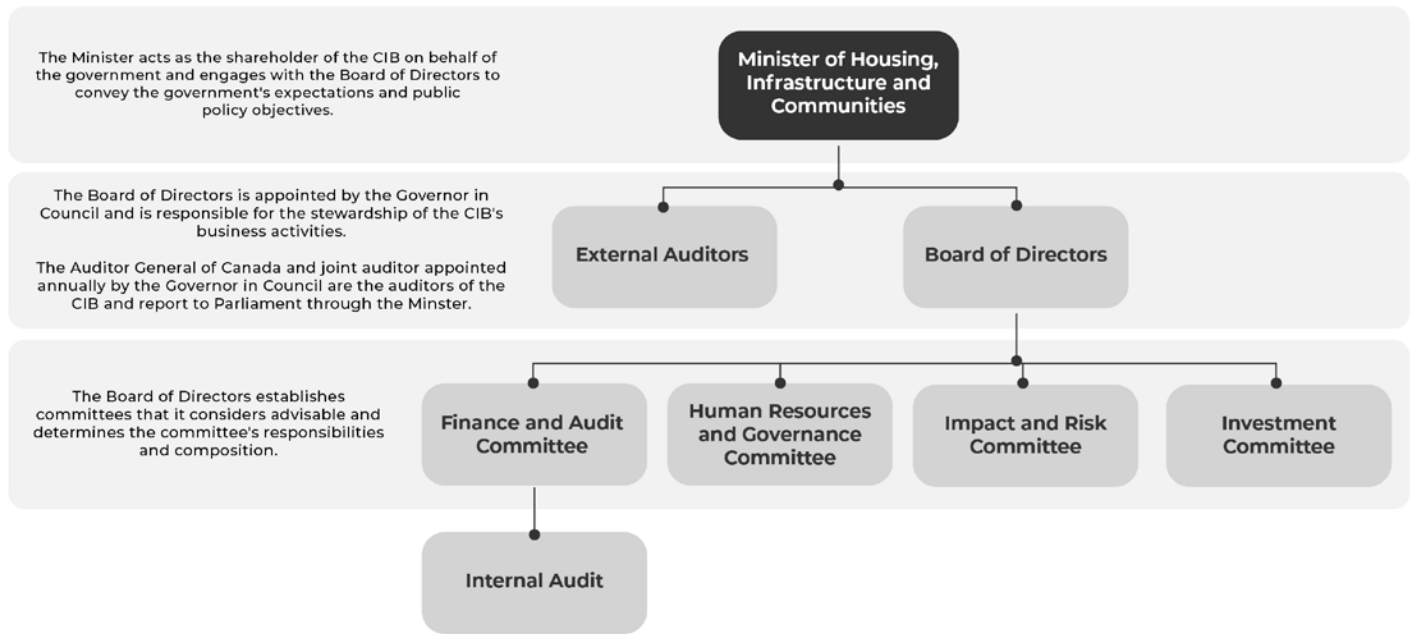
### *Governance and activities*

The CIB is governed by an independent board of directors (the "**Board**"), composed of the Chairperson and not fewer than eight, but not more than 11, other directors, appointed by the Governor in Council. The Board is responsible for the overall governance of the corporation in accordance with the *Canada Infrastructure Bank Act* and by-laws, including the supervision of business operations, forward planning, strategic direction, and investment decisions, in line with the Government of Canada's priorities.

The Chief Executive Officer is appointed by Board for a term to be fixed by the Board. The appointment and term of office are subject to the approval of the Governor in Council. The Chief Executive Officer carries out their duties and functions on a full-time basis. The Board has delegated to the Chief Executive Officer the authority to manage the day-to-day business and other affairs of the CIB. Under the direction of the Chief Executive Officer, the Executive Committee leads the CIB's operations and activities to execute on corporate strategy and objectives, implements organizational policies and procedures, and executes direction from the Board. The Chief Executive Officer reports to the Board on the overall performance of the organization.

The CIB is accountable to Parliament through the Minister who establishes high-level priorities for the CIB through a SPA.

The chart below provides an overview of our governance structure:



### Offices and Employees

The CIB is headquartered in Toronto, with offices in Montreal and Calgary to enhance our capacity to connect and work with partners in every region of the country. As of March 31, 2024, the CIB was comprised of 146 full-time employees located in Canada. Independent contractors and professional service firms are used to supplement resources when the CIB faces short-term increases in activity levels or special projects.

### Activities and Supply Chains

The CIB does not undertake any pursuits in relation to the production or distribution of goods in Canada or elsewhere. The CIB's procurement activities are primarily related to professional services consultants, including legal, financial and technical advisors, to conduct investment due diligence activities for infrastructure projects and other activities related to the CIB's mandate.

The CIB's expenditures on the procurement of goods from third-party suppliers primarily goes to suppliers based in Canada, although the goods may originate from within or outside of Canada. These suppliers provide a range of goods to the CIB, such as information technology (IT) and communications equipment, office supplies, and software.

# 3. Policies and due diligence processes

The CIB has adopted a range of enterprise-wide policies and procedures that guide our actions and compliance activities. We use the three lines of risk governance (or three lines of defence) management as part of our enterprise risk management (ERM) framework, risk management processes and procedures, and risk management training. Please refer to pages 94-99 of the [2022-23 Annual Report](#) for more information on the CIB's risk management framework.

## Code of Conduct

The CIB has adopted the [Code of Conduct for Employees](#) (the “**Code of Conduct**”) and companion policies that reflect the highest standards for good governance, integrity, and transparency. The Code of Conduct incorporates the *Values and Ethics Code for the Public Sector* and describes the guiding principles for ethical conduct that all employees must demonstrate to exercise sound, ethical judgment in their actions and decisions. In addition, the CIB's obligations under the *Canadian Human Rights Act*, and compliance with applicable laws and regulations are embedded in the Code of Conduct. Each employee is required, upon joining the CIB and annually thereafter, to certify their compliance with the Code of Conduct and acknowledge that they have a duty to prevent, correct and promptly report their knowledge of a potential breach of CIB's policies.

## Disclosure of Wrongdoing Policy

The CIB has adopted the *Disclosure of Wrongdoing Policy*, which describes the internal procedures regarding the disclosure wrongdoing in the workplace or breach of the CIB's policies, legislation, or regulations. The Chief Executive Officer has designated the General Counsel & Corporate Secretary as the Senior Officer accountable for supporting the Chief Executive Officer in meeting the requirements of the *Public Servants Disclosure Protection Act*.

## Procurement Policy and Principles for Suppliers

The CIB's Procurement Policy describes the principles, policies and procedures in respect of the procurement of goods and services to ensure the CIB receives the best value for the goods and services required for its operations and that these goods and services are purchased in a manner that is professional, fair, transparent, consistent, cost effective and cost-efficient.

The Procurement Policy was updated in February 2024 and approved by the Finance and

Audit Committee of the Board. As part of the amendments to the Procurement Policy, the CIB has adopted Principles for Suppliers (the “**Principles**”) included in the schedule to the Procurement Policy. The Principles support ethical and socially responsible procurement practices, including responding to the risks of forced labour and child labour in supply chains, and conform with recent legislative requirements and other practices adopted by the Government of Canada. The Principles are aligned with the Government of Canada’s requirements, including the Code of Conduct for Procurement, and set expectations for all current and prospective suppliers related to ethical and responsible business conduct, human rights and labour standards, Indigenous rights and environmental stewardship. Suppliers are expected to report any instances of non-compliance with the Principles and cooperate with any request by the CIB to monitor the Supplier’s performance under the Principles.

The Procurement Policy and Principles for Suppliers are available on the CIB’s Web site (<https://cib-bic.ca/en/about-us/reports-and-transparency/#Policies>).

### **Internal Fighting Against Forced Labour and Child Labour in Supply Chains Framework**

During the Reporting Period, the CIB has developed an internal Fighting Against Forced Labour and Child Labour in Supply Chains Framework (the “**Framework**”) to support the CIB’s commitment to fight against modern slavery and ensure compliance with the Act. The Framework sets out the operational expectations (e.g., procurement, risk management and training) and reporting requirements of the CIB with respect to the procurement of services or purchase of goods in order to meet the objectives of the Act. The Framework also describes the guiding principles, governance structure and roles and responsibilities to effectively reduce the risk of modern slavery in the CIB’s supply chain. The Framework will be implemented during the 2024-25 reporting period.

## 4. Forced labour and child labour risks

During the Reporting Period, the CIB conducted an internal assessment of its procurement activities and largest suppliers to identify any risks related to forced labour and/or child labour in our supply chain. The suppliers were chosen based on the total amount of expenditures for goods procured by the CIB during the Reporting Period. A risk assessment of forced labour and child labour risks for the largest suppliers was also conducted. The risk assessment was conducted against guidance provided by the Public Safety Canada, Public Services and Procurement Canada, the Global Slavery Index and comparative research conducted in the United Kingdom and Australia.

Our most salient risks of modern slavery may exist in the later tiers of the supply chain supporting the provision of certain product categories, such as technology hardware and other office equipment. The technology hardware industry is also considered higher risk, and this risk may be intensified in countries with a higher prevalence of modern slavery according to the Global Slavery Index. Accordingly, the largest suppliers of IT and communications equipment were prioritized as part of the CIB's internal assessment of its procurement activities. Our review of suppliers in this category found that each supplier published policies or reports demonstrating compliance with applicable legislation against modern slavery and forced child labour in supply chains.

Over the 2024-25 reporting period, the CIB has prioritized the review of its standard agreements for goods and services procured to include specific contractual clauses and covenants regarding the supplier's responsibilities to mitigate the risk of modern slavery occurring in their business, operations, and supply chains.



## 5. Remediation measures

The CIB has not identified any forced labour or child labour in our activities and supply chains during the Reporting Period. The Code of Conduct requires all personnel to proactively and promptly report any illegal or unethical behaviour, including violations or suspected violations of the Code of Conduct, policies, a law and/or regulation.

Moreover, the CIB is subject to the [Public Servants Disclosure Protection Act](#), which gives federal public sector employees and other stakeholders a secure and confidential process for disclosing wrongdoing in the workplace, as well as protection from acts of reprisals. The *Disclosure of Wrongdoing Policy* supports the CIB's internal controls and operating procedures by providing a framework for the disclosure of wrongdoing and protection against reprisals. The CIB has established a mechanism for the confidential and anonymous submission of concerns of wrongdoing, including those related to human rights, through an independent third party, which can be accessed online (<http://www.cib-bic.confidenceline.net/>). All concerns raised and any investigation conducted in response to a potential violation of the Code of Conduct or legal requirement will be investigated in accordance with the process set out in the *Disclosure of Wrongdoing Policy*. Federal public servants (including CIB personnel) may also make a disclosure of wrongdoing to the Public Sector Integrity Commissioner of Canada pursuant to the *Public Servants Disclosure Protection Act*.

## 6. Remediation of loss of income

The CIB has not identified any loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labour or child labour in our activities and supply chains.

# 7. Training and Awareness

This Reporting Period, the CIB prioritized activities related to the review of its policies and due diligence processes, as described in the earlier section of this report. The CIB's training and awareness activities this Reporting Period were also focused on employees who have responsibilities for the administration of the CIB's procurement activities and compliance activities to understand their roles and responsibilities with respect to compliance with the Act. To this end, CIB employees participated in the following training and awareness activities:

- » On January 30, 2024, the Associate General Counsel (Enterprise Legal) attended a virtual presentation hosted by Borden Ladner Gervais LLP, in conjunction with The University of Ottawa Professional Development Institute, and the International Commission of Jurists, Canada on the topic of "*Canadian & Global Modern Slavery Legislation*".
- » On March 14, 2024, the General Counsel & Corporate Secretary participated in a roundtable discussion organized by OneTrust and Unseen (a UK-based charity that provides training to businesses working to prevent modern slavery). The discussion covered the definition of modern slavery, current legislation and guidance adopted by various jurisdictions around the world, and how to identify signs of potential exploitation in supply chains.
- » Members of the CIB's legal and ERM teams attended an information session hosted by Public Safety Canada on April 2, 2024. The session provided an overview of the Act, the reporting process (to ensure alignment with other federal entities), timelines, requirements for government institutions under the Act, answers to frequently asked questions and additional resources for government institutions.

The CIB recognizes that CIB personnel are the "*first line of defense*" in managing risks related to the CIB's procurement and supplier management activities. As such, all personnel will receive training on the CIB's Procurement Policy, including the CIB's obligations under the Act, during the 2024-25 reporting period.

# 8. Assessing effectiveness

## Corporate Governance and Compliance Policy Framework

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

## Reviews and Audits

The CIB's audit regime consists of an external audit and an internal audit function. The Office of the Auditor General of Canada (OAG) and an independent external auditor jointly conduct an annual audit of the annual financial statements in accordance with the *Financial Administration Act*. The OAG also conducts a special examination at least once every 10 years to confirm that assets are being safeguarded and controlled; that financial, human and physical resources are being managed efficiently; and that operations are being conducted effectively.

The CIB's internal audit function, which is outsourced to an external provider, is the "third line of defense" and aims to strengthen accountability, risk management, resource stewardship, and good governance. Risk-based, multi-year audit plans are developed to identify key risk areas. Annual audit plans for internal audit activities are approved by the Finance and Audit Committee of the Board. During the Reporting Period, the CIB did not complete an audit of its procurement processes, including compliance with the Act. As a part of the upcoming multi-year risk-based audit plans, the CIB anticipates a review of its procurement practices and compliance with the Procurement Policy will be completed during 2025-26 reporting period.

# 9. Moving forward

We remain committed to improving our efforts to address the risks of forced labour and child labour in our operations and supply chains. In the next year, we plan to:

- » Implement the Principles for Suppliers as part of our procurement activities (e.g., RFP documentation provided to respondents) and the updated Procurement Policy posted on the CIB's website;
- » Review and update the CIB's standard contract templates to include covenants from suppliers confirming their acknowledgment of the CIB's expectations under the Principles for Suppliers, including our commitment to respecting human rights and prohibit the use of forced labour and/or child labour in their operations and supply chains;
- » As part of the CIB's training and awareness activities, provide mandatory training to personnel covering the CIB's obligations under the Act and policies and due diligence processes in relation to forced labour and child labour, including the Principles for Suppliers and Supplier Modern Slavery Risk Assessments developed during this Reporting Period; and
- » Continue to work with current and prospective suppliers to communicate the CIB's expectations related to ethical and responsible business conduct, human rights, and environmental stewardship, consistent with the purpose and objectives of the Act.

# 10. Consultation and approval

The Human Resources and Governance Committee (“**HRGC**”) of the Board is responsible for the oversight of the CIB’s compliance with federal legislation and policies that apply generally to Crown corporations, including this Act. The General Counsel & Corporate Secretary provided a report to the HRGC on April 17, 2024, on the activities and measures taken by the CIB to remediate any forced labour or child labour, as outlined in this Annual Report.

This Annual Report was approved by the Chief Executive Officer, in his capacity of the head of the government institution, pursuant to section 6(1) of the Act.

**Approved on May 23, 2024.**

*“Ehren Cory”*

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Chief Executive Officer of the Canada Infrastructure Bank

