

Promoting Canadian Export **Resilience** and **Recovery**



2021-22 to 2025-26 Corporate Plan Summary

- ▶ OPERATING BUDGET
- ▶ CAPITAL BUDGET
- ▶ BORROWING PLAN



75 years of delivering Canada to the world

Canada's International Government-to-Government Contracting Agency

Overview

The Canadian Commercial Corporation (CCC) is a federal Crown corporation accountable to the Parliament of Canada through the responsible minister for international trade.

Established in 1946 under the Canadian *Commercial Corporation Act*, CCC has helped Canadian companies sell goods and services to foreign governments and supported the Government of Canada's international trade objectives for 75 years.¹

Mandate

To assist in the **development of trade** between Canada and other nations.

Mission

To help Canadian exporters access the government procurement markets of other nations through **government-to-government** contracting.

Commitment

To be a **trusted expert and partner** for acquisitions from Canada and to offer our services where market access, risk mitigation and Canadian competitiveness would benefit from a government-to-government arrangement.

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¹ An Act to establish the Canadian Commercial Corporation received Royal Assent on August 31, 1946.

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Executive summary

The Canadian Commercial Corporation (CCC) is a federal Crown corporation mandated to assist in the development of trade between Canada and other nations. Global trade dynamics have changed considerably in the past year. The emergence of the Coronavirus disease (COVID-19), coupled with shifting political landscapes, increasing competition from emerging market players and protectionism are impacting CCC's operating environment.

The rise of global trade uncertainty from COVID-19 and its financial and budgetary implications for the markets where CCC operates are presenting new challenges and unique opportunities for the Corporation. CCC's strategy remains focused on accessing these opportunities to grow and diversify its business and support Canada's economic recovery efforts while prudently managing the risks they present. By responding to this global trade uncertainty, CCC is helping companies increase market access and identify new international opportunities that will help create and maintain jobs in Canada.

CCC signed \$1.35 billion in contracts in 2020–21 while serving 345 Canadian exporters, including 221 small and medium-sized enterprises (SMEs). These efforts supported 12,000 value-added jobs for Canada and provided a multiplier effect on the Canadian economy through incremental corporate and personal income generated through these exports.

The Corporation is continuing to execute its Board-approved strategic plan that was established in 2019–20, with a renewed emphasis on maximizing the benefits for Canadian companies of the Canada-United States Defence Production Sharing Agreement (DPSA) and on targeted growth of its international business, both with the common desired outcome of creating and sustaining jobs and maximizing the value of the government-to-government (G2G) trade approach for the Canadian economy. The strategy has evolved to reflect the needs of a more mobile workforce, as well as those of under-represented groups in the Canadian economy. Through an enhanced focus on customer-centric skills development, new product development that includes leveraging CCC's Global Bid Opportunities Finder (GBOF) and a greater emphasis on targeted industry and partner outreach activities, CCC has a strong plan to acquire more export customers of all sizes in its priority sectors in the coming years.

The Corporation's government-to-government (G2G) contracting service operates at the crossroads of international relations and foreign policy, facilitating Canadian exporter participation in markets and transactions that may otherwise be unreachable without Government of Canada support through CCC. Working on behalf of the Canadian exporter, CCC signs a prime contract with a foreign government for the sale of a good or service from Canada. CCC then signs a subcontract with a Canadian exporter to meet the requirements of the prime contract. In the name of the Government of Canada, CCC guarantees that the terms and conditions of the prime contract will be met, mitigating the foreign government buyer's risk and providing an added incentive to procure from Canada. While CCC is not limited solely to G2G transactions and can contract with non-governmental entities, the Corporation delivers the greatest value to Canadian exporters in higher risk, difficult markets on a G2G basis.



Working in an economic, social and environmentally responsible manner to promote responsible business conduct (RBC) is at the heart of CCC's core values. The Corporation continually seeks to embed RBC principles across all its business, leveraging the Canada brand to maximize benefits for existing and emerging exporters looking for opportunities abroad. CCC's success on the RBC front aligns closely with the Corporation's intentions this year to develop a broader set of environmental and social governance (ESG) outcomes to guide responsible and respectful business activity in the future.

The Statement of Priorities and Accountabilities (SPA) is the mechanism by which the Government of Canada provides direction to Crown corporations. CCC's most recent SPA letter, received on July 2, 2021, and included as Appendix A to this Plan, flows from the comprehensive review (the Review) of CCC completed in 2020. The SPA confirms the strategic direction set by CCC's Board regarding the relative priorities relating to efficiency and effectiveness of its DPSA and international prime contracting (IPC) businesses, a self-sustaining business model for its IPC business, continued strengthening of its RBC approach and strengthened collaboration with portfolio organizations stemming from its membership in the Business, Economic and Trade Recovery (BETR) Team. The July 2 SPA also serves to enhance the Corporation's focus in a number of new areas: alignment with the Greening Government Strategy; development and implementation of a dividend policy to ensure that excess capital is returned to the Crown; and leveraging CCC's services for the benefit of under-represented groups in the Canadian economy in the promotion of diverse and inclusive approaches to trade. Where possible, this Corporate Plan provides details as to how CCC will move these priority areas forward; strategies requiring more consideration will be fully elaborated in CCC's 2022–23 Corporate Plan for the period ending March 31, 2027.

For the 2021–22 to 2025–26 planning period, CCC has articulated a strategic plan, supported by strong financial and human resource management and a robust risk mitigation framework, to deliver initiatives under the following strategic priorities:



1. Grow and maximize the benefits of the Defence Production Sharing Agreement (DPSA)

As indicated in the SPA, the Review underscored the enduring importance of the DPSA bilateral framework to Canada's national interest. Therefore, supporting Canadian sales under the DPSA remains CCC's key mandate. CCC will efficiently manage its DPSA business line and continue to build awareness of the program to maximize the benefits to exporters and Canada while exploring opportunities to diversify and grow the number and breadth of exporters supported. By enhancing the Corporation's efforts on exporter education and outreach activities with a renewed focus on business development, CCC expects to introduce more Canadian exporters to the DPSA and, in particular, grow the customer base of SMEs utilizing the program.



2. Maintain a sustainable financial business model

CCC's priority continues to be to invest financial resources where they will have the greatest impact for exporters. Financial sustainability is critical to CCC's ability to help Canadian companies grow internationally and to deliver on its mandate

and Canada's international commitments. This Corporate Plan presents a sustainable financial model for CCC throughout the five-year planning period. A key to CCC's financial sustainability is the annual appropriation to CCC of \$13.0 million, which was reinstated in the 2021 federal budget for the sole purpose of administering the DPSA. Beyond the DPSA, a self-sustaining business model underpins CCC's fee-generating business, ensuring that business development efforts, anchored by a strategic account management approach, are focused and targeted on opportunities that return the most value for Canada, and where the G2G approach increases the likelihood of closing deals for Canadian exporters. Moreover, a dividend policy, to be included in CCC's 2022–23 Corporate Plan, will ensure that any unspent appropriation funds and any excess capital are prudently returned to the Crown on a regular basis.



3. Grow the customer base

CCC aims to grow the portfolio of customers it supports in both the DPSA and its IPC business through a targeted customer acquisition approach, leveraging existing SME tools such as the Global Bid Opportunities Finder² (GBOF) and strengthening our links with other portfolio partners in international trade. In the evaluation of new business opportunities, and through consultations with Government of Canada stakeholders in international trade, CCC will continue to ensure its business processes align with Canada's diverse and inclusive trade agenda and commitment to the promotion of human rights, peace and security, and sustainable development.

² <https://www.gbof.ca/> The GBOF is a free web application that brings more than one million public procurement opportunities from around the world to exporters' desktops with a few clicks. Exporters, particularly SMEs, are invited to register for free at gbof.ca and take advantage of a range of export support information from across the international trade portfolio.



4. Expand support for SMEs

The SPA recognized the economic impact CCC can have for SMEs across Canada, particularly for those in supply chains of CCC's larger exporters across its DPSA and IPC business. CCC will ensure that its services remain accessible to those SMEs requiring support and will continue leveraging its existing tools (the GBOF principle among them) to connect SMEs to other relevant partners in the Government of Canada SME support ecosystem. New product development and support for existing activities will be complementary to existing Government of Canada SME programming, which will contribute to the continued strengthening of Canadian companies' export readiness and effectively grow the number of Canadian companies that export.



5. Create partnerships and profile

CCC will continue its efforts to strengthen and build partnerships with both government and industry stakeholders to expand its reach and profile, and as a result, serve more customers. Specifically, CCC is actively engaged with the BETR Team that aims to support a robust economic recovery by fostering greater collaboration and innovation within the trade portfolio to enable the provision of rapid, coordinated and seamless trade support to Canadian businesses during and after the pandemic. Learnings and best practices shared through participation in the BETR Team will strengthen CCC's ability to support both IPC customers seeking opportunities in emerging and developing markets around the world and DPSA customers seeking to leverage the strength of the Canada-US bilateral relationship and the strategic value of the DPSA to take advantage of innovative, industrial base-enhancing opportunities.



6. Enhance operational excellence and enhanced professional capabilities

CCC will continue to modernize its key services and enhance the engagement of its workforce. Through digitalization of its core functions to improve productivity and effectiveness and by growing its expertise in areas to support the exporters of tomorrow, CCC will ensure its continued relevance in the international trade environment. CCC will also continue to engage with Government of Canada stakeholders on key policies and frameworks to facilitate continued alignment and allow for appropriate risk management oversight. Furthermore, CCC is committed to developing a set of desired ESG outcomes that will help guide future business activities in support of Canada's environmental and inclusive economic growth objectives.

In 2021-22, CCC celebrates its 75th anniversary and remains committed to efficiently and effectively serving Canadian exporters, supporting the growth of Canada's trade and improving the nation's prosperity to the benefit of all Canadians. Despite the immediate challenges and uncertainty presented by COVID-19, CCC is sharpening its focus to remain a trusted expert ally for Canadian exporters by helping them expand their business through sales to the United States Department of Defense (US DoD) under the DPSA, and to other foreign governments, while remaining targeted and selective in the delivery of its international contracting services and programs.



Corporate overview

CCC is a parent Crown corporation under Schedule III Part I of the *Financial Administration Act* (FAA), and reports to Parliament through the responsible minister for international trade. As a Government of Canada entity authorized to execute commercial contracts with foreign government and non-government buyers, CCC is uniquely positioned to support Canadian exporters, and is focused on increasing Canada's trade footprint across diverse sectors and challenging markets. CCC is headquartered in Ottawa, Ontario.

Mandate and public policy objective

Established in 1946, CCC was created by articles of incorporation under the *Canadian Commercial Corporation Act* (CCC Act)³ with a mandate to assist in the development of trade between Canada and other nations. The CCC Act defines this role and provides the Corporation with a range of powers, particularly the ability to assist in the development of trade and the export of goods from Canada, either as a principal or as agent. The end result is that a greater number of exports occur because of CCC's trade mandate.

Mission and statement of commitment

CCC seeks to assist the Government of Canada in the development of trade through serving more exporters in different ways, with a view to expanding the number of Canadian companies that export and helping smaller companies scale up faster. CCC does this principally by helping Canadian companies access government procurement markets of other nations through G2G contracting, and by providing these companies with transactional and contracting risk mitigation expertise, which is informed by CCC's extensive experience in project management and the

³ *Canadian Commercial Corporation Act*. Accessed at <http://laws-lois.justice.gc.ca/eng/acts/C-14/page-1.html>

application of responsible business practices. CCC is committed to deepening its role as a trusted expert ally for Canadian exporters of all sizes by providing access to and support on international business opportunities where CCC's involvement strengthens the Canadian solution and increases the likelihood of exporter success.

Business lines

The Corporation's business lines support Canadian companies in a variety of industries and sectors in order to gain access to markets around the globe.

DEFENCE PRODUCTION SHARING AGREEMENT (DPSA)

The DPSA is a bilateral defence trade agreement administered by CCC on behalf of the Government of Canada. Since 1956, CCC's support for the DPSA has been an important part of Canada-US defence trade that is helping to ensure a strong, effective and well-integrated defence industrial base that serves the broad economic and strategic interests of both countries. Canada's industry sectors include some of the world's leading innovative technologies and services, and the DPSA enables direct access for these world-class Canadian goods and services to the US market. In 2019–20, 85 Canadian exporters signed \$928 million of new contracts with the US DoD through the DPSA in diverse industry sectors including health, infrastructure, information and communications technology (ICT) and defence, which directly supported more than 5,000 Canadian jobs. Often Canadian companies—and in particular, Canadian SMEs—use the experience gained through their work within the DPSA to compete on an international scale.

In accordance with the US Defense Federal Acquisition Regulation Supplement (DFARS) 225.870, the DPSA provides a level playing field

for Canadian exporters when competing with US-based companies, and cements CCC's position as a valued partner of the DoD and prime contracting advocate for Canadian companies.⁴ Transactions under this agreement provide Canadian exporters the avenue to demonstrate innovative and unique capabilities across a diverse range of sectors. Through the complex network of supply chain management, the DPSA is also a catalyst for innovation, R&D investment and job creation, helping SMEs to grow and scale at higher rates.

INTERNATIONAL PRIME CONTRACTING (IPC)

The Corporation's IPC business line is a fee-based service involving the establishment of G2G contracts with foreign government buyers where CCC, acting as an agent of the Government of Canada, guarantees the terms and conditions of the contracts. With this unique assurance ability, CCC mitigates the buyers' risk, which provides an added incentive to procure from Canada. CCC then enters into contracts with Canadian exporters to fulfill the requirements of these G2G contracts.⁵ The Corporation works with Canadian exporters of all sizes to facilitate sales to governments around the world, especially where Canada's bilateral relationships and foreign policies can be leveraged to strengthen commercial opportunities.

By leveraging its contracting expertise developed over decades in these markets, CCC is able to provide a full range of business development and contracting support for exporters on opportunities that best align with a government-to-government sales approach. The Corporation's newest offerings are also reaching more early-stage and emerging exporters, equipping these companies with the information, connections and support that they need to strengthen their ability to export, and helping them identify targeted export opportunities through its GBOF and associated services.

⁴ Government of Canada. Canadian Access to the United States defence market. Accessed at https://www.acq.osd.mil/dpap/dars/dfars/html/current/225_8.htm

⁵ CCC's main funding source consists of fees for service generated by its portfolio of business, excluding activities related to the DPSA.

CCC will continue to collaborate closely with other Government of Canada stakeholders in international trade and as a member of the BETR Team to pursue diversified areas of business in a targeted manner. CCC will focus its attention on markets that offer strategic and sustainable export opportunities aligned with the Government of Canada's foreign and economic policy priorities. Building on an improved record of closing deals with Canadian exporters, CCC will continue to strengthen its customer relationship management approach, driving more discipline into its opportunities evaluation processes with a view to maximizing return for Canada with the Corporation's limited resources.

SOURCING FOR OTHER GOVERNMENT DEPARTMENTS

CCC assists Government of Canada departments and agencies in efficiently and effectively fulfilling urgent and complex procurement needs. Completing this work involves sourcing goods and services to meet a variety of international commitments or programming needs, whereby CCC charges a fee to cover its costs to manage the program. In this regard, CCC has supported a wide range of contribution and capacity building programs: providing urgent disaster relief support; helping foreign governments in their efforts to fight cross-border crime (i.e., fraud, corruption, human trafficking); supporting anti-terrorism efforts (both domestic and international); and facilitating Canada's contributions in other international endeavours (i.e., scientific or other collaborations).

CANADIAN TRADE OFFICES

On behalf of Global Affairs Canada (GAC), CCC manages 10 Canadian trade offices in China. These offices, located in China's rapidly developing second-tier cities, provide support to Canadian companies as they seek to enter the Chinese market, while also providing a cost-effective trade representation solution for GAC. CCC recovers all of its costs from this program and charges a fee

to GAC for its services. Since 2010, this approach has fostered tighter collaboration with the Trade Commissioner Service (TCS) across Greater China, and by expanding the Government of Canada's China network, has facilitated reach and support for thousands more Canadian exporters.

Financial condition

During the planning period 2021-22 to 2025-26, CCC's financial situation will be positively impacted by the Government of Canada's commitment in Budget 2021 to provide \$13.0 million annually to CCC for the administration of the DPSA. Beyond the DPSA, CCC remains committed to ensuring that the IPC business line operates on a self-sustaining basis that generates sufficient capital to support the risk profile of its portfolio of contracts.

Fee revenues decrease in year four of the Plan, requiring that measures be put in place early in the planning period to ensure resource levels in outer years align with a financially sustainable business model. Details are provided in Chapter three: Financial overview.

For information on CCC's corporate performance for 2020-21, please refer to the 2020-21 Annual Report, which is posted at: <https://www.ccc.ca/en/about/corporate-reports/>

Dividend policy

As directed in the SPA, the Corporation will develop a dividend policy in Q3 of 2021-22 to govern the responsible return to the Crown of unspent appropriation funds and excess capital.

The dividend policy will be developed in collaboration with Government of Canada stakeholders and will align with CCC's financial goals, which include optimizing the use of the appropriation to maximize efficiencies and drive results under the DPSA, and achieving self-sufficiency on its non-DPSA activity.



Operating environment

The Corporation actively monitors global and domestic business, trade and political trends, as well as internal and external factors that may impact CCC's ability to deliver on its strategic priorities. This analysis informs corporate strategy and key corporate priorities and allows CCC to adapt to its operating environment, so it can continue to support a growing number of Canadian exporters as well as further advance its culture of continuous improvement and organizational excellence.

The global trade arena and CCC's operating environment have changed considerably in the past year. The emergence of COVID-19, together with increased competition from emerging market players in a continuously evolving geopolitical arena require constant innovation from companies seeking to do business around the world. These factors underscore the need for CCC to be operationally nimble, innovative and adaptable to support the evolving needs of exporters and to maximize the trade benefits to Canada.

The following are the external and internal factors that have been considered in developing CCC's priorities, so that the Corporation can better execute against its mandate to assist in the development of trade between Canada and other nations.

External environment

The Government of Canada launched its Export Diversification Strategy in 2018, with a goal of increasing Canada's overseas exports. This strategy aims to significantly bolster export opportunities for Canadian businesses and diversify Canada's overseas trade by focusing on key components: supporting trade by investing in infrastructure, providing Canadian businesses with resources to execute their export plans and enhancing trade services for Canadian exporters by ensuring that all of the Government of Canada's resources are maximizing Canada's trade promotion capabilities.



Over the next five years, CCC will continue to focus on implementing its strategy, now in its second year, to support the government's trade priorities and its progressive and inclusive international trade objectives. By leveraging the DPSA effectively for the benefit of more Canadian companies, focusing its international revenue-generating business on transactions that align closely with government priorities and generate economic value, and strengthening collaboration across the international trade portfolio for the benefit of Canadian exporters large and small, CCC is confident it can increase the number of Canadian exporters it supports, which in turn will bolster trade and create jobs for Canadians. CCC's strategic objectives for 2021–22 to 2025–26 aim to support Canadian exporters to better manage risks and to take advantage of opportunities in new markets.

EXTERNAL ENVIRONMENT RISKS

The key risks the Corporation will face in its external environment over the coming years include (1) longer than expected cycles of COVID-19 infections and continued deterioration of public finances of emerging and developing markets (EDMs), (2) the rise of trade tensions and weakening global economic conditions and (3) a

further rise in the number of G2G mechanisms that compete with CCC and Canada's approach to economic diplomacy.

Uncertainty of the long-term impacts of COVID-19 on global trade and public finances: COVID-19 continues to disrupt economies, public finances and corporate balance sheets, the impact of which will largely depend on the severity and duration of the pandemic. The demand for investments in large scale infrastructure projects in EDMs is expected to remain strong; however, the ability to fund them may be impacted by a reallocation of scarce public resources to higher priority areas such as health care. CCC is closely monitoring the evolving situation and working with its portfolio partners to ensure Canadian exporters continue to be fully supported. In the early stages of the initial outbreak, CCC directly supported the Government of Canada's COVID-19 response initiatives by helping to secure the purchase of protective equipment and other supplies.

Trade tensions and weakening global economic conditions: In 2020, global trade tensions moderated compared to 2019. New trade agreements and progress in implementing existing ones are creating a more level playing field and new opportunities for exporters in these markets. Trade liberalization is removing traditional barriers, and CCC is working closely with its customers to maximize the benefits of these agreements in support of the government's objective to promote and facilitate more inclusive trade for an increasingly diverse set of Canadian companies. Despite the success of recently concluded trade agreements, protectionism remains a challenge and competitive threat to international trade.

Protectionist sentiment in the US will require CCC to work closely with its partners to ensure that Canada remains well positioned as a strategic and reliable source of supply for the US DoD through the DPSA, one of Canada's most enduring bilateral agreements, a testament to the ongoing strategic and economic significance of defence trade between Canada and its closest ally.

Competition: Government-to-government (G2G) contracting is a specialized contracting approach that is used by countries to achieve policy objectives in trade, to drive economic growth and to encourage and strengthen bilateral relationship development. It has been most frequently used in the defence sector, where G2G is relatively common for major players such as the US, France and Russia. However, it is increasingly prevalent in other sectors as well, most notably infrastructure, where countries like China, Spain, Korea and the UK are increasingly active. G2G competition is increasing as barriers to entry have been reduced, and many countries have developed organizations and mechanisms to carry out G2G transactions, including the ability to sign contracts and provide sovereign guarantees, much like the role played by CCC. CCC is renewing efforts to grow and deepen partnerships across the Government of Canada’s trade support organizations to maximize the effectiveness of the support provided to Canadian companies through G2G contracting.

Internal environment

CCC is committed to operational excellence in the support that it provides exporters and to being an employer of choice for its employees. These two strategic imperatives drive CCC’s focus and shape the internal environment.

ALIGNMENT WITH GOVERNMENT DIRECTION

The Statement of Priorities and Accountabilities (SPA) is the mechanism by which the government provides direction to Crown corporations. CCC’s most recent SPA letter directs the Corporation to:

- Emphasize and prioritize the efficient and effective delivery of the DPSA for the benefit of a growing number of Canadian exporters seeking to sell to the US DoD;

- Be targeted and selective in its non-DPSA business pursuits, choosing to align on those opportunities where value for the exporter is clear, there is alignment with Canada’s foreign policy objectives and there is economic and strategic rationale for a G2G transaction;
- Be financially sustainable, implying a break-even or better financial position on all its non-DPSA business;
- Develop and implement a dividend policy, which will govern the return to the Crown of any unused DPSA funding as well as any excess capital;
- Strengthen its collaboration with other members of the international trade portfolio—namely, Export Development Canada (EDC), Business Development Bank of Canada (BDC), Invest in Canada and GAC’s Trade Commissioner Service—with a view to streamlining Canadian exporter access to export support in a “no wrong door” approach to providing trade facilitation services; and
- Strengthen its governance approaches in a number of areas, including alignment with and support of the government’s climate change initiatives and continuing to strengthen its responsible business conduct (RBC) approaches while also seeking to support an increasingly diverse set of Canadian exporters in view of Canada’s inclusive international trade objectives.

Previously approved by CCC’s Board in January 2021, this Corporate Plan has been updated to reflect the direction outlined in the July 2, 2021 SPA letter and, where possible, provides details on initiatives that respond to specific SPA items. Additional clarity will be provided in CCC’s 2022–2023 through 2026–2027 Corporate Plan.

TURNING STRATEGY INTO ACTION

CCC's six-pillar strategy has been focused midway through 2021–22 into three strategic objectives: growing exports; operational excellence; and making progress on ESG. Details on each strategic objective, including targets and proposed measures of performance, are outlined further in this Plan. As part of turning strategy into action, these three strategic objectives have resulted in a restructuring of the performance management plan and apply across all levels of the Corporation, beginning with the President and CEO. CCC will continue to report its progress in its 2021–22 Annual Report against the six pillars that have underpinned the Corporation's strategy for the last two years; CCC's 2022–23 Corporate Plan will outline how results reporting will be streamlined to more closely align with the Corporation's performance management plan in future years.

ENVIRONMENTAL AND SOCIAL GOVERNANCE (ESG)

CCC's success on the RBC front aligns closely with the Corporation's intentions this year to develop a broader set of environmental and social governance (ESG) outcomes to guide responsible and respectful business activity in the future. The intent of this work will be to align the outcomes of CCC's ongoing activities in a variety of areas with best practices in the ESG space. Under the evolving ESG umbrella, CCC is pursuing a number of initiatives that will foster greater respect for the environment, increased diversity and engagement across its exporter portfolio, and strengthened governance approaches to ensure alignment with broader Government of Canada international trade strategies and directions. These include the following: a workforce gender parity assessment; initiatives focused on strengthening employee and customer engagement in CCC's outcomes; transparency and disclosure initiatives; tightened and focused Board governance and performance management approaches; and engagement with climate change experts to assist CCC's alignment with the Greening Government Strategy and the

government's climate change priorities (to the latter end, CCC acknowledges the measure in Budget 2021 requiring Crown corporations with less than \$1 billion in assets to start reporting on their climate-related financial risks by adopting the Task Force on Climate-related Financial Disclosures standards, or another more rigorous acceptable standard, as an element of their corporate reporting by 2024 at the latest).

BUSINESS, ECONOMIC AND TRADE RECOVERY (BETR) TEAM

CCC is actively engaged with the Business, Economic and Trade Recovery (BETR) Team that includes senior leaders from across the trade portfolio, including GAC and EDC. The BETR Team aims to support a robust economic recovery by fostering greater collaboration and innovation within the trade portfolio to enable rapid, coordinated and seamless trade support to businesses during and after the pandemic. The primary objectives of the BETR Team include:

- Ensuring that Canadian companies can easily navigate the suite of federal trade and business development services;
- Addressing economic challenges and evolving business needs affecting Canadian businesses and Canada's competitiveness for an economic recovery and sustained growth in the longer term, including those unique challenges faced by businesses owned or led by members of under-represented groups;
- Enhancing opportunities for greater coordination and coherence across the portfolio, including product offerings, service delivery, client referrals and branding;
- Enhancing opportunities to empower more businesses to take full advantage of Canada's network of free trade agreements and other trade policy tools; and
- Enhancing opportunities for portfolio coordination to support Canada's global competitiveness as an exporter and as a destination for foreign direct investment.



By bringing together the unique mandates, expertise and trade supports of each organization, the BETR Team will seek to identify practical, targeted and effective solutions across the portfolio in support of the government's economic recovery efforts and trade priorities. The initial work has begun and will continue to evolve through the planning period. CCC's initial focus will be on collaborating with portfolio partners on infrastructure opportunities in the Asian market, and on further leveraging the portfolio's coordination for the benefit of Canadian exporters.

DIGITALIZATION AND CONTINUOUS IMPROVEMENT OF OUR SYSTEMS

In keeping with the Government of Canada's digital transformation agenda, CCC is evolving its use of technology to better leverage opportunities for improved end-to-end customer experiences, cost efficiencies, risk management and supporting the rapid transition to a mobile and remote workforce. Deploying an effective digital strategy to improve the end-to-end customer experience will improve customer responsiveness and optimize workflows and organizational structures. Specifically, CCC is undertaking several key initiatives as part of its strategy, including implementing an electronic document and records management system

(EDRMS), fully transitioning to the cloud and evaluating options for automating its front-end contract application and risk assessment processes for the DPSA.

CYBER SECURITY PROGRAM

Through cyber security training, CCC is enhancing its cyber resiliency and employee awareness to ensure that critical information and corporate assets are properly safeguarded. The Corporation has also aligned with the National Institute of Standards and Technology (NIST) Cyber Security Framework to enhance its processes and systems in order to adapt and respond to emerging threats. CCC is also committed to performing regular internal and external assessments to identify security risks and potentially vulnerable areas where efforts need to be focused.

HUMAN RESOURCES COMPLEMENT

Approximately 75% of CCC employees are members of the Professional Institute of the Public Service of Canada. The balance of the Corporation's employees are non-unionized. The current collective bargaining agreement was signed on March 18, 2019, and expires on June 19, 2022.

A photograph of a construction site at sunset. Several large tower cranes are visible against a bright, orange and yellow sky. The sun is low on the horizon, creating a lens flare effect. The cranes are silhouetted against the bright light. In the background, a building under construction is visible on the left side.

Strategic pillars, activities and results

CCC's Corporate Plan supports the Government of Canada's plans and priorities with initiatives that continue to help Canadian exporters navigate today's complex global markets by mitigating some of the risks of doing business abroad. This plan demonstrates the Corporation's commitment to implementing strategies that are in line with the Government of Canada's progressive and inclusive trade agenda.

CCC's strategy aims to enhance its relevance by reaching more exporters across priority sectors where G2G contracting has proven effective, including, among others, aerospace, defence and infrastructure. CCC's ability to support more exporters in this manner will drive greater trade results and job creation for Canada. Growing the Corporation's support for emerging and existing exporters is an important element of the strategy, where CCC will continue to leverage the complementary offerings of its portfolio partners in a "no wrong door" approach to export support, providing emerging and existing exporters with information, connections and support to strengthen their export capacity. Moreover, CCC will explore and evaluate additional knowledge-based

products and programs tailored to the needs of SMEs, leveraging CCC's core international contracting expertise.

CCC is focused on taking advantage of digital technologies to simplify and streamline its services for exporters. One outcome of the pandemic is the demand from exporters to rethink how business is conducted and information is shared. Digitally transparent, nimble and efficient services have taken on a greater level of importance in the face of new and evolving export challenges. The Corporation is also focused on ensuring its workforce is engaged and equipped with the expert contracting skills needed to provide the best possible value to its customers in the years to come.

CCC's strategic pillars align with the government's priorities and recent direction to CCC. A summary of these pillars and a description of key activities is shown in the table below.

Strategic pillar	Summary
 <p>1. Grow and maximize the benefits of the DPSA</p>	<p>Supporting Canadian sales under the DPSA remains CCC's key mandate. CCC will explore opportunities to expand the number of customers it supports through the DPSA and ensure that the Corporation continues to maximize the benefits of the agreement for Canada.</p>
 <p>2. Maintain a sustainable financial business model</p>	<p>Financial sustainability is critical to CCC's ability to help Canadian companies grow internationally and to deliver on its mandate and advance Canada's international commitments. Federal Budget 2021 reinstated an annual appropriation to CCC of \$13.0 million to administer the DPSA. CCC will also prudently manage its finances to operate its non-DPSA fee-generating programs on a self-sustaining basis to ensure a minimum break-even position each and every year while managing its portfolio of contracts in a cost-efficient manner that contemplates the full risk profile of its business. CCC will also implement a dividend policy in 2022–23, which will govern the return to the Crown of any unused DPSA funds as well as any excess capital; details on the dividend policy will be included in CCC's 2022–23 through 2026–27 Corporate Plan.</p>
 <p>3. Grow CCC's customer base</p>	<p>Through a more disciplined approach to evaluating new business opportunities, CCC will sharpen its focus on growing international opportunities for Canadian exporters that maximize return for Canada and strengthen the appeal of the Canadian solution (i.e., quality over quantity). CCC will also seek to exercise some leadership across the trade portfolio to create DPSA opportunities that further strengthen the integration of the Canada-US shared industrial base. Across both DPSA and IPC business lines, CCC will ensure continued alignment with Canada's foreign policy priorities, which include a commitment to the promotion of human rights, peace and security, and sustainable development.</p>
 <p>4. Expand support for SMEs</p>	<p>CCC will better serve the needs of SMEs through continued product innovation, whole-of-government and channel partner collaboration, and leveraging corporate expertise and core competencies to provide accessible solutions to Canadian companies of all sizes.</p>
 <p>5. Create partnerships and profile</p>	<p>CCC will seek to extend its collaboration with federal partners and other key stakeholders to provide Canadian exporters with seamless access to the full range of federal business and trade development services, and to increase the number of exporters utilizing CCC's services.</p>
 <p>6. Enhance operational effectiveness & enhanced professional capabilities</p>	<p>CCC will continue to modernize its key services and strengthen the engagement of CCC's workforce. Areas of focus will be on digitalization of its enterprise systems and improving its core competencies, thereby increasing its productivity and effectiveness to ensure the Corporation's continued relevancy in the international trade environment. CCC will also continue to engage with GAC and central agencies on key policies and frameworks such as the Significant Project Instruction (SPI), Responsible Business Conduct (RBC) and the results of due diligence assessments conducted by CCC's Human Rights Committee (HRC).</p> <p>Furthermore, CCC is committed to undertaking activities in support of Canada's environmental objectives, and to supporting inclusive economic growth by helping reduce barriers to doing business faced by under-represented groups.</p>



STRATEGIC PILLAR 1:

Grow and maximize the benefits of the DPSA

The DPSA continues to underpin the collective security of Canada and the US by enabling both countries to leverage each other's industrial and technological strengths in meeting respective defence procurement needs. Supporting Canadian sales under the DPSA is CCC's key mandate. Budget 2021 recognized the importance of CCC's DPSA role and reinstated a \$13.0 million annual appropriation for CCC to administer the DPSA on behalf of the Government of Canada.

Over the planning period, CCC will seek to grow and maximize the benefits of the DPSA by continuing to strengthen industry awareness of the DPSA, and by strengthening relationships across the Government of Canada defence trade network so that Canadian exporters are able to continue leveraging the DPSA to bid on US DoD contracts. This privileged access helps create and sustain jobs in Canada and further reinforces the benefits to both countries of the enduring Canada-US defence-trade relationship.

In a constrained domestic defence market, the DPSA provides an avenue for Canadian companies to effectively scale their business through export by providing access to the world's most important defence and security market. Proven experience selling to the DoD often provides Canadian firms an important jump-off point needed to sell to other allied and like-minded governments, underscoring the competitive advantage that arises for Canadian exporters from the DPSA.

As the Government of Canada's custodian of the DPSA, CCC is responsible for ensuring Canada's obligations under this decades-old treaty are met. CCC's inclusion in US acquisition regulation ensures continued market access for Canadian firms by obligating the DoD to contract through

CCC for purchases of products and services from Canada above a minimum acquisition threshold (USD \$250,000). Cross-border trade linked to the DPSA also offers important opportunities for firms in some of Canada's most innovative sectors and for a variety of small and medium-sized enterprises (SMEs). The \$922 million in DPSA contracts signed by CCC in 2020–21 speaks to the arrangement's abiding value for both Canada and the US.

Prior to the COVID-19 pandemic, US defence spending had been expected to remain strong with the US administration's focus on strengthening the military.⁶ CCC does expect that US military spending will continue to provide Canadian exporters with significant opportunities, although there are several important risks to CCC's plan that the Corporation will be monitoring throughout the planning period. CCC's key priorities for growing and maximizing the benefits of the DPSA include:

- **Growing the exporter base:** CCC will enhance its business development efforts with a view to introducing more Canadian exporters to the DPSA. Engagements by CCC over the past year in various business events focused on defence trade with the US have demonstrated a relatively low level of DPSA and CCC awareness in the broader defence and security industrial community. CCC hopes to grow its customer base by at least 15% in 2021–22.
- **Enhancements to exporter support:** Navigating the US acquisitions system can be daunting, particularly for SMEs. CCC will continue to focus its efforts on exporter education and outreach activities, including helping Canadian exporters enter the market successfully by providing practical advice to Canadian exporters on how to get registered to do business with the US government and US DoD; providing advice on US DoD solicitations; providing solutions for other DoD business opportunities; and providing advocacy on issue resolution.

⁶ Deloitte, 2020 Global Aerospace and Defence Industry Outlook. Accessed at <https://www2.deloitte.com/global/en/pages/manufacturing/articles/global-a-and-d-outlook.html>



- Leveraging the DPSA's enduring and strategic nature:** CCC will work diligently over the planning period to build awareness within the US system of the DPSA's potential applicability to a broader range of goods and services that go beyond the traditional aerospace and defence industry. Cybersecurity, rare-earth metals and dual-use technologies and products may offer opportunities to take increasing advantage of the integrated Canada-US industrial base.
- Leveraging learnings and collaborative practices from BETR for the benefit of DPSA:** In the face of growing competition internationally for the US relationship, the DPSA stands out as an enduring driver of economic and security collaboration for both Canada and the US. As a leader in the Canada-US defence trade space, CCC will work closely with other defence trade stakeholders on a shared set of outcomes that ensure Canadian industry's preferred status continues to endure across the evolving US DoD acquisitions system.
- Commitment to cost-efficient service provision:** CCC will conduct a review of its critical relationship with Public Services and Procurement Canada (PSPC) with the goal of maximizing cost efficiency of CCC's delivery of DPSA services to Canadian exporters.



STRATEGIC PILLAR 2:

Maintain a sustainable financial business model

The federal Budget 2021, released on April 19, 2021, included an annual appropriation of \$13.0 million for CCC to meet Canada's commitments under the DPSA program, commencing 2022-23. This funding is restricted to costs incurred by CCC to administer the DPSA and boost CCC's ability to grow both the number of exporters served and the economic value of transactions related to the DPSA in future years, in line with government priorities. Underpinning the use of the appropriation is a robust cost accounting methodology to track DPSA-related costs and facilitate the demonstration of value for money related to the appropriation.

In all aspects, CCC carefully manages its financial resources with a view to effective stewardship of public resources. Beyond the DPSA, CCC remains committed to ensuring that the IPC business line operates on a self-sustaining basis that generates sufficient capital to support the risk profile of its portfolio of contracts. The Corporation will conduct its business development activities in a strategic and disciplined manner, on transactions where government-to-government contracting significantly enhances the Canadian solution, maximizes return for Canada and increases the exporter's probability of signing a contract. Returns generated by the IPC business will be prioritized to ensure the sustenance of best-value service delivery to exporters, and will be subject to CCC's dividend policy in 2022-23 and future years.

With the reinstatement of the appropriation for the DPSA, and CCC's commitment to self-sustainability in all non-DPSA business areas, the Corporation is well positioned to strategically and selectively grow its business while taking prudent steps to limit expenditures and expenditure growth in areas that are not directly tied to CCC's strategic priorities.



STRATEGIC PILLAR 3:
Grow CCC's customer base

CCC's corporate strategy continues to help a wider variety of companies move into new international markets by expanding the work CCC does with exporters across a variety of sectors, most specifically those in infrastructure, aerospace and defence. In 2021–22, CCC will introduce a more focused customer acquisition approach, designed to grow its customer base by proactively targeting key markets and industry segments in which G2G opportunities closely align with government trade and foreign policy priorities. By enhancing its role as a coordinating entity across the trade portfolio, with industry associations and other trade stakeholders, CCC can deliver greater value to customers in building Team Canada support for export transactions, creating a pipeline of supportable projects that allows for measured growth in CCC's international business while maximizing returns for CCC and for Canada.

CCC is continuing to execute on its strategy to ease Canadian exporters' access to financing solutions through closer collaboration with EDC, international banks and other financial institutions. Financing is a key enabler for many G2G projects, particularly in the infrastructure sector. While CCC will not fund projects directly, the Corporation's involvement can aid Canadian companies in accessing financing for projects in new markets and provide them with more options and pathways to fuel their growth. The Corporation has recently added specific expertise in the financing area to better manage financial institution relationships and support more complex project structuring.

CCC is committed to aligning business development and customer acquisition efforts with prudence and due diligence in focusing its limited resources on those transactions that maximize return to Canada. Foundational to this effort is a robust risk management approach, which includes regular consultation with Global Affairs Canada (and other Government of Canada stakeholders in international trade) to ensure continued alignment

of commercial pursuits with Canada's foreign policy, including the promotion of human rights, peace and security, and sustainable development.

To grow the customer base over the planning period, CCC will:

- **Implement a more strategic customer relationship management approach**, which helps zero in on those international opportunities that most closely align with a G2G sales approach and where the Canadian solution stands to benefit most from government involvement through CCC. A more strategic customer relationship management approach will also result in more disciplined relationship management with existing customers, allowing CCC to better meet their ongoing needs.
- **Sharpen its digital marketing effort**—a refreshed digital marketing strategy will be implemented in 2021–22 that seeks to strengthen CCC's web presence (enhanced website and social media presence) and make more effective use of digital marketing approaches designed to drive more customer contacts to CCC. In this manner, awareness of CCC across industry grows, allowing CCC to spend its business development effort on those opportunities that stand the greatest chance of success as G2G sales.



STRATEGIC PILLAR 4:
Expand support for SMEs

In 2019–20, CCC recognized the relatively untapped market that SMEs represent to grow the customer base and serve exporters in different ways. In 2020–21, CCC began developing a series of products and services targeted at strengthening the export capacity of early and emerging exporters in Canada, most of which are SMEs. These readily accessible products and services, and the opportunities for whole-of-government collaboration that they create, directly support the Government of Canada's overarching economic goal of continuing to meaningfully grow the number of SMEs that export.

As directed by the responsible minister for international trade, CCC is broadening its focus to help Canadian SMEs access key markets in a manner that minimizes implications on the Corporation's resources and on its risk management approach. Leveraging its contracting expertise to provide a growing number of SMEs with specific types of information, much-needed connections and customized support for international business opportunities, CCC will help unlock more opportunities for more exporters in markets all over the world.

Over the planning period, CCC will:

- **Leverage its investments in the development of a suite of digital information products and advisory services designed to enable early and emerging exporters, particularly SMEs, to sell internationally.** CCC's digital information products include SME-friendly documents designed to provide a range of important considerations for companies evaluating the benefits and risks of exporting (e.g., information on selling to the US DoD; considerations for responding to international public tender solicitations; materials on how to maximize the utility of CCC's GBOF). Advisory services are customized to Canadian exporter needs, are often related to specific international opportunities under consideration and frequently involve referrals to other government programs designed to help Canadian companies scale up and compete globally. More effort will be invested in the early part of the planning period to leverage CCC's investment in these products and services to help an increased number of SMEs take advantage of the DPSA.
- **Continue increasing the number of SME customers for CCC's export services.** Through the introduction of pilot products and services aimed at SMEs in 2020-21, CCC has been able to count more than 1,200 SMEs as customers of these new products and services,⁷ in addition to 73 SMEs for which CCC facilitated government-to-government contracts in international markets.



STRATEGIC PILLAR 5:

Create partnerships and profile

CCC recognizes that maintaining strong coordination and collaboration with other government partners and stakeholders can have direct implications for the success of Canadian exporters abroad. Strengthening creative collaboration with partners and stakeholders, including through the BETR Team, will be key to expanding the Corporation's reach and profile. CCC plans to better leverage the Trade Commissioner Service (TCS) and its partnerships with EDC and other Government of Canada departments and agencies, as well as industry and trade associations, to promote closer and more frequent engagement with Canadian exporters and international buyers. Tighter collaboration and coordination across this space has consistently driven more and better deals between Canadian exporters and foreign governments. Collaboration with the TCS will be heightened through negotiations of a new memorandum of understanding (MOU) planned for 2021-22.



STRATEGIC PILLAR 6:

Enhance operational effectiveness & enhanced professional capabilities

CCC is committed to operating in an environmentally, socially and ethically responsible manner consistent with Canada's international commitments to, among other things, respect human rights and strongly promote responsible business conduct (RBC). CCC's RBC framework reflects our core values and underpins our work with Canadian exporters, their supply chains, foreign government buyers and the Government of Canada. CCC will provide a report to the responsible minister at the end of 2021-22 on the performance

⁷ Includes SMEs under contract and SMEs utilizing CCC's additional services (GBOF, knowledge products, concierge advisory services)

of the RBC framework, identifying opportunities to strengthen its RBC practices in the interest of fairer, more progressive and inclusive international trade. As part of its environmental, social and governance (ESG) framework, CCC will report on the activity of its Human Rights Committee, including the number and nature of commercial opportunities reviewed.

Furthermore, in collaboration with Government of Canada stakeholders, CCC is reviewing its Significant Project Instruction (SPI)⁸ in view of recommending options to improve the framework's objectives and outcomes without compromising the alignment objectives, which it was originally developed to achieve.

CCC is continuing its efforts to transform the organization into a more client-centric, technology-enabled professional services firm—one that plays a pivotal supporting role in Canada's trade ecosystem. The Corporation's ability to execute this plan relies on the expertise of a diverse team of professionals equipped with the right tools to support Canadian exporters in today's complex and challenging marketplace. Equipping employees with these tools is central to CCC's digital strategy and places a greater emphasis on investments that have the greatest impact on the end-to-end customer experience. CCC aims to create a more customer-focused culture through strategic investments in its people and systems that will help build a stronger, more effective and resilient organization. By automating front-end contract application processes and introducing a new EDRMS system and remote workplace tools accessible through the cloud, CCC will increase its flexibility and adaptability to support the evolving needs of exporters and our employees.

CCC is committed to supporting the achievement of Canada's environmental objectives set out by the government. Please see Appendix E for an overview of CCC's plan to contribute to Canada's climate change goals.


CCC supports inclusive economic growth and helps reduce barriers to doing business faced by under-represented groups. Please see Appendix E for CCC's framework for data collection, analysis and reporting on the diversity of Canadians who benefit most directly from CCC's services, including the owners and employees of CCC's export partners as well as Canadians engaged in the supply chains of these companies. CCC will also report on the diversity of its workforce in future annual reports, in line with the commitment outlined in Budget 2021. Recognizing that CCC is active in sectors where women are under-represented in the workforce and leadership roles, CCC will support partner initiatives, in industry and in government, aimed at increasing the participation and leadership of women in these sectors.

Strategic objectives, performance indicators, corporate scorecard


Based on the six strategic pillars, CCC has developed annual objectives with associated performance indicators and targets. The performance indicators are critical to demonstrating CCC's results against objectives and the value created for Canadian customers and the Government of Canada.



For 2021–22, CCC is focusing efforts on three strategic objectives: growing Canadian exports; creating value for exporters through operational excellence; and advancing CCC's corporate mandate through embedding ESG in all our activities. Progress will be tracked through the utilization of seven performance indicators.

⁸ The SPI requires that (1) all capital projects with a value greater than \$100 million and (2) all non-capital projects with a value greater than \$300 million receive the approval of the responsible minister for international trade and the concurrence of the Minister of Finance.

Objectives	Performance indicator	Description
1. Grow Canadian exports 	Value of contracts signed (VCS)	<p>This measure provides the amount of international business CCC has signed with foreign buyers and Canadian exporters.</p> <p>Through VCS:</p> <ol style="list-style-type: none"> 1. The Corporation tracks the value of contracts signed by sector, region, country and exporter 2. This data provides an indication of the Corporation's effectiveness and allows for trend analysis of its portfolio
	Total customers served	<p>This measure represents the total number of:</p> <ol style="list-style-type: none"> 1. Exporters with CCC contracts in a reporting period; and 2. Export services delivered, which includes: <ul style="list-style-type: none"> • Canadian companies supported by CCC in developing and advancing contract leads • Canadian companies accessing CCC's knowledge products • Canadian companies utilizing CCC's advisory services
	SME customers served	<p>This measure represents the total number of:</p> <ol style="list-style-type: none"> 1. SMEs with CCC contracts in a reporting period; and 2. Export services delivered, which includes: <ul style="list-style-type: none"> • SMEs supported by CCC in developing and advancing contract leads • SMEs accessing CCC knowledge products • SMEs utilizing CCC advisory services
2. Deliver value to Canadians 	Operating profit	<p>This measures CCC's profitability for a reporting period.</p>
	Continuous improvement	<p>This measures savings generated from the ongoing implementation of organizational efficiencies.</p>
3. Embed ESG in all our activities 	Employee engagement score	<p>This measure assesses the level of employee engagement to the organization based on the result of a survey conducted on an annual basis.</p>
	ESG measure	<p>Exporter workforce diversity—% of exporters reporting.</p> <p>Additional measures TBD as CCC confirms a set of desired ESG results; ESG road map and desired outcomes to be featured in CCC's 2022–23 through 2027–28 Corporate Plan.</p>

CCC utilizes a corporate scorecard to track progress against targets set by management and the Board. The following table lists CCC's performance targets for the period 2021-22 to 2025-26, with reference to 2019-20 and 2020-21 results, where applicable.

Objectives	Performance indicator	Actual 2019-20	Actual 2020-21	Target 2021-22	Target 2022-23	Target 2023-24	Target 2024-25	Target 2025-26
1. Grow Canadian exports 	Value of contracts signed (\$M)	1,250	1,345	1,334	1,370	1,412	1,454	1,496
	DPSA	928	922	850	875	900	925	950
	IPC	307	402	474	485	502	519	536
	OGD	15	21	10	10	10	10	10
	Total customers served	236	345	360	392	426	462	500
	Customers under contract	157	153	155	166	178	189	200
	DPSA	85	85	87	93	101	107	114
	IPC	48	49	50	52	56	59	63
	OGD	24	19	19	20	21	22	24
	Export services delivered	79	192	205	226	248	273	300
	Leads	79	51	56	62	68	75	82
	DPSA	N/A	10	11	12	13	15	16
	IPC	79	41	45	50	55	60	66
	OGD	N/A	0	0	0	0	0	0
	Knowledge products, advisory services	N/A	141	149	164	180	198	218
	SMEs served (Note 1)	135	269	286	308	333	358	385
	SME customers under contract	110	121	116	125	133	142	150
	DPSA	54	61	65	70	75	80	86
	IPC	37	41	36	38	41	45	47
	OGD	19	19	14	15	16	17	18
	SME export services delivered	25	148	170	184	200	216	235
Leads	25	22	28	31	34	37	41	
DPSA	N/A	5	6	6	7	7	8	
IPC	25	17	23	25	27	30	33	
OGD	N/A	0	0	0	0	0	0	
Knowledge products, advisory services	N/A	126	142	153	166	179	194	

Objectives	Performance indicator	Actual 2019-20	Actual 2020-21	Target 2021-22	Target 2022-23	Target 2023-24	Target 2024-25	Target 2025-26
2. Deliver value to Canadians 	Operating profit (\$000's)	2,565	(-1,823)	2,114	1,756	1,542	1,950	1,225
	DPSA	(-8,262)	(-6,983)	0	0	0	0	0
	IPC	9,972	4,388	1,608	3,246	2,190	1,760	1,048
	OGD	855	772	506	510	102	190	177
	Continuous improvement savings (\$000's)	N/A	N/A	300	350	400	450	500
3. Embed ESG in all our activities 	Employee engagement score (%)	63%	62%	65%	67%	68%	69%	70%
	ESG measure (% of customers reporting diversity metrics to CCC)	N/A	N/A	50%	63%	75%	88%	100%

Note 1: Effective April 1, 2021, SMEs are defined as companies with <500 employees. Comparative period SME numbers have been restated to be consistent with this definition.

Risk management

CCC is exposed to a variety of risks in delivering its mandate that could impact the achievement of its strategic objectives. CCC considers the following to be the key risks to achieving the Corporate Plan objectives:

Business environment risk: Beyond the US, the Corporation operates in particularly challenging markets where government budgets are dynamic, subject to frequent change, political risk and other economic and geopolitical factors, complicating the conclusion of successful G2G export sales by often significantly lengthening the sales cycle. Moreover, with the global trade environment under pressure as a result of protectionism and populism, and with the emergence of a growing number of competing approaches from other countries in the G2G space, the relevance of Canada's G2G model and our desirability as a partner of choice may fluctuate in some markets.

Concentration risk: CCC's VCS is characterized by large, irregular contract signings across both its DPSA and IPC business lines. Concentration

risk arises due to CCC's relative reliance on fees earned from a small number of large dollar value transactions. CCC's sustainable business model will consider the need to carefully balance its cost structure while needing to grow VCS and average fee rates through the planning period.

Structural risk: CCC's current expense structure requires sizeable growth in its IPC business and average fee rates above the Corporation's five- and 10-year averages to achieve breakeven in the final two years of the planning period. To address this risk, a financially sustainable business model has been fully implemented, and execution is under way.

Capital adequacy: CCC's capital allocation model measures credit risk, operational risk and the financial risk of unexpected losses related to its portfolio of export contracts. The model has been relied upon for years to ensure that sufficient risk capital is available to offset the occurrence of potential risks across CCC's portfolio of contracts under management.

Financial overview

The Corporation is committed to a sustainable financial business model. Effective in year one of this Corporate Plan (2021), CCC's five-year average annual operating expenses of \$27.1 million are funded by revenues from non-DPSA sources of \$15.9 million and by the annual DPSA appropriation of \$13.0 million from the Government of Canada.

Over the course of the planning period, CCC expects to incur average annual surpluses of \$1.7 million. More specifically, the operating surplus is \$2.1 million in year one of the Plan but decreases to \$1.2 million by year five of the Plan. Revenue from other non-DPSA fee-generating business is forecast to increase from \$8.1 million in year one of the Plan to \$10.5 million in year five as signed contracting activity is expected to grow over the duration of the Plan, contributing to the overall surplus position.

Management is committed to ensuring all fee-generating business lines remain profitable such

that, at a minimum, they break even each and every year into the future. Expenditures will be managed with prudence and in view of maintaining a degree of flexibility throughout the planning period to ensure that capacity for strategic reinvestment is sustained. To this end and as discussed earlier in the Plan, a dividend policy is under development, in collaboration with Finance, GAC and Treasury Board officials, and will feature as a commitment in CCC's 2022–23 through 2026–27 Corporate Plan.

Refer to Appendix B for planning assumptions, details, schedules and analysis.

Appendix A

Statement of Priorities and Accountabilities

CCC is operating in accordance with the guidance expressed in the Minister of Small Business, Export Promotion and International Trade's Statement of Priorities and Accountabilities (SPA) for CCC dated July 2, 2021.



Minister of Small Business,
Export Promotion and
International Trade



Ministre de la Petite Entreprise,
de la Promotion des exportations et
du Commerce international

Ottawa, Canada K1A 0G2

July 2, 2021

Mr. Douglas Harrison
Chairperson
Board of Directors
Canadian Commercial Corporation
700–350 Albert Street
Ottawa ON K1A 0S6

Dear Mr. Harrison:

Over the past year, we have faced extraordinary challenges. Now, as we look toward an increasingly clearer horizon, we see that in order to get there, much work lies ahead. However, with every new challenge there is also an opportunity to ensure a brighter, more inclusive and sustainable future for all Canadians.

This starts with ensuring our promise to create one million jobs, including by expanding on the successes of the Women's Entrepreneurship Strategy and the Black Entrepreneurship Program. It means working with Indigenous peoples and racialized Canadians, as well as creating supports and opportunities for the young and the old, fifth-generation or first-generation Canadians, the LGBTQ+ community and the differently abled. This brighter future means putting the fight against climate change into the core of every action we take—ensuring our decisions are in the best interest of future generations and building upon the agreements we have made to Canadians here at home and to our allies abroad. In this, it remains paramount that we support innovative Canadian businesses as they grow through exports—to lead by example and make our part of the global economy even more sustainable.

This better future will be emboldened by Canada's leadership on the international stage and by our steadfast commitment to advancing fair, rules-based trade around the world. All of this future will be possible due to the timely and targeted investments we made into Canadians and their futures throughout the COVID-19 crisis. So, as we step forward on the road to recovery, we will know that, as our nation faced one of the greatest challenges of modern history, we rose to the occasion and overcame it, securing a brighter future for all Canadians. With that in mind, let's work together to build back better.

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On April 19, 2021, the Government of Canada set out its plan to help Canadians turn the corner on COVID-19 and start rebuilding toward a more inclusive and prosperous future. Budget 2021 provides support for a robust recovery, while also investing in Canadians for the long term. As a key pillar of Canada's trade toolkit, the Canadian Commercial Corporation (CCC) will play an important role in our historic effort.

A return to robust exporting will be a key driver of Canada's recovery and future growth, and it is essential that Canadian exporters have the support they need to succeed in a highly competitive global marketplace. As we prepare to meet the challenges and opportunities of a post-pandemic global economy, it is imperative that CCC have the right vision and operating model to continue providing sustainable, high-impact services for exporters who require support. CCC has an important role to play in supporting Canada's international trade and strategic interests. We must look to enhance the corporation's performance and sustainability, including by recalibrating priorities and refocusing on core strengths.

I am pleased to provide the following Statement of Priorities and Accountabilities. The statement builds on the comprehensive review of CCC completed in 2020 and the initial guidance provided to the board in my letter of March 22, 2021. Notably, it delivers Budget 2021's commitment to revitalize CCC and reflects the ambitious and critical agenda outlined in my supplemental mandate letter from the Prime Minister. I look forward to engaging with the board over the coming months and, more broadly, your continued engagement as Canada's trade team pulls together in support of our economic recovery, particularly through the new Business, Economic and Trade Recovery (BETR) Team.

Prioritize and Reinforce the Canada-U.S. Defence Production Sharing Agreement

Since the 1950s, CCC has been central to the success of the Canada-United States Defence Production Sharing Agreement (DPSA). The comprehensive review underscored the enduring importance of this bilateral framework to Canada's national interests. The DPSA continues to help underpin the collective security of Canada and the United States by enabling us to leverage one another's industrial and technological strengths in meeting respective defence procurement needs. Cross-border trade linked to the DPSA also offers important opportunities for firms in some of Canada's most innovative sectors and for a variety of small and medium-sized enterprises (SMEs). The \$928 million in DPSA contracts signed by CCC in 2019-2020 speak to the arrangement's abiding value for both Canada and the United States.

Supporting Canadian sales under the DPSA remains CCC's key mandate and must be prioritized accordingly. Budget 2021 recognized the importance of CCC's DPSA role and has proposed an annual appropriation for CCC to administer the DPSA. These funds are to be applied to DPSA costs, ensuring that CCC can sustainably continue providing high-quality services to its DPSA partners on a no-fee basis.

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It is vital that CCC not only sustain the DPSA, but actively reinforce this element of the Canada-U.S. relationship, particularly as both countries look to enhance their bilateral economic and security cooperation via the Roadmap for a Renewed U.S.-Canada Partnership. In developing CCC's 2021-2022 to 2025-2026 Corporate Plan, I ask CCC to renew its focus on serving DPSA customers and outline actions that will further optimize and improve the performance of the DPSA business line.

As one of the U.S. Department of Defense's largest prime contractors, CCC has unique experience working within the U.S. defence-procurement ecosystem. I ask that CCC's 2021-2022 to 2025-2026 Corporate Plan set out a strategy to more fully leverage the corporation's DPSA expertise and relationships in coming years, with the aim of increasing the number of Canadian firms (particularly SMEs) securing U.S. Department of Defense contracts. CCC's efforts should look to promote Canadian capabilities that address the diverse range of U.S. procurement needs. CCC should ensure that its approach helps enable SME exporters compete for DPSA contracts.

In developing and implementing its new DPSA strategy, CCC should work closely with Global Affairs Canada and the Trade Commissioner Service; National Defence; Innovation, Science and Economic Development Canada; and Public Services and Procurement Canada. Collaboration among federal partners will be essential to realizing more fully the economic and strategic benefits of the Canada-U.S. defence-trade relationship.

Collaborate Through the Business, Economic and Trade Recovery Team

In my 2019 mandate letter, the Prime Minister asked me to work across my portfolio to ensure that all resources are working together to maximize outcomes for businesses. I am pleased to see CCC working closely with its portfolio partners through the new BETR Team to help deliver on this priority. I expect CCC to continue collaborating with BETR partners to provide Canadian companies seamless access to the full range of federal business and trade development services. This work should include coordinated communications and marketing activities, as well as building out digital capacities that make services more user-friendly.

BETR should also serve as a forum for CCC to coordinate with key partners—especially Export Development Canada and the Trade Commissioner Service—in supporting Canadian export projects in strategic sectors such as green infrastructure. I was encouraged to see CCC working closely with the Trade Commissioner Service to develop a forum to help connect Canadian infrastructure firms with growing opportunities in Asia. I trust CCC will continue engaging with BETR partners to pursue this, as well as other innovative joint export-promotion initiatives, in the months ahead.

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Ensure a Risk-Conscious Approach to Opportunities for International Prime Contracting

The comprehensive review recognized the important difference CCC can make for exporters, especially in markets and sectors where government-to-government contracting is an established and fit-for-purpose procurement pathway. The review also reinforced the need for the highest degree of prudence and due diligence in deciding which transactions CCC supports. The annual value and number of contracts signed outside the DPSA is an important indicator of CCC's impact but a strong record of success in risk management and contract execution is the leading measure of CCC's performance. In short, CCC's priority should always be maximizing the success rate of its contracts signed, and not necessarily the number of contracts signed, when it comes to international prime contracting activities.

In evaluating new opportunities, it is also crucial to remember that a CCC contract represents an agreement between the Government of Canada and the government of another sovereign state. The viability of CCC's contracting model will always depend on maintaining close alignment between the corporation's export activities and the Government of Canada's foreign policy. When the prospects for alignment are unclear, I ask CCC's leadership to consult with Global Affairs Canada and me, as required. Overall, I encourage CCC to continue consulting early and regularly with Global Affairs Canada to ensure that the corporation's commercial pursuits remain consistent with the Government of Canada's international priorities, including the promotion of human rights, peace and security, and sustainable development.

With the introduction of an annual appropriation to administer the DPSA, I expect CCC will be positioned to apply the highly selective approach to new opportunities that government-to-government contracting demands.

Support Climate Priorities

Canada remains committed to mitigating the real and urgent threat of global climate change. This includes achieving net-zero emissions by Canada's economy by 2050. Meeting this target will require action from all parts of Canadian society, including federal Crown corporations. CCC's 2021-2022 to 2025-2026 Corporate Plan should speak specifically to the corporation's approach for supporting this national objective. In particular, the plan should take into account any applicable climate-related disclosure/reporting requirements for Crown corporations announced in Budget 2021. The Corporate Plan should also explore the role CCC plays in contributing to global climate goals, namely by facilitating the delivery of clean technology and green infrastructure projects by Canadian firms in overseas markets.

In November 2020, the government tabled Bill C-12, An Act respecting transparency and accountability in Canada's efforts to achieve net-zero greenhouse gas emissions by the year 2050. Section 23 of this bill would require the Minister of Finance, in cooperation with the

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Minister of Environment and Climate Change, to prepare an annual report respecting key measures that the federal public administration has taken to manage its financial risks and opportunities related to climate change. I ask that CCC work as needed with the Department of Finance Canada to support the drafting of this annual report.

Take a Targeted Approach and Achieve Financial Self-Sustainability for International Prime Contracting Business Lines

Equally important for CCC's international prime contracting business lines is that they operate on a financially self-sustaining basis. The corporation's vision for achieving this should be set out in CCC's 2021-2022 to 2025-2026 Corporate Plan, and be informed by well-grounded revenue and cost projections. CCC can support this objective by ensuring that its business development resources are being applied in a carefully targeted manner.

In that effort, I ask the board to outline how CCC will pursue diversified areas of business in a targeted fashion where government-to-government contracting is desirable and makes economic sense. With the Asia Infrastructure Forum as one example, those markets and sectors need to offer strategic and sustainable export opportunities that are well aligned with the Government of Canada's foreign and economic policy priorities. While CCC should retain the ability to provide contracting support in a variety of contexts, business development resources should be concentrated in areas where government-to-government contracting has historically proved the best fit for buyer and seller needs, such as defence and infrastructure.

This is especially true when it comes to initiatives focused on SMEs. The comprehensive review recognized the economic impact of CCC transactions for SMEs across Canada, particularly for those in the supply chains of CCC's larger export partners. CCC should be ensuring that CCC's services remain accessible for those SMEs requiring CCC support and include the capacity to seamlessly refer SMEs—whether customers or not—to other government programs specifically designed to help them scale up and compete globally.

Continue to Reinforce Responsible Business Conduct Policies and Practices

As an agent of the Crown, CCC should always uphold the highest possible standards of responsible business conduct (RBC). The renewal of CCC's RBC framework in 2019 represented a significant step in the right direction. I ask that CCC continue to build on that progress and report to me on the performance of its RBC framework to date, identifying actions taken or being considered to make the organization's practices even stronger. I also ask that CCC

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provide the Deputy Minister of International Trade with an annual summary of the activity of CCC's Human Rights Committee. While not detailing the committee's deliberations, the summary should give the number and nature of commercial opportunities reviewed by the committee, as well as the scope of related consultations undertaken with Global Affairs Canada.

Support Diversity and Inclusive Economic Growth

The pandemic has undoubtedly shed greater light on existing and long-standing systemic barriers faced by under-represented groups in doing business. These challenges, in turn, have called for a concerted effort to ensure a more inclusive future for all Canadians.

To that end, Budget 2021 announced that federal Crown corporations will be required to implement gender and diversity reporting starting in 2022. This reflects a need to clearly understand how federal services are working—and could potentially be doing better—to serve under-represented and marginalized groups. To enhance our knowledge in this regard, I ask that CCC develop a framework for data collection, analysis and reporting on the diversity of Canadians who benefit most directly from CCC's services. These would include the owners and employees of CCC's exporter partners, as well as Canadians engaged in the supply chains of those firms. I also request that CCC begin to report on the diversity of the organization's workforce in its annual reports and to fulfil any further reporting requirements that follow from the implementation of Budget 2021.

Budget 2021 also recognized that CCC is often most active in sectors where women remain under-represented in the workforce and leadership roles, such as defence, aerospace and advanced manufacturing. I urge CCC to be a supportive partner in industry or government-led initiatives aimed at increasing the participation and leadership of women in these sectors.

Continue to Optimize CCC's Operations

To catch-up with today's digitally driven environment—one recently exacerbated by the pandemic—I ask that CCC's 2021-2022 to 2025-2026 Corporate Plan outline a refreshed strategy to continue the modernization of CCC's digital presence, IT systems and contracting capabilities. The strategy should aim to digitize processes that are currently paper based; increase productivity; further streamline the customer experience; and enhance CCC's ability to seamlessly connect Canadian exporters with other federal business services and programs, as part of the "no wrong door" experience.

In coordination with Global Affairs Canada and the Department of Finance Canada, CCC should also conduct a review of the Significant Project Instruction (SPI). The review should assess the operation of the SPI to date and provide recommendations on opportunities to improve the framework's objectives and outcomes, without compromising the essential benefits it provides.

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I understand that CCC is considering a refresh of its brand strategy as part of its organizational renewal efforts. While there may be value in revisiting aspects of CCC's existing brand, any initiative in this area should be mindful of the name recognition that CCC has built over 75 years of operation, as well as the costs involved in promoting and successfully establishing a new public identity. Above all, rebranding should account for any potential risks of creating disruption or confusion for CCC's export partners, particularly in the DPSA context. I ask that the strategy also highlight CCC's complementary offerings and services as part of Canada's trade toolkit. Any proposals to alter CCC's brand will need to be presented to me for review and approval, as well as consultation with other partners, prior to implementation.

Develop a Dividend Policy

In accordance with Budget 2021, I ask that CCC develop a dividend policy to govern the return of unspent appropriation funds and excess capital. I ask that CCC work with Global Affairs Canada, the Department of Finance Canada and Treasury Board of Canada Secretariat as required to finalize the policy for inclusion in CCC's 2021-2022 to 2025-2026 Corporate Plan.

Conclusion

I trust this Statement of Priorities and Accountabilities will serve as the first step in the collaborative development of CCC's 2021-2022 to 2025-2026 Corporate Plan, and overall revitalization of the corporation's strategic direction. Global Affairs Canada officials and I look forward to consulting with CCC in coming weeks on how we can translate the priorities outlined in this letter into concrete action and meaningful outcomes for all Canadians. It will be important to finalize CCC's 2021-2022 to 2025-2026 Corporate Plan as soon as possible.

Again, I would like to thank the CCC team for the resilience and innovation you have shown in serving Canadian exporters throughout the COVID-19 pandemic. I know that CCC will continue to strive for the highest standards of client service, good governance and RBC, as you help Canadian companies get back on track and build toward a brighter future. I look forward to further dialogue, partnership and progress in the months ahead.

Sincerely,



The Honourable Mary Ng, P.C., M.P.

Appendix B

Planned results

PERFORMANCE MEASURES



1. Grow and Maximize the Benefits of the DPSPA

Performance Measure	Data	Frequency	Actuals (2019-20)	Actuals (2020-21)	Target (2021-22)	Target (2022-23)	Target (2023-24)	Target (2024-25)	Target (2025-26)
DPSA Value of Contracts Signed - \$M	Agresso	Quarterly	\$927	\$922	\$850	\$875	\$900	\$925	\$950



2. Sustainable Business Model

Performance Measure	Data	Frequency	Actual (2019-20)	Actual (2020-21)	Target (2021-22)	Target (2022-23)	Target (2023-24)	Target (2024-25)	Target (2025-26)
Operating Result - \$K	CCC Financials	Quarterly	\$2,565	(\$1,823)	\$2,114	\$1,756	\$1,542	\$1,950	\$1,255
Value of Contracts Signed - \$B	CCC Financials	Annually	\$1.250	\$1.345	\$1.334	\$1.370	\$1.412	\$1.454	\$1.496

Note: For further details, including the breakdown of operating result and VCS by business line, please see the Corporate Scorecard and Appendix E.



3. Grow CCC's Customer Base

Performance Measure	Data	Frequency	Actuals (2019-20)	Actuals (2020-21)	Target (2021-22)	Target (2022-23)	Target (2023-24)	Target (2024-25)	Target (2025-26)
Customers with Contracts	CRM/Agresso	Quarterly	157	153	155	166	178	189	200
Export Services Delivered ⁹	CRM/Agresso	Quarterly	79	192	205	226	248	273	300

Note: For further details, including the breakdown of Customers with contracts and Export services delivered by business line, please see the Corporate Scorecard.



4. Grow our support for SMEs

Performance Measure	Data	Frequency	Actuals (2019-20)	Actual (2020-21)	Target (2021-22)	Target (2022-23)	Target (2023-24)	Target (2024-25)	Target (2025-26)
SMEs with Contracts	CRM/Agresso	Quarterly	110	121	116	125	133	142	150
Export Services Delivered – SMEs	CRM/Agresso	Quarterly	25	148	170	184	200	216	235

Note: For further details, including the breakdown of SMEs with contracts and Export services delivered – SMEs, by business line, please see the Corporate Scorecard.

⁹ Export services delivered is defined as:

1. Canadian companies supported by CCC in developing and advancing contract leads,
2. Canadian companies accessing CCC's knowledge products,
3. Canadian companies utilizing CCC's advisory services.



5. Create Partnerships and Profile

Performance Measure	Data	Frequency	Actuals (2019-20)	Actuals (2020-21)	Target (2021-22)	Target (2022-23)	Target (2023-24)	Target (2024-25)	Target (2025-26)
Referrals to and from Government of Canada partners	CRM/Agresso	Annually	N/A	N/A	350	375	400	425	450



6. Operational Effectiveness and Enhanced Professional Capabilities

Performance Measure	Data	Frequency	Actuals (2019-20)	Actuals (2020-21)	Target (2021-22)	Target (2022-23)	Target (2023-24)	Target (2024-25)	Target (2025-26)
Net Promoter Score	CSAT	Annually	45	56	55	57	58	59	60
Employee Engagement Score	Employee Engagement Survey	Annually	63%	62%	65%	67%	68%	69%	70%

PRESIDENT AND CHIEF EXECUTIVE OFFICER RESULT COMMITMENT

I, Robert Kwon, as President and Chief Executive Officer of the Canadian Commercial Corporation, am accountable to the Board of Directors of the Canadian Commercial Corporation for the implementation of results described in this Corporate Plan and outlined in this Appendix. I confirm that this commitment is supported by the balanced use of all available and relevant performance measurement and evaluation information.

Robert Kwon

President and Chief Executive Officer
Canadian Commercial Corporation

November 2, 2021

Appendix C

Chief Financial Officer attestation

In my capacity as Chief Financial Officer of the Canadian Commercial Corporation, accountable to the Board of Directors of the Corporation through the Chief Executive Officer, I have reviewed the Corporate Plan and forecasts for the 2021-22 through 2025-26 planning period and the supporting information that I considered necessary, as of the date indicated below. Based on this due diligence review, I make the following conclusions:

1. The nature and extent of the financial and related information is reasonably described, and assumptions having a significant bearing on the associated financial requirements have been identified and are supported.
2. Significant risks having a bearing on the financial requirements, the sensitivity of the financial requirements to changes in key assumptions, and the related risk-mitigation strategies have been disclosed.
3. Financial resource requirements have been disclosed and are consistent with the stated assumptions, and options to contain costs have been considered.
4. The current business model is financially sustainable, assisted by the April 19, 2021 Budget release, informing CCC that \$13M of funding has been restored and provided by the Government of Canada annually to cover its costs in delivering Canada's commitments under the Canada-US Defence Production Sharing Agreement (DPSA).
5. The corporate plan and forecasts are compliant with relevant financial management legislation and policies, and the proper financial management authorities are in place (or are being sought as described in the corporate plan).
6. Key financial controls are in place to support the implementation of proposed activities and ongoing operation of the Corporation.

In my opinion, the Corporate Plan and forecasts have substantial financial and risk issues, as noted above.



Ernie Briard
Chief Financial Officer
Canadian Commercial Corporation

November 2, 2021

Appendix D

Financial statements and budgets

COMPLIANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

All statements and numbers presented and discussed in the Corporate Plan are reflected in accordance with IFRS.

KEY PLANNING ASSUMPTIONS FOR THE 2021-22 TO 2025-26 CORPORATE PLAN

- **Government funding:** \$13.0 million of funding has been restored and provided by the Government of Canada annually to cover its costs in delivering Canada's commitments under the Canada-US Defence Production Sharing Agreement (DPSA).
- **International relations:** As government-to-government (G2G) contracting is dependent upon Canada's international relations with other nations, changes in diplomatic relations may have a material impact on key pursuits and contracts.
- **Global economic and geopolitical conditions:** Evolving market conditions, availability of financing, geopolitical considerations, debt sustainability concerns and leadership changes may impact the opportunity pipeline in certain key countries. These influences are exacerbated where there is pipeline concentration.
- **Financial concentration:** The financial model assumes no impairment to any of CCC's larger contracts during the planning period.
- **Expense controls:** Expenses decrease by \$2.9 million in 2025-26 compared to 2019-20. Annual increases due to inflation and other collective agreement requirements on salaries and benefits are offset by cost-saving initiatives (such as the elimination of the regional offices and reduction of floor space at headquarters).

VALUE OF CONTRACTS SIGNED

Value of contracts signed (VCS) represents the value of contracts and amendments signed in a given fiscal year. It measures the total value of goods or services to be delivered over the entire duration of a contract and, hence, includes the full contract value at the time of signature. Business growth assumptions are anchored in CCC's VCS estimates, which are forecasted to grow by 12% over the planning period, from \$1.33 billion in 2020-21 to \$1.50 billion in 2025-26.

COMMERCIAL TRADING TRANSACTIONS

Commercial trading transactions (CTT) measure CCC's value of contracted goods and services delivered in a given fiscal year. As such, the CTT forecast is based on a series of aggregated assumptions, which consider factors associated with the timing of contract signing, contract duration and the number of specific deliverables or milestones contemplated by the contract.

FEES FOR SERVICE

Fees for individual projects are established based on CCC's pricing policy that considers value, risk and administrative costs for individual contracts. Fee rates are applied to the estimated value of goods and services to be delivered or progress work to be performed, which aligns with the CTT forecast.

While a significant amount of business development effort does not generate fees, CCC's collaborative involvement is highly valued by Canadian exporters in their attempts to secure business in complex and challenging markets. Many pre-contract pursuit costs are risk-shared with the Canadian exporter pending the successful signing of the contract.

OTHER INCOME

Other income comprises fees earned on discounted early payments, payment wiring to Canadian exporters and other miscellaneous activities.

FINANCE (INTEREST) INCOME

Interest is earned on the Corporation's equity and excess cash flows generated from daily business transactions. Actual interest rates on corporate balances are earned based on the terms of the current banking agreement with the Bank of Nova Scotia.

The Plan shows progressive growth in interest (finance) income over the planning period compared to 2020-21 due to increasing cash balances.

GAIN (LOSS) ON FOREIGN EXCHANGE

Gains or losses on foreign exchange are not budgeted. The Corporation's contracts with foreign buyers are currency matched to offset contracts with Canadian exporters. CCC's contracts require receipts and payments to be made in the same currency to avoid foreign exchange risk. As a result, CCC has a natural hedge against foreign exchange gains or losses that would otherwise impact the net results of operations and comprehensive income. Unhedged foreign exchange balances are monitored and kept at negligible levels.

CONTRACT REMEDIATION EXPENSES

The Corporation is not budgeting for any contract remediation expenses over the planning period, given that CCC has not incurred any contract remediation expenses over the last several years, primarily due to the Corporation's focus on risk management.

ADMINISTRATIVE EXPENSES

Note: 2019-20 actual expense results will be used for comparative purposes as they represent the last normal or full year of results prior to the significant expense reductions required in 2020-21 to offset decreases in revenues due to lower business activity resulting from the pandemic. For example, travel expenses were virtually nil in 2020-21 due to travel restrictions and saved at least \$1.3 million of expense. In 2020-21, the Corporation also proactively reduced its expense base by eliminating regional representation in South America and the Middle East and restructuring its sector approach to business development resulting in ongoing savings of approximately \$1.2 million.

In the 2021-22 Corporate Plan, administrative expenses decrease from \$27.63 million in 2019-20 to \$24.77 million in 2025-26 over the course of the planning period. This represents a total decrease of approximately 11% over the duration of the Plan. Annual increases due primarily to inflation and step movements within pay scales on salaries and benefits are offset by a number of cost efficiencies. These efficiencies include reductions resulting from resource redeployment, natural attrition and the refocusing of CCC's international presence to better leverage the Trade Commissioner Service and its global networks.

In addition to its core expenses, the Corporation is planning on incurring costs related to restructuring initiatives in 2022-23 and 2023-24 that will be required to better position CCC for self-sustainability in the outer years of the planning period.

Compared to the last TB-approved 2017-18 Corporate Plan, planned administrative expenses have been reduced by a total of \$19.81 million over the 2019-20 to 2021-22 period, or an average of over \$6 million per year.

Generally, CCC's expenses are categorized as follows: 67% for salaries, benefits and related expenses; 20% fixed contractual obligations for items such as rent, PSPC services, software licences, telecommunications services and the Board of Directors; and 13% discretionary related to business travel to secure and manage contracts and consultants for various services.

Budgets are managed on a continuous basis from the outset of the year with a view to controlling expenditures relative to revenues earned throughout the year; historically, CCC has underspent its expense budgets and forecasts year over year, a testament to the Corporation's fiscal prudence in light of very unpredictable business volumes.

SCHEDULE A: STATEMENT OF FINANCIAL POSITION*(in thousands of Canadian dollars)*

	Actual 2019-20	Actual 2020-21	Corporate Plan 2021-22 to 2025-26				
			2021-22	2022-23	2023-24	2024-25	2025-26
ASSETS							
Current assets							
Cash	\$ 65,818	\$ 49,448	\$ 43,260	\$ 50,967	\$ 53,242	\$ 52,261	\$ 52,846
Accounts receivables and other assets	19,693	23,266	24,585	21,685	18,014	18,902	15,991
	85,511	72,714	67,845	72,652	71,256	71,163	68,836
Non-current assets							
Property and equipment	13,395	6,490	6,565	6,531	6,136	5,691	5,247
TOTAL ASSETS	\$ 98,906	\$ 79,204	\$ 74,410	\$ 79,182	\$ 77,392	\$ 76,854	\$ 74,083
LIABILITIES							
Current liabilities							
Accounts payables and accrued liabilities	\$ 46,535	\$ 27,698	\$ 23,302	\$ 26,689	\$ 23,727	\$ 21,608	\$ 17,980
Advances	20,754	22,140	20,000	20,000	20,000	20,000	20,000
Employee benefits	1,083	1,111	1,163	1,213	1,263	1,312	1,361
	68,372	50,949	44,465	47,903	44,990	42,920	39,341
Non-current liabilities							
Lease liabilities	6,419	5,972	5,568	5,164	4,760	4,356	3,952
Employee benefits	201	192	173	156	140	126	113
	6,620	6,164	5,741	5,320	4,900	4,482	4,065
Total liabilities	74,992	57,113	50,206	53,222	49,890	47,402	43,406
SHAREHOLDER'S EQUITY							
Contributed surplus	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Retained earnings	13,914	12,091	14,204	15,960	17,502	19,451	20,676
Total equity	23,914	22,091	24,204	25,960	27,502	29,451	30,676
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	\$ 98,906	\$ 79,204	\$ 74,410	\$ 79,182	\$ 77,392	\$ 76,854	\$ 74,083

SCHEDULE B: STATEMENT OF COMPREHENSIVE INCOME (LOSS) AND CHANGES IN EQUITY*(in thousands of Canadian dollars)*

	Actual 2019-20	Actual 2020-21	Corporate Plan 2021-22 to 2025-26				
			2021-22	2022-23	2023-24	2024-25	2025-26
VALUE OF CONTRACTS SIGNED	\$ 1,249,635	\$ 1,345,669	\$ 1,334,298	\$ 1,370,000	\$ 1,412,000	\$ 1,454,100	\$ 1,496,305
COMMERCIAL TRADING AND SOURCING TRANSACTIONS	\$ 3,170,831	\$ 2,921,315	\$ 2,237,035	\$ 2,562,177	\$ 2,277,816	\$ 2,074,385	\$ 1,726,103
REVENUES							
Fees for service	\$ 24,068	\$ 18,400	\$ 15,914	\$ 17,760	\$ 16,068	\$ 14,399	\$ 12,169
Other income	655	258	145	267	267	267	267
Finance income, net	929	137	182	237	340	422	563
	25,652	18,795	16,241	18,264	16,675	15,088	12,999
EXPENSES							
Administrative expenses							
DPSA expenses	12,762	10,983	13,000	13,000	13,000	13,000	13,000
Other operating expenses	14,872	12,977	13,911	14,508	14,383	13,139	11,774
Restructuring expenses	-	-	-	2,000	750	-	-
	27,634	23,960	26,911	29,508	28,133	26,139	24,774
Contract remediation expenses	-	-	-	-	-	-	-
	27,634	23,960	26,911	29,508	28,133	26,139	24,774
Gain (loss) on foreign exchange	47	(658)	(217)	-	-	-	-
Net results of operations before transfer from Government of Canada / Parliamentary appropriation	(1,935)	(5,823)	(10,886)	(11,244)	(11,458)	(11,050)	(11,775)
Transfer from Government of Canada / Parliamentary appropriation	4,500	4,000	13,000	13,000	13,000	13,000	13,000
NET RESULTS OF OPERATIONS	\$ 2,565	\$ (1,823)	\$ 2,114	\$ 1,756	\$ 1,542	\$ 1,950	\$ 1,225
Equity at beginning of the year	\$ 21,349	\$ 23,914	\$ 22,091	\$ 24,204	\$ 25,960	\$ 27,502	\$ 29,451
Equity at year end	23,914	22,091	24,204	25,960	27,502	29,451	30,676
Transfer to the Government of Canada	-	-	-	-	-	-	-
EQUITY AT YEAR END	\$ 23,914	\$ 22,091	\$ 24,204	\$ 25,960	\$ 27,502	\$ 29,451	\$ 30,676

SCHEDULE C: STATEMENT OF CASH FLOW*(in thousands of Canadian dollars)*

	Actual 2019-20	Actual 2020-21	Corporate Plan 2021-22 to 2025-26				
			2021-22	2022-23	2023-24	2024-25	2025-26
OPERATING ACTIVITIES							
Net results of operations	\$ 2,565	\$ (1,823)	\$ 2,114	\$ 1,756	\$ 1,542	\$ 1,950	\$ 1,225
Adjustments to determine net cash from (used in) operating activities:							
Depreciation	728	729	475	585	645	695	695
Employee benefits	(395)	33	33	33	34	35	36
Gain on foreign exchange	(1,477)	2,944	-	-	-	-	-
Change in working capital from:							
Accounts receivables and other assets	892	2,713	(1,319)	2,900	3,671	(888)	2,911
Accounts payables and accrued liabilities	3,446	(18,880)	(4,396)	3,387	(2,962)	(2,119)	(3,628)
Advances	678	1,386	(2,140)	-	-	-	-
Cash provided by (used in) operating activities	6,437	(12,898)	(5,234)	8,661	2,929	(327)	1,239
INVESTING ACTIVITIES							
Transfer from Government of Canada	-	-	-	-	-	-	-
Acquisition of property and equipment	(173)	(110)	(550)	(550)	(250)	(250)	(250)
Cash used in investing activities	(173)	(110)	(550)	(550)	(250)	(250)	(250)
FINANCING ACTIVITIES							
Principal repayment of lease liabilities	(404)	(418)	(404)	(404)	(404)	(404)	(404)
Cash used in financing activities	(404)	(418)	(404)	(404)	(404)	(404)	(404)
Effect of exchange rate changes on cash	1,477	(2,944)	-	-	-	-	-
Net increase (decrease) in cash	7,337	(16,370)	(6,188)	7,707	2,275	(981)	585
Cash at the beginning of period	58,481	65,818	49,448	43,260	50,967	53,242	52,261
CASH AT THE END OF THE PERIOD	\$ 65,818	\$ 49,448	\$ 43,260	\$ 50,967	\$ 53,242	\$ 52,261	\$ 52,846

SCHEDULE D: VARIANCE ANALYSIS, ACTUAL COMPARED TO OPERATING BUDGET FOR THE YEAR ENDING MARCH 31, 2021

(in thousands of Canadian dollars)

	2020-21			Explanations
	Actual	Budget*	Variance	
REVENUES				
Fees for service	\$ 18,400	\$ 37,850	\$ (19,450)	Fees for service are earned on deliveries and work performed. The unfavourable variance resulted as there were much fewer fee-generating delivery transactions than planned. Management's VCS growth expectations (at the time*) in year 4 of the 2017-18 Plan did not materialize. Expectations were tempered and adjusted accordingly in subsequent Corporate Plans, however, the Plans were not approved by government. Generally, contract signings on government-to-government fee-generating business are delayed or do not occur due to many uncontrollable variables, thus impacting the Corporation's ability to generate fees.
Other income	258	400	(142)	Other income comprises fees earned for providing discounted early payment and payment wiring to Canadian exporters, and other miscellaneous amounts.
Finance income, net	137	661	(524)	Finance income earned on the Corporation's cash balances was significantly lower than was expected in the 2017-18 CP* due to lower cash balances and interest rates.
Net revenues	18,795	38,911	(20,116)	
EXPENSES				
Administrative expenses	23,960	32,438	8,478	The favourable variance resulted as management has been steadily reducing expenditure plans relative to revenues over the last few Corporate Plan submissions that have not been approved by government. In addition, 2020-21 was even lower due to limitations brought on by the pandemic. Budgets are managed on a continuous basis from the outset of the year with a view to controlling expenditures relative to revenues earned throughout the year.
Contract remediation expenses	-	50	50	CCC will not incur any contract remediation expenses in 2020-21. The favourable forecast variance reflects the Corporation's robust risk and contract management practices and ERM framework.
Total expenses	23,960	32,488	8,528	
Gain (loss) on foreign exchange	(658)	-	(658)	The Corporation does not budget for foreign exchange gains and losses. Unhedged foreign exchange balances are monitored and maintained at negligible levels.
Net results of operations before parliamentary appropriation	(5,823)	6,423	(12,246)	
Transfer from Government of Canada	4,000	-	4,000	Government funding was received during the year to be applied against DPSA expenses.
TOTAL COMPREHENSIVE INCOME	\$ (1,823)	\$ 6,423	\$ (8,246)	

(*) The 2020-21 Forecast is compared to the budget developed three years ago. Year 4 of the 2017-18 to 2021-22 Corporate Plan was the last operating budget approved by Treasury Board.

SCHEDULE E: VARIANCE ANALYSIS, 2021-22 PROPOSED BUDGET COMPARED TO 2020-21 ACTUAL

(in thousands of Canadian dollars)

	2021-22 Proposed Budget	2020-21 Actual	Increase (Decrease)	Explanations
REVENUES				
Fees for service	\$ 15,914	\$ 18,400	\$ (2,486)	Fees for service are earned on deliveries and work performed. The decrease is due to the lower level of contract signing activity in 2018-19 and 2019-20, and impacts of the pandemic on primarily activities related to the Cuba and Lottery programs.
Other income	145	258	(113)	Rates used on discounted early payment transactions have been lowered for future use.
Finance income, net	182	137	45	A slight increase to usable cash balances is expected.
Net revenues	16,241	18,795	(2,554)	
EXPENSES				
Administrative expenses	26,911	23,960	2,951	Increase is the result of expenditures returning to normal, pre-pandemic levels. The increases are spread across all lines of expenditure but primarily salary related (+\$1.7M) and travel (+\$1.3M). Budgets are managed on a continuous basis from the outset of the year with a view to controlling expenditures relative to revenues earned throughout the year.
Contract remediation expenses	-	-	-	The Corporation is not budgeting for any contract remediation expenses over the planning period due to CCC's exceptional results achieved over the last several years, primarily due to the Corporation's focus on risk management.
Total expenses	26,911	23,960	2,951	
Gain (loss) on foreign exchange	(217)	(658)	441	The Corporation does not budget for foreign exchange gains and losses. Unhedged foreign exchange balances are monitored and maintained at negligible levels.
Net results of operations before parliamentary appropriation	(10,886)	(5,823)	(5,063)	
Transfer from Government of Canada	13,000	4,000	9,000	
TOTAL COMPREHENSIVE INCOME	\$ 2,114	\$ (1,823)	\$ 3,937	

CAPITAL BUDGET

The strategic investments in information technology (IT) in years 2021-22 to 2022-23 represent the capitalization of the investment costs to upgrade and enhance information and financial systems. These amounts will be amortized over the investments' deemed useful lifespan of five years. These initiatives will be funded from the Corporation's equity and not expensed as part of the Corporation's operating budget.

Specifically, in 2021-22 and 2022-23, CCC is planning total investments of \$600,000 to continue its implementation of an electronic document and records management system (EDRMS), which commenced in 2020-21. The system is crucial to CCC's growth, maturity and ability to do business in the ever-growing digital landscape and will provide long-term organizational efficiencies.

At present, CCC documents are stored in various drives on its network, absent workflow and version control governance. Investments required to remedy this critical situation have been stalled by the unavailability of funds. This important investment is expected to generate immediate and lasting efficiencies in areas related to workflow, transparency and information accuracy, and will have cost-saving implications for information security.

In addition, a capital budget of \$250,000 annually is required for ongoing normal maintenance of IT infrastructure and other capital costs such as standard purchases of equipment, furniture and fixtures. These initiatives will be funded from the Corporation's equity and not expensed as part of the Corporation's operating budget.

A table identifying anticipated capital budget investments for CCC for the period 2021-22 to 2025-26 follows:

<i>(in thousands of Canadian dollars)</i>	Corporate Plan 2021-22 to 2025-26				
	2021-22	2022-23	2023-24	2024-25	2025-26
Strategic investments - IT	\$ 300	\$ 300	\$ -	\$ -	\$ -
Ongoing normal maintenance related to facilities and equipment, leasehold improvements and information systems	250	250	250	250	250
TOTAL CAPITAL BUDGET REQUEST	\$ 550	\$ 550	\$ 250	\$ 250	\$ 250

Appendix E

Borrowing plan

CCC's funding activities are governed by section 11 of the CCC Act and section 127 of the FAA.

Under subsection 11(1.1) of the CCC Act, CCC is subject to a statutory borrowing authority constraint, which limits the total amount outstanding at any time at \$90 million, or an amount as may be specified in an appropriation act.

In accordance with subsection 127(3) of the FAA, CCC requires the approval of the Minister of Finance to enter into a borrowing facility. The approval sets out the key terms and conditions that must be reflected in any resulting borrowing arrangement. In this Corporate Plan, CCC is seeking ministerial approval to borrow up to \$40.0 million in Canadian currency or its US dollar equivalent from various financial institutions to finance temporary working capital requirements. Consistent with previous years, CCC is requesting up to 120-day repayment terms. The Corporation expects to borrow Canadian currency at the Canadian prime rate and US currency at the US prime rate.

The Corporation's working capital requirements result primarily from its facilitation of the DPSA program. CCC pays Canadian exporters on a select portion of DPSA contracts within 30 days of receipt of invoices, and requires access to an operating line of credit as a prudent safeguard in the event that the US DoD does not pay its invoices from CCC within the same time period. Additionally, at the request of Canadian exporters, the Corporation may use the operating line of credit to facilitate early payments at discounted amounts primarily for DPSA contracts.

In July 2021, CCC's borrowing plan was extended until December 31, 2021. This extension will be superseded by any approved borrowing authorities in CCC's Corporate Plan.

A table identifying borrowing needs for CCC for the period 2021-22 to 2025-26 follows:

<i>(in millions of Canadian dollars)</i>	Corporate Plan 2021-22 to 2025-26				
	2021-22	2022-23	2023-24	2024-25	2025-26
Short-term borrowing (up to 120 days)	\$ 40	\$ 40	\$ 40	\$ 40	\$ 40
TOTAL BORROWING REQUEST	\$ 40	\$ 40	\$ 40	\$ 40	\$ 40

Appendix F

Compliance with legislative and policy requirements

The Government of Canada regulates CCC primarily through its enabling legislation, the CCC Act, and through the FAA. In addition, the Corporation is subject to the following federal legislation as well as any new legislation, regulation or policy that is extended to Crown corporations:

ACCESS TO INFORMATION ACT

CCC is subject to the provisions of the *Access to Information Act*. In accordance with section 72 of the Act, CCC's annual report to Parliament on the *Access to Information Act* is tabled in Parliament annually and is made available on CCC's website at <https://www.ccc.ca/en/ccc/about-ccc/disclosure>. In addition, summaries of completed access to information requests by CCC are posted on the Government of Canada Open Government Portal.

PRIVACY ACT

CCC is subject to the provisions of the *Privacy Act*. In accordance with the Act, CCC's annual report to Parliament on the administration of the *Privacy Act* is tabled in Parliament annually and is made available on CCC's website at <https://www.ccc.ca/en/ccc/about-ccc/disclosure>.

CONFLICT OF INTEREST ACT

The *Conflict of Interest Act*, created through the FAA, establishes the regime that governs the ethical conduct of public office holders, both during and after employment. CCC requires its employees to conduct business with honesty, integrity and fairness. CCC's Code of Conduct and Business Ethics defines the Corporation's commitment to ethical conduct, the environment and human rights. It also spells out the policies and procedures that govern the behaviour of employees of the Corporation including conflict of interest. All employees sign an annual statement confirming they are in compliance with the requirements set out in this Code.

CANADIAN HUMAN RIGHTS ACT

CCC complies with the *Canadian Human Rights Act* by promoting a workplace free from discrimination and harassment as noted in its Code of Conduct and Business Ethics and its Anti-Harassment Policy.

CORRUPTION OF FOREIGN PUBLIC OFFICIALS ACT

CCC views business ethics as fundamental to successful business practices as outlined in its Code of Conduct and Business Ethics, which reflects both the refreshed Values and Ethics Code for the Public Sector established by the Treasury Board as well as an organization-specific set of common values and ethics. Operating ethically means, at a minimum, conducting its affairs in accordance with the letter and spirit of the applicable laws of the countries in which CCC does business and complying with the Canadian *Corruption of Foreign Public Officials Act*. CCC is a contributor to the annual report submitted to Parliament as required under the *Corruption of Foreign Public Officials Act*. The annual report outlines activities undertaken by government departments and agencies in support of the Act's requirements.

CANADIAN ENVIRONMENTAL ASSESSMENT ACT

The *Canadian Environmental Assessment Act* requires federal departments, including Environment Canada, agencies and Crown corporations to conduct environmental assessments for proposed projects where the federal government is the proponent or where the project involves federal funding, permits or licensing. The purposes of the Act were set out as follows: (1) to achieve sustainable development that conserves environmental quality by integrating environmental factors into planning and decision-making processes, (2) to exercise leadership within Canada and internationally and (3) to provide access to information and to facilitate public participation. CCC ensures compliance with the Act and reports on its activities every year in its annual reports.

EMPLOYMENT EQUITY ACT

CCC is committed to establishing equal opportunities in employment and has the goal of achieving and maintaining a representative workforce. To that end, CCC seeks to identify and remove any barriers in employment including its recruitment, hiring, training and promotion practices.

OFFICIAL LANGUAGES ACT

In keeping with the *Official Languages Act* requirements, CCC has an Official Languages Policy that applies to all employees. CCC seeks to provide quality services to the general public and to its clients in both English and French and gives its employees the opportunity to work in the official language of their choice.

OFFICIAL LANGUAGES POLICY INSTRUMENTS

To facilitate the achievement of the objectives of its Official Languages Policy, CCC intends to provide for the appropriate operational environment by assigning linguistic requirements to all its positions in the spirit of the Policy on Official Languages issued by the Treasury Board of Canada.

DIRECTIVE ON TRAVEL, HOSPITALITY, CONFERENCE AND EVENT EXPENDITURES

The Corporation's approach to travel and hospitality is aligned with the Directive on Travel, Hospitality, Conference and Event Expenditures that took effect on April 1, 2017. The purpose of these directives is to provide for the reimbursement of reasonable expenses incurred during travel on government business. The rules and principles outlined in the CCC Travel, Hospitality, Conference and Event Expenditures Policy provide for the application of these directives.

CCC voluntarily reports, through its website, annual aggregate corporate expenses related to travel and business development activities as well as the travel and hospitality expenses for the President and CEO and senior executives. Expenses are reported by fiscal quarter and are reflected in the period during which they were reimbursed. Details on CCC's disclosure can be found at <https://www.ccc.ca/en/ccc/about-ccc/disclosure>

PENSION PLAN REFORM DIRECTIVES

CCC is not subject to the ministerial directive to comply with section 89 of the FAA. The Corporation has a defined benefit pension plan that is in line with the Public Service Pension Plan.

INTEGRITY DIRECTIVE

In September 2008, the Corporation, together with a number of other Crown corporations, was issued a directive (P.C. 2008-1598) pursuant to section 89 of the FAA, entitled *Order giving a direction to parent Crown corporations involved in commercial lending to give due consideration to the personal integrity of those they lend to or provide benefits to in accordance with government's policy to improve the accountability and integrity of federal institutions*. The Corporation implemented the directive effective January 1, 2010.

TRADE AGREEMENTS

As a Government of Canada entity authorized to execute commercial contracts with foreign government buyers, CCC is uniquely positioned to support Canadian exporters and to increase Canada's trade footprint in new and priority markets. While CCC is not involved in activities directly related to trade agreements, the Corporation does act as the custodian of the DPSA, which is one of a number of Canada-US trade agreements. It complements other multilateral trade agreements, which normally do not cover defence goods and services. The agreement has effectively reduced trade barriers, increased the depth of the Canadian defence industry and provided high-value jobs for Canadians.

With respect to CCC's procurement practices and trade agreements, it should be noted that CCC operates in a niche space that must be assessed on a case-by-case basis looking at the specific treaty commitments and procurement rules applicable to the foreign country. In this regard, for World Trade Organization (WTO) members, while the General Agreement on Tariffs and Trade and General Agreement on Trade in Services establish the rules for government procurement, each signatory to the WTO lists its own exemptions for non-defence goods. Moreover, many foreign buyer countries, who are party to the WTO, are not parties to the Agreement on Government Procurement. Finally, the WTO rules make exceptions for certain situations, including where there are urgent needs, where there is a unique technical offering or where there have been unsuccessful tenders.

EXPORT AND IMPORT PERMITS ACT

The *Export and Import Permits Act* (EIPA) governs transactions undertaken by commercial entities in Canada.¹⁰ As a result, Canadian exporters, even when working in conjunction with CCC, must comply with the export control regime established by the EIPA. In terms of responsibility for obtaining export permits, pursuant to section 7 of EIPA, it is the exporter of record who is responsible for obtaining all required export permits. CCC does not obtain export permits on behalf of Canadian exporters.

¹⁰ *Export and Import Permits Act* (R.S.C., 1985, c. E-19)

Appendix G

Government priorities and direction

Government-wide priorities are outlined in the Speech from the Throne and the Budget Plan and the SPA.¹¹ This appendix describes how CCC's priorities and activities align with government-wide priorities and highlights any notable activities in the following key areas:



¹¹ Government of Canada, Government priorities. Accessed at <https://www.canada.ca/en/government/system/priorities.html?ga=2.73732242.1878693409.1510164989-216074105.1505315235>

ACCESSIBILITY

CCC is committed to principles of equity and diversity in the workplace and ensuring equal opportunities and equitable representation in employment. By eliminating barriers in all our employment policies, procedures and practices, CCC will ensure a wider pool of talent that CCC can draw upon, and employees will have the necessary support to do their best work. CCC is assessing two priority areas to ensure it has the appropriate policy, procedures and overall strategy to improve recruitment, retention and promotion of persons with disabilities and ensure and enhance, where necessary, the accessibility of our workplace.

GENDER-BASED ANALYSIS PLUS / DIVERSITY AND EMPLOYMENT EQUITY

CCC is committed to building a diverse workforce and an inclusive environment. The Corporation is not guided by specific employee targets, but does benefit from a diverse workforce. CCC's human resources employment policies and practices build on a commitment to employment equity, and encourage applications from women, Indigenous people, persons with disabilities and visible minorities. In order to promote and sustain a positive and inclusive workplace, CCC instituted an employee-led Diversity and Inclusion Committee. This committee organizes training, information sessions and activities, while also being a source of information and advice for employees and executive management. CCC also supports the Government of Canada's commitment to inclusion and diversity through its transparent and merit-based appointment processes to fill vacancies within CCC's Board of Directors. In this regard, CCC is fully supportive of the amendments proposed in Bill C-25, *An Act to amend the Canada Business Corporations Act, the Canada Cooperatives Act, the Canada Not-for-profit Corporations Act and the Competition Act*, which seek to expand diversity disclosure.¹²

The pandemic has undoubtedly shed greater light on existing and long-standing systemic barriers faced by under-represented groups in doing business. These challenges, in turn, have called for a concerted effort to ensure a more inclusive future for all Canadians. To that end, Budget 2021 announced that federal Crown corporations will be required to implement gender and diversity reporting starting in 2022. This reflects a need to clearly understand how federal services are working—and could potentially be doing better—to serve under-represented and marginalized groups. To enhance this knowledge in this regard, CCC will develop a framework for data collection, analysis and reporting on the diversity of Canadians who benefit most directly from CCC's services. These would include the owners and employees of CCC's exporter partners, as well as Canadians engaged in the supply chains of those firms. CCC will begin to report on the diversity of the organization's workforce in its annual reports and to fulfill any further reporting requirements that follow from the implementation of Budget 2021. Although Budget 2021 also recognized that CCC is often most active in sectors where women remain under-represented in the workforce and leadership roles, such as defence, aerospace and advanced manufacturing, CCC will be a supportive partner in industry or government-led initiatives aimed at increasing the participation and leadership of women in these sectors.

During the first quarter of 2021–22, CCC completed an analysis to identify gaps and propose options to implement a process whereby CCC can gather and report on under-represented groups amongst the CCC customer base across all programs. Management set a firm target and expects to gather and report under-represented group data on at least 50% of the CCC customer base by year-end.

12 Parliament of Canada, C-25. Accessed at <https://www.parl.ca/LegisInfo/en/bill/42-1/C-2525>

INDIGENOUS COMMUNITY COMMITMENTS

As a Government of Canada entity authorized to execute commercial contracts with foreign government buyers, CCC is aware of the obligations outlined in the United Nations Declaration on the Rights of Indigenous Peoples and seeks to ensure that the concept of Free, Prior and Informed Consent is upheld when indigenous populations are impacted by a project.

SAFE WORKSPACES

CCC employees have the right to work in an environment where they are treated with respect, dignity and fairness. As a Crown corporation, CCC is committed to ensuring that its employees feel safe and welcome in their workplace and that harassment is never tolerated. CCC places an emphasis on harassment prevention through education and awareness training for all employees. This training is provided on a regular basis and is supported by CCC's Anti-Harassment Policy. Managers and human resource employees are provided with additional manager-specific training that reflects their responsibilities and unique responsibilities in preventing and responding to harassment, including handling complaints and creating a culture of ethics and respect.

GREENING GOVERNMENT OPERATIONS

CCC is committed to aligning with the objectives in the Government of Canada's Greening Government Strategy that incorporates the federal government's commitment to net-zero carbon and climate-resilient operations by 2050, while also reducing environmental impacts beyond carbon, including on waste, water and biodiversity. In the first year of the planning period, CCC will assess how the Corporation aligns to the Greening Government Strategy and will prioritize an internal policy review to identify areas where CCC can take action to reduce its organizational impact on the environment.

CCC's Responsible Business Conduct Framework and suite of supporting policies further serves to identify, assess and mitigate environmental impacts as they relate to capital projects outside of Canada. CCC plans to engage with third party subject matter experts and internal government partners to inform CCC's approach on how to achieve, measure and report on its progress.

TRANSPARENCY AND OPEN GOVERNMENT

Within the required time frames, CCC openly publishes its public reports such as annual and quarterly reports, summary corporate plans, travel and hospitality expenditures of the Board and senior management and *Access to Information Act* inquiries. The Corporation aims to respond in a timely manner to all information requests as well as reasonably address any associated concerns.

GLOSSARY

BDC	Business Development Bank of Canada	GAC	Global Affairs Canada
BETR	Business, Economy, Trade and Recovery	GBOF	Global Bid Opportunities Finder
CCC	Canadian Commercial Corporation	HRC	Human Rights Committee
CEO	Chief executive officer	ICT	Information and communications technology
COVID-19	Coronavirus disease	IFRS	International financial reporting standards
CRM	Customer relationship management	IPC	International prime contracting
CTTs	Commercial trading transactions	MOU	Memorandum of understanding
DPSA	Defence Production Sharing Agreement	PSPC	Public Services and Procurement Canada
EDC	Export Development Canada	RBC	Responsible business conduct
EDM	Emerging and developing markets	SMEs	Small and medium-sized enterprises
EDRMS	Electronic document and records management system	SPA	Statement of Priorities and Accountabilities
EIPA	<i>Export and Import Permits Act</i>	TCS	Trade Commissioner Service
ERM	Enterprise risk management	USD	United States dollar
ESG	Environmental and social governance	US DoD	United States Department of Defense
FAA	<i>Financial Administration Act</i>	VCS	Value of contracts signed
G2G	Government-to-government	WTO	World Trade Organization



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