



Freshwater Fish Marketing Corporation

Corporate Plan FY2021/22 to FY 2025/26

Canada

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## 1.0 Executive summary

The Freshwater Fish Marketing Corporation (FFMC) has played a pivotal role in meeting the unique needs of Canada's commercial inland fishery for over 50 years. The Corporation's purpose remains true to its 1969 legislated mandate in its current mission statement: *To maximize long term returns to commercial fishers through securing supply, creating an orderly market, promoting international markets and increasing trade in freshwater fish.*

Canada's commercial inland fishery and FFMC have contributed to the economic prosperity of many fishing communities in western and northern Canada for over half a century. While FFMC has played a far-reaching role in the commercial inland fishery, conditions in the industry have changed.

The open fish supply market that now covers 95% of FFMC's supply base is unprecedented for the Corporation and is impacting operational and financial performance. Increased competition from buyers in the open market is impacting fish deliveries, operational efficiency, processing capacity and financial results. Additionally, the sales markets in which FFMC operates are becoming more competitive. With open access to fish supply, competitors who may have more extensive or specialized processing and/or marketing capabilities may be able to vertically integrate their operations and affect FFMC in a way that was not possible before. FFMC faces aggressive competitors who are intent on increasing their market share and profiting from the open market opportunity.

Recognizing these industry changes, in 2018 the Government of Canada established an advisory panel (the Panel) to explore ways to transform FFMC to remain modern and competitive in the open market. In 2019, the Government of Canada released the Panel's final report. The Minister of Fisheries and Oceans and the Canadian Coast Guard (the Minister) appointed an Interlocutor in late 2019 to engage with stakeholders to explore the feasibility of transforming FFMC into a harvester-led entity that respects harvester ambitions for the future of the inland fishery. The Interlocutor has provided the Minister with a report on his findings and recommendations. The report is being reviewed by the Minister to determine the next steps in the transformation process.

The Board of Directors and senior management of the Corporation are committed to maintaining the value of FFMC while the transformation process is underway, until a final decision regarding the future of the Corporation is made. In the absence of specific direction from the Government of Canada during the transformation period, FFMC continues to operate as a Crown corporation and fulfill its mandate as legislated in the *Freshwater Fish Marketing Act (FFMA)*. Additional obligations applicable to Crown corporations are also met through compliance with additional federal legislation applicable to FFMC.

In addition to the industry changes and future direction of the Corporation, the impact of COVID-19 is a health, social and economic crisis without modern parallel affecting FFMC, its employees, our customers and our supply chain partners, particularly fishers. The decline in sales revenues that has resulted from the COVID-19-related closure or restricted operations of virtually all dine-in restaurants in the food service industry around the world has added unknown and unparalleled challenges. As part of our ongoing efforts to mitigate the impact caused by the COVID-19 pandemic, the Corporation has taken actions to align its operations with the new reality created by the pandemic. These actions include aligning fish harvesting and processing with customer demand, reducing operating costs and discretionary spending, deferring or eliminating capital expenditures, aggressively targeting new sales markets, particularly retail customers, and reducing our labour force. We also implemented pandemic protocols and measures in March of 2020 that continue to protect the health and safety of our employees. We believe that our responses to the pandemic have been integral to partially mitigating the impacts of COVID-19 on our financial results and operations. We are focused on successfully managing the Corporation through this unprecedented health crisis while meeting commitments of all FFMC stakeholders. However, the magnitude and longer-term impact of COVID-19 remains highly vulnerable to risk in FFMC's FY2021/22 to 2025/26 corporate plan, particularly in the first two years of the planning horizon.

The short-term impact of COVID-19 has introduced additional forward-looking uncertainty affecting financial and operating performance of the Corporation. FFMC's correspondence with the Government of Canada since the open-market transformation began in 2016 has communicated that operating as a Crown corporation in an open market may result in lower profitability, possible unprofitability and may increase debt obligations. The Corporation continues to adjust its business model as fishers and markets adapt to the open-market environment. However, the ability to manage the diverging impact of the open-market environment with FFMC's legislated mandate is becoming increasingly difficult. The Corporation requires approval of its annual corporate plans that include capital investments to maintain the operating efficiency and reliability of FFMC. As the transformation process progresses and the open market becomes increasingly dynamic, assurances from the Government of Canada to continue guaranteeing debt obligations of the Corporation is imperative. The Corporation's bank requires this assurance.

FFMC is committing through the FY2021/22 to FY2025/26 corporate plan to maintain the value of the Corporation during the transformation process using five key strategic initiatives. The five strategic initiatives are:

- **trusted brand of choice:** continue to be the trusted, preferred partner for fishers and customers
- **operational excellence:** efficient processes, state of the art systems in logistics and supply chain management
- **culture of performance:** confidence, optimism, and a sense of team supported by transparent communication
- **diversify revenue:** leverage core competencies in logistics, custom processing to access new sources of revenue
- **maintain value:** maintain the value of FFMC for the Government of Canada through transformation

Over the plan period, FFMC will focus its efforts in all five areas.

#### **Financial plan**

FFMC's projected operating budget for FY2021/22 is \$58.3 million based on sales revenue of \$56.4 million. Initial payments to fishers are forecast to reach \$25.6 million or 45.4% of sales revenue. Retained earnings are planned to be \$15.5 million on April 30, 2022. Total comprehensive income is forecast to be (\$2.6) million before final payment to fishers and income tax.

#### **Capital budget**

The Corporation expects to spend \$4.2 million on capital investments in FY2021/22.

#### **Borrowing plan**

The aggregate principal amount outstanding of borrowings will not at any time exceed \$39.1 million, which is below the maximum statutory limit of \$50 million.

## 2.0 | Overview

### 2.1 Corporate mandate

The Freshwater Fish Marketing Corporation (FFMC or the Corporation) is a federal Crown corporation established in 1969 under the *Freshwater Fish Marketing Act (FFMA)*, for the purpose of marketing and trading in fish, fish products, and fish by-products in and outside Canada.

The Corporation is required to carry out its operations on a financially self-sustaining basis, without parliamentary appropriations.

The Corporation is required to purchase all fish legally caught and offered for sale in its mandate regions, which encompass Alberta and the Northwest Territories. These jurisdictions participate under agreements with the Government of Canada. The Corporation also purchases fish from outside its mandate regions under contracts with individual fishers or fisher cooperatives—specifically, from Saskatchewan and Manitoba, which were signatories to agreements with the Government of Canada until Saskatchewan withdrew from the *FFMA* in 2012 and Manitoba withdrew in 2017.

The Corporation has the exclusive right to the interprovincial and export trade of fish within its mandate regions, meaning that fishers and fisher cooperatives must sell all their fish to the Corporation, which must buy the fish, unless the sales are local. In Saskatchewan and Manitoba, FFMC has established supply contracts with fishers to match the open market supply environment in those provinces with market demand for its products.

FFMC achieves its purpose by focusing on the specific activities set out in the *FFMA* and priorities set by the Government of Canada. Government priorities for the Corporation include;

- marketing fish in an orderly manner;
- promoting international markets for fish;
- increasing interprovincial and export trade in fish;
- increasing returns to commercial fishers.

The maximization of returns takes into consideration the need to remain financially sustainable while reinvesting in capital assets and investing in initiatives to find new markets.

### 2.2 Public policy role

Until 2012, FFMC was Canada's exclusive agent for purchasing, processing and marketing freshwater fish for the inland fishers of northern and western Canada.

With the withdrawal of successive jurisdictions from the *FFMA*, the Minister of Fisheries, Oceans and the Canadian Coast Guard (the Minister) in September 2018 established an Advisory Panel (the Panel) to look at ways to transform FFMC so it remains modern and competitive in today's open market.

The Panel reported on its findings in July 2019 and believes there is potential for a harvester-led model for the inland fishery. Emphasis was placed on uniting harvester groups to be part of, and provide leadership in, a transformed entity. The Panel's full report is available at <https://www.dfo-mpo.gc.ca/fisheries-peches/consultation/ffmc-cpea/transformation-ffmc-cpea-eng.html>. The Minister appointed an Interlocutor in September 2019 to engage with stakeholders to explore the feasibility of transforming FFMC into a harvester-led entity that respects harvester ambitions for the future of the inland fishery. The Interlocutor has provided the Minister with a report on his findings which is currently being reviewed to determine the next steps in the transformation process.

## 2.3 FFMC Vision, Mission and Values

### FFMC Vision

- To be an industry leader of premium-quality freshwater fish products through efficient supply chain management, value-added processing and effective marketing.

### FFMC Mission

- To maximize long term returns to commercial fishers through securing supply, creating an orderly market, promoting international markets and increasing trade in freshwater fish and supporting the following continuing principles;
  - Enable access to international markets
  - Maximize returns to stakeholders
  - Support the long term viability of the inland fishery in Canada

### FFMC Values

- **Fairness and respect for all:** Treating everyone with dignity and respect are principles guiding all of the work we do.
- **Open, honest, and accountable relationships:** We will continue to be transparent and report on the results of our successes and failures.
- **Fisher-focused:** We will continue to develop our relationships with fishers across western and northern Canada.
- **Teamwork and innovation:** We will invest and develop through collaborative efforts.

## 2.4 Main activities, principal programs and financial condition

The following is a description of FFMC's main activities:

**Providing access to world markets for Canada's inland fishers** — FFMC's reach extends worldwide in both food service and retail marketing channels. Freshwater is one of the world's largest and most consistent suppliers of wild-caught walleye, lake whitefish, mullet and northern pike. Freshwater provides Canadian fishers access to global markets while reducing their risk by hedging foreign currency sales and managing receivables. Although FFMC is a relatively limited player in the global fish and seafood market, the Corporation is a brand leader in several foreign markets such as Finland and France.

**Ensuring food safety and quality assurance for Canadian freshwater fish**—FFMC's products meet stringent handling, transportation and processing standards to ensure all products meet regulatory requirements. FFMC works closely with the Canadian Food Inspection Agency (CFIA) and customers to ensure its processing facility meets federal and customer requirements for food safety and quality.

**Supporting fishers, employees and customers throughout the supply chain**— Commercial fishing is often one of the few primary economic opportunities available to residents in the many remote and northern communities FFMC serves. In many communities where Freshwater operates delivery points, the fishery is the main opportunity for economic development. A majority of these communities are predominantly Indigenous (First Nations and Métis). FFMC's presence fosters independent business ownership, increases employment in rural and remote regions of Canada and offsets the need for social assistance.

**Supporting the sustainability of freshwater fish stocks**—Canadian freshwater fish, by virtue of the lakes from which the fish is caught, is an abundant and healthy resource. All species are wild-caught from clean pristine lakes in northern and western Canada. FFMC works with and supports regulators and governments to ensure the resource is monitored and contributes to maintaining long-term sustainable fish populations.

**Orderly market and price maintenance**—Freshwater buys all fish offered for sale either through its mandate or through fish-purchase contracts. FFMC balances wild-caught supply with market demand. For, example FFMC sells most of its products frozen, coordinating supply with demand and increasing returns to fishers.

**Investing in processing infrastructure to meet fishery and market needs** –FFMC has invested nearly \$20 million since 2010 in infrastructure, processing equipment and systems to add value to products and ensure food processing standards.

FFMC’s activities are consistent with the Government of Canada’s priorities. Additional details on FFMC’s main activities, principal programs and financial condition are available in our most recent annual report at <http://www.freshwaterfish.com/system/files/2019-20%20FFMC-Annual%20Report-FINAL-%20ENG.pdf>

## 3.0 | Operating environment

### 3.1 Economic outlook

The economic impact of the COVID-19 pandemic has affected every aspect of FFMC's business including customer demand, initial fish prices and deliveries, processing costs, production efficiencies and supply chain stability. FY 2019/20 financial performance was materially impacted by the pandemic's effect on the Corporation. FFMC's customers are overwhelmingly concentrated in the North American food service industry. Restaurants all over the world were closed in March of 2020 in response to the pandemic, eliminating demand for the products the Corporation sells. The longer-term uncertainty regarding the economic and subsequent recovery of the restaurant, hospitality and food service industry places unprecedented risk on the Corporation until there are sustained signs of improvement and demand increases.

Real GDP growth in the G7 economies is projected at 5.1 percent in 2021 reflecting the expectations of ongoing social distancing and wide-spread distribution of the pandemic vaccine by late 2021 subject to sufficient production capacity, efficacy and public acceptance to achieve herd immunity by late 2021. In 2022 G7 growth is projected at 4.6 percent. Specific sectors of the economy though, in particular for FFMC the food-service and hospitality industry that has been more severely impacted by the health pandemic, may not experience the same degree or velocity of economic growth as some other sectors.

#### Trade agreements

Trade agreements provide potential export opportunities for FFMC. The Comprehensive Economic Trade Agreement (CETA) has reduced tariffs on fish and seafood. Under CETA, almost 96% of EU tariff lines for fish and seafood products are duty-free. 100% of these tariff lines will be duty-free by 2024. Before CETA, EU tariffs for fish and seafood averaged 11% and were as high as 25%. Freshwater benefits from this agreement and continues to pursue additional opportunities in the EU.

The Comprehensive and Progressive Trans-Pacific Partnership (CPTPP) increases export opportunities for FFMC. The CPTPP Agreement eliminates most tariffs on Canadian fish and seafood exports, creating new opportunities in Asian markets. FFMC does not currently export much fish to the countries covered by the CPTPP agreement, but is working with partners such as the Canadian Trade Commission to pursue new market opportunities.

On July 1, 2020, The Canada-United States-Mexico Agreement (CUSMA) was ratified. Trade in fish and seafood products under the CUSMA is not subject to import tariffs.

All three trade agreements provide sales opportunities for the Corporation.

### 3.2 External environment

#### Lake Erie walleye fishing quota and supply increases

The fishing quota for walleye across Lake Erie has increased 75% since 2013. The binational Lake Erie Committee (LEC) from Michigan, New York, Ohio, Pennsylvania and Ontario have been increasing the total allowable catch limits for walleye annually based on scientific assessments of fish populations in the lake. Another 10% increase in allowable catch limits have been approved for 2021. The increasing allowable catch limits are expected to continue for the next five years.



### **Commercial fish supply from competitors into FFMC sales markets**

The increase in walleye available in Lake Erie and the access to fish supply by competitors in the open markets of Western Canada have provided competitors with abundant fish supply to compete against FFMC in key markets such as the U.S. Midwest and New York. Walleye is the most lucrative species being marketed by competitors, but other key species including lake whitefish and all species of roe are being aggressively marketed to FFMC's customers by competitors.

### **Russian extension of fish and seafood sanctions until 2022**

In 2014 Russia placed an embargo on importing certain food products from Canada and other western nations. The embargo has banned all FFMC's products from being sold in that country. Prior to 2014, FFMC exported lake whitefish to Russian customers. In late November, 2020, the Russian president extended his country's ban on the import of agricultural products from the countries that applied economic sanctions against Russia, including Canada, until the end of 2021. The Russian market remains blocked to sales opportunities for FFMC until December 31, 2021.

### **The transformation of FFMC**

In 2018, the Government of Canada established an advisory panel (the Panel) to explore ways to transform FFMC to remain modern and competitive in the open market. In 2019, the Government of Canada released the Panel's final report. The Minister appointed an Interlocutor in late 2019 to engage with stakeholders to explore the feasibility of transforming FFMC into a harvester-led entity that respects harvester ambitions for the future of the inland fishery. The Interlocutor has provided the Minister with a report on his findings and recommendations. The report is being reviewed by the Minister to determine the next steps in the transformation process.

The Panel's full report is available at <https://www.dfo-mpo.gc.ca/fisheries-peches/consultation/ffmc-cpea/transformation-ffmc-cpea-eng.html>.

### **Quota buy back**

In 2019, the Manitoba government initiated the opportunity for commercial fishers to voluntarily sell their Individual Quota Entitlement's (IQE's) back to the government to help assure the sustainability of fish populations in Lake Winnipeg. 500,000 kilograms of IQE was bought back by the Government in 2019. The Government of Manitoba believes that there are early warning signs that the sustainability of fisheries resources in Lake Winnipeg is at risk. FFMC expects the province to buy back another 500,000 kilograms of commercial IQE's in 2021.

### **Economic development in rural, remote and northern Canadian communities**

In most regions and communities where FFMC operates delivery points, the fishery is the primary commercial means of economic development. A majority of these areas are northern, remote, rural communities that are predominantly Indigenous (First Nations and Métis). Revenue generated in these communities through initial and final payments provided by FFMC fosters economic growth, job creation and broad-based prosperity.

The logistics and economics of purchasing fish in and transporting fish from more remote areas of FFMC's supply area is not economically attractive to FFMC's open-market competitors. The economic benefit and community support that FFMC provides in these areas is significant and without Freshwater's role in purchasing fish, economic and social decline could develop. The inland commercial fishery is an important industry in northern Manitoba and northern Saskatchewan and a major provider of employment in these areas.

### **Revitalization strategy for Great Slave Lake**

In 2019, the Government of the Northwest Territories (GNWT) announced the planned construction of a new fish plant in Hay River in support of its strategy to revitalize the NWT commercial fishery. The strategy includes four overarching goals: increasing lake production on Great Slave Lake; increasing processing in the NWT by constructing a new fish processing plant in Hay River; growing the NWT market; and accessing export markets. Freshwater is working with the GNWT to incorporate this initiative in its operations and strategic planning. The new Hay River processing facility is

scheduled to be operational by the summer of 2022. The Corporation plans to divest its processing facility and land in Hay River. FFMC will work with Public Services and Procurement Canada to coordinate the divestiture of its building, equipment and property in Hay River by April 30, 2022.

### **Surplus Food Rescue Program**

The Surplus Food Rescue Program (SFRP) was announced in July 2020 and formed part of the Government of Canada's emergency response to the COVID-19 crisis. The initiative was a time-limited program to help manage and redirect food surpluses to organizations including community or charitable organizations, Indigenous groups, cooperatives and regional and municipal governments and agencies to address food insecurity and avoid food waste. FFMC partnered with Fisher River Cree Nation (FRCN) in Manitoba to distribute walleye to Indigenous communities. The SFRP provided healthy and affordable food to Indigenous people. The program also enabled FFMC to reduce the level of frozen fish walleye inventory that the Corporation was unable to sell that could go to waste because of reduced COVID-19 related market demand from restaurants. The distribution of walleye inventory to Indigenous communities also allowed FFMC to re-start the supply chain and purchase fish again. As FFMC was able to purchase raw material, fishers returned to the fishery and earned income. These fishers then contributed to their local economies. The fish was distributed to Indigenous communities by the end of November 2020.

### **COVID-19**

FFMC has been materially impacted by the unparalleled COVID-19 global health crisis. For FFMC, the impact of the COVID-19 pandemic started to be felt through reduced demand for our products in early to mid-March 2020. FFMC encountered a significant drop in customer demand, particularly for walleye. Correspondingly, a prolonged decline in sales revenue has resulted because of the COVID-19-related closure or restricted operations of virtually all dine-in restaurants in the food service industry around the world. As part of our ongoing efforts to mitigate the impact caused by the COVID-19 pandemic, the Corporation has taken several actions to align its operations with the new reality created by the pandemic. These actions included limiting fish deliveries to species where demand existed in the spring 2020 fishing season, reducing operating costs and discretionary spending, deferring or eliminating capital expenditures, aggressively targeting new sales markets, particularly retail customers and laying off and severing employees. An unintended consequence of FFMC's response to the pandemic was that while the Corporation operated with minimal resources from late March through mid-September of 2020, most of the planned strategies and initiatives for FY2020/21 were not pursued and planned objectives will not be achieved by April 30, 2021. However, these difficult actions were necessary to position the Corporation for the challenges COVID-19 created. Our decisions and actions affect all FFMC stakeholders – fishers, employees, customers, agents and suppliers. Even with these difficult decisions, we are not able to fully mitigate the impact of the pandemic on our operating and financial results in FY2019/20 and on our forecasted results in FY2020/21 and our budget for FY2021/22.

### **3.3 External reviews**

The Office of the Auditor General of Canada's 2017 Special Examination of FFMC was conducted with the objective of determining whether the Corporation's practices ensured that assets were safeguarded, that resources were managed economically and efficiently, and that operations were carried out effectively. Overall, the report found weaknesses and deficiencies in the oversight and management of the Corporation and in the way operations were carried out. Freshwater's Board of Directors accepted all four recommendations and have implemented corrective action to address the concerns identified. The 2017 Special Examination and the Corporation's action plan in response is available on our website:

<http://www.freshwaterfish.com/system/files/SPECIAL%20EXAM-Freshwater%20Fish%20Marketing%20ENG-Mar15-2017-FINAL.pdf>

[http://www.freshwaterfish.com/system/files/Action%20Plan%20for%20Standing%20Comm%20on%20Public%20Accounts-FFMC-Sept18-2017\\_0.pdf](http://www.freshwaterfish.com/system/files/Action%20Plan%20for%20Standing%20Comm%20on%20Public%20Accounts-FFMC-Sept18-2017_0.pdf)

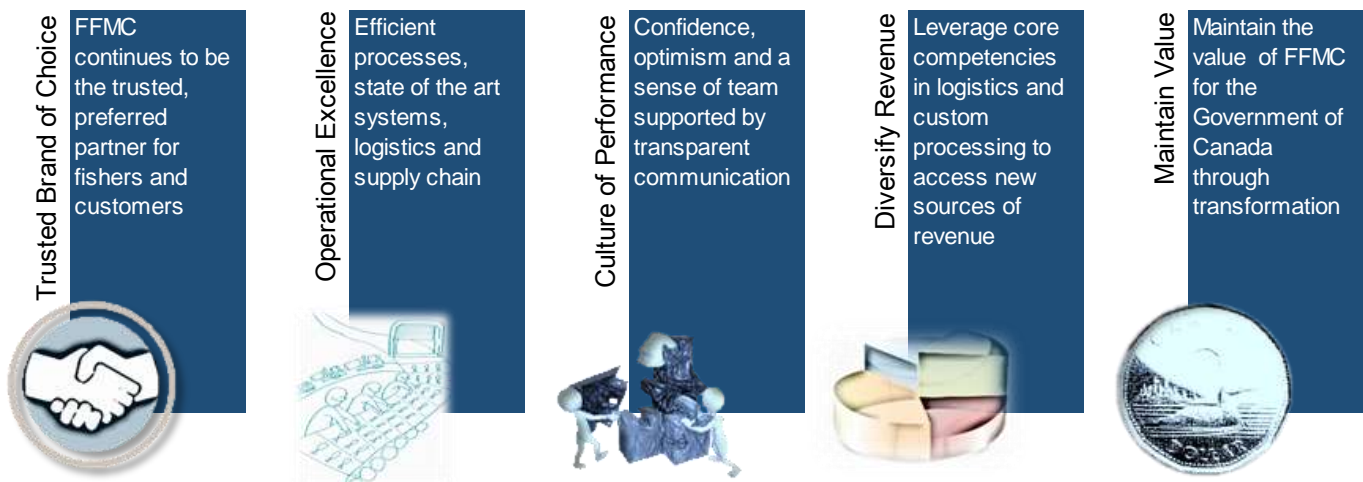
## 4.0 | Objectives, activities, risks, expected results and performance indicators

### 4.1 Objectives and activities

FFMC's strategic objectives are reflected through five initiatives in its FY2021/22 to FY2025/26 corporate strategy. FFMC will continue to advance and implement a range of strategic objectives and initiatives to support the fishers of western and northern Canada and to maintain the value of the Corporation for the Government of Canada through the transformation process.

Over the FY2021/22 to 2025/26 planning period, FFMC will continue to fulfill its unique role in Canada's inland freshwater fishery by pursuing its Vision and Mission through the following key strategic initiatives:

- **trusted brand of choice:** continue to be the trusted, preferred partner for fishers and customers;
- **operational excellence:** efficient processes, state of the art systems in logistics and supply chain management;
- **culture of performance:** confidence, optimism, and a sense of team supported by transparent communication;
- **diversification of revenue:** leverage core competencies in logistics, custom processing to access new sources of revenue;
- **maintaining value:** maintain the value of FFMC for the Government of Canada through transformation.



## 4.2 Risk overview

FFMC uses its risk management framework as a crucial mechanism for both mitigating the risks faced by the Corporation and identifying future opportunities. The mechanism ensures that risks are identified, assessed, managed, monitored and reported on in a comprehensive manner. Management considers risks and opportunities at all levels of decision-making.

The Corporation's performance is influenced by many factors including competitive pressures, economic conditions, volatility of fish deliveries and conditions in the markets where we sell our products. Also, as a Crown corporation governed under a legislative framework, FFMC's performance could be impacted by changes to shareholder objectives or directions given by governing bodies. By systematically integrating risk management as a key process across the Corporation, FFMC strives to create value for fishers and to compete effectively in world markets. FFMC's five major categories of risks are strategic, financial, operational, people and resource supply.

### COVID-19

Overriding FFMC's five major risk categories is the unparalleled and ongoing exposure of the COVID-19 global health crisis on the Corporation. A prolonged decline in sales revenue has resulted because of the COVID-19-related closure or restricted operations of virtually all dine-in restaurants in the food service industry around the world. FFMC is pursuing additional customers and markets, primarily retail, to mitigate the reduced demand from its traditional food-service consumer base.

Concerns by fishers regarding their health and safety during the COVID-19 pandemic as well as their expectations regarding the need for precautions such as physical distancing have impacted the ability of some fishers and fisher co-operatives to operate, reducing fish deliveries to FFMC. The Corporation is providing support to fisher co-operatives in the form of personal protective equipment, disinfectant and sanitation supplies and face masks to help mitigate COVID-19 risk for those providing fish to FFMC.

FFMC has numerous mitigations in place to address the safety of its employees during the COVID-19 pandemic. These strategies include staggering start times for processing employees to allow for physical distancing in the change rooms and cafeteria, weekly self-screening of all employees, directing staff to not come to work if they are exhibiting cold/flu symptoms and to screen their return to work according to the screening criteria recommended by Manitoba Health. Access to FFMC's facilities is closed to the public and all contractors must have an escort to ensure they follow all FFMC's COVID-19 prevention protocols. We perform more frequent, intense cleaning and disinfecting of our offices and work locations and practice healthy behaviour including physical distancing and vigilant hand washing while providing increased access to hand and surface sanitizer, and other personal protective equipment, as appropriate to each job. Mandatory face masks are required in all areas of the facility, these areas include hallways, change rooms, meeting rooms, offices, cafeteria and the production floor. Mandatory face shields are required in designated areas.

**Strategic risk** is risk that prevents the Corporation from achieving its operating and strategic objectives. The external environment is monitored to discern if strategic changes are required to address emerging risks. Potential strategic risks are identified and assessed to risk criteria. Key strategic risks identified in FY2021/22 are loss of food service sales revenue and the risk that FFMC remains a going concern pending a decision on the its future by the Government of Canada.

**Financial risk** as the term suggests is risk that involves financial loss caused by many factors impacting FFMC. The key financial risk facing FFMC in FY2021/22 is insufficient working capital and cash flow to support FFMC’s operations and capital investments.

**Operational risk** is risk associated with internal resources, systems and processes of the Corporation. The key operational risks facing FFMC include necessary improvements in production efficiency and labour productivity, limited processing capability because of infrastructure and processing limitations and a partial or full shutdown of processing operations because of COVID-19.

**People risk** is defined as the risk that people do not follow FFMC’s procedures, processes and policies, deviating from expected behaviour in a way that could damage the Corporation’s performance and reputation. FFMC maintains a governance structure that includes policies and procedures to guide employee conduct. A key people risk facing FFMC is deteriorating employee satisfaction, motivation and engagement negatively impacting productivity. Loss of organization knowledge and skills due to employees leaving the organization without an effective succession plan is also a significant risk.

**Resource supply risk** refers to a material change in the volume of fish deliveries to FFMC. Numerous factors including but not limited to open market competition, the population and biomass of specific species, the state of freshwater fish stocks across Canada, and limitations on catch levels determined by annual administered quotas are key components of this risk.

### 4.3 Expected results and key performance indicator overview

FFMC uses a strategic management model as a framework for evaluating its performance and to define the major activities under critical business outcomes. For each outcome or objective, FFMC has developed initiatives and key performance indicators that represent success as described in section 4.1 Objectives and activities.

Outcome	Initiative	Performance indicator	FY 2021/22 target	FY 2025/26 target	Data strategy
Maintain value	Meet planned operational and financial commitments	Profit before final payment and income tax	(\$2.6) million	\$3.9 million	Annual data from FFMC's financial systems
		% return to fishers	54.6%	46.4%	Annual data from FFMC's financial systems
		Retained earnings	\$15.5 million	\$24.4 million	Annual data from FFMC's financial systems
		Reduce expenses	Meet FY2021/22 expense targets	Meet FY2025/26 expense targets	Annual data from FFMC's financial systems
		Gross and net sales revenue	Meet FY2021/22 gross and net sales revenue plan (excluding f/x)	Meet FY2025/26 gross and net sales revenue plan (excluding f/x)	Annual data from FFMC's financial systems
		Direct labour efficiency	1% improvement over FY2019/20 (pre-COVID) actual	5% improvement over FY2019/20 (pre-COVID) actual	Annual data from FFMC's enterprise requirements planning systems
		Operational costs per kg	1.5% improvement over FY2019/20 (pre-COVID) actual	6% improvement over FY2019/20 (pre-COVID) actual	Annual data from FFMC's enterprise requirements planning systems
		Initial payments to fishers	\$25.6 million	\$38.9 million	Annual data from FFMC's financial systems
		Delivered fish weight	9.1 million kilograms	10.6 million kilograms	Annual data from FFMC's fish purchases system
		Employee attendance	2% improvement over FY2019/20 (pre-COVID) actual	8% improvement over FY2019/20 (pre-COVID) actual	Annual data from FFMC's human resources systems
		Inventory level	Meet planned inventory targets	Meet planned inventory targets	Annual data from FFMC's financial systems

References to kilograms are in delivered weight. This reflects the weight of the fish when it is received by FFMC, which is often cleaned and with head removed. Therefore, this shows a lower nominal weight than round equivalent, which is commonly used, and estimates the weight of the fish as it was pulled from the water.

## 5.0 | Financial overview

### **Expected results for the plan period FY2021-22 to FY2025-26**

As discussed in section 4.0, five strategic initiatives support FFMC's vision and mission. These initiatives and the corresponding strategic objectives form the basis for the financial plan. All other sections of the corporate plan form an integral part of the financial plan and should be read in full to obtain a comprehensive understanding of the projected financial results.

The financial plan and key assumptions reflect FFMC's assessment of the Canadian inland commercial freshwater fishery as outlined in section 3.0. The overall outlook for the fishery that FFMC supports in Canada will become increasingly demanding over the planning period.

As a self-sustaining Crown corporation operating in an open-market supply environment, FFMC is projecting limited profitability over the planning period. The overriding contributor to the financial loss in FY2021/22 is the continuing impact of COVID-19 on sales revenues. Profitability over the remainder of the planning period is expected to continue to be impacted by the open supply market and its effect on the Corporation's operations. For more detail on FFMC's expected results, see Appendix 3.

## Appendix 1 – Ministerial mandate letter or direction

### **FFMC mandate letter**

During the last fiscal year, FFMC has not received a ministerial mandate letter or direction to confirm the alignment of the Government of Canada's interests and expectations with the Corporation's public policy objectives.

The *FFMA* includes provisions specifically addressing the role of the Corporation in the freshwater fishing industry in Canada. It states that FFMC should market fish in an orderly manner, increase returns to fishers, promote international markets, and increase interprovincial and export trade in fish. FFMC continues to provide the core activities of its legislated mandate. To meet its mandate, FFMC supports the orderly management of the freshwater fishery through planned harvesting, processing and marketing strategies to optimize returns to commercial fishers.

In 2018, the Government of Canada established an advisory panel (the Panel) to explore ways to transform FFMC to remain modern and competitive in the open market. In 2019, the Government of Canada released the Panel's final report. The Minister appointed an Interlocutor in late 2019 to engage with stakeholders to explore the feasibility of transforming FFMC into a harvester-led entity that respects harvester ambitions for the future of the inland fishery. The Interlocutor has provided the Minister with a report on his findings and recommendations. The report is being reviewed by the Minister to determine the next steps in the transformation process.

The Panel's full report is available at <https://www.dfo-mpo.gc.ca/fisheries-peches/consultation/ffmc-cpea/transformation-ffmc-cpea-eng.html>

## Appendix 2 - Corporate governance structure

### Board of Directors

Freshwater is committed to maintaining a strong governance framework that guides our leadership and strengthens the reputation and value that we have earned across global and domestic markets. We are committed to meeting our legislated mandate, and to maintain the Corporation's underlying value for the Government of Canada.

The Board of Directors (the Board) has overall responsibility to oversee the management of the Corporation's business and affairs. In exercising its powers and performing its duties, the Board acts honestly and in good faith with a view to the best interests of the Corporation, which involves considering the interests of fishers, employees, and our sole shareholder, the Government of Canada, in accordance with our governing by-laws and applicable legislation.

To fulfill its stewardship responsibilities, the Board establishes and approves Freshwater's strategic direction through a five-year Corporate Plan, and reviews and approves major strategies and goals. It exercises due diligence by assessing risks and opportunities, ensuring the integrity of financial results and providing timely reports to the Government of Canada.

In dealing with COVID-19 the Board has enhanced its oversight role and effectiveness by more frequently assessing and evaluating management's actions in responding to the crisis. The Board is providing additional guidance and direction regarding the pandemic situation to the extent that the Board determines is prudent. Staying well-informed of developments affecting the Corporation regarding the on-going COVID-19 situation has enhanced the Board's effectiveness.

The Board has eight available positions and at December 31, 2020 consisted of six Directors, including the President. While Alberta is a participating province under the FFMA, the Alberta director position remains vacant because Alberta closed its commercial fishery in 2014. The Board is working with the Government of Canada to fill the remaining vacancy. The Board and its Committees hold in camera sessions at each of their meetings without the presence of management. From May 1, 2020 to December 31, 2020 the Board met four times.

The Audit and Risk Committee assists the Board in its responsibilities. This Committee met a total of three times between May 1, 2020 and December 31, 2020.

The Governance Committee assists the Board in fulfilling its oversight responsibilities. This Committee reviews all aspects of the Board's governance framework to ensure that it functions in an effective and efficient manner to support FFMC's operations. The committee met once between May 1, 2020 and December 31, 2020.

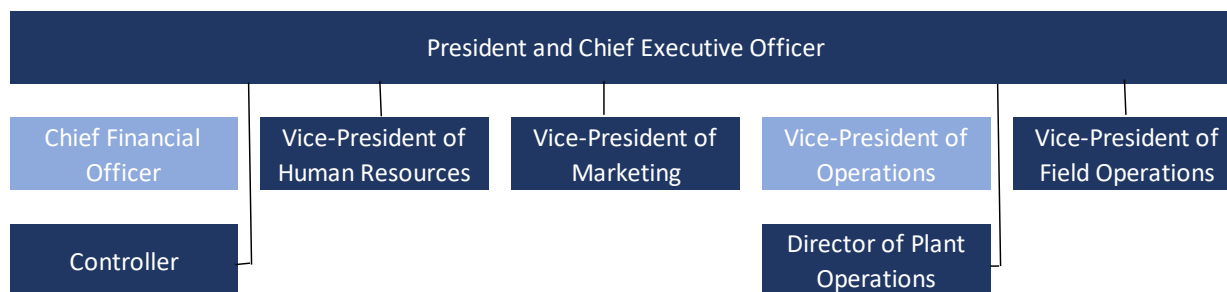
While the President receives an annual salary, the Chair of the Board is paid an annual retainer and a per diem set by the Governor-in-Council pursuant to the Financial Administration Act (FAA). Directors are paid a per diem also set by the Governor-in-Council in accordance with the FAA.

Board members are reimbursed for all reasonable out of pocket expenses incurred while performing their duties related to FFMC, including travel, accommodations and meals. Associated travel and hospitality expenses for Board members and senior management are posted monthly on FFMC's website. The Corporation conducts weekly operational reviews, with senior management focusing on operational key performance indicators (KPI's) that include fish deliveries, material yield, labour efficiency, inventory management, accident frequency, absenteeism and overtime levels. Progress against the Corporation's strategic goals is also reviewed with appropriate follow-up action to meet the objectives of FFMC's strategic plan. Comprehensive monthly performance reviews with senior management and quarterly reviews with the Board are conducted to focus on financial and species performance, field operations, fish deliveries, marketing performance processing operations and human resources.



Board member	Term	Committee memberships	Audit and Risk Committee attendance to 2020.12.30	Governance Committee attendance to 2020.12.30	Board meeting attendance to 2020.12.30	Retainer (A)	Per diems (B)	Total remuneration (A+B)	Travel and related expenses
David Bevan	2018-03-26 - 2021-03-25	Audit and Risk	3/3		4/4	\$ 3,750	\$ 1,200	\$ 4,950	\$ -
Thomas Colosimo	2019-06-19 - 2022-06-18	Governance		1/1	4/4	\$ -	\$ -	\$ -	\$ -
Vincent Crate	2019-06-19 - 2022-06-18	Audit and Risk	3/3		4/4	\$ -	\$ 1,100	\$ 1,100	\$ -
Dana Gregoire <sup>(2)</sup>	2018-06-29 - 2023-06-28	Governance		1/1	4/4	\$ -	\$ 963	\$ 963	\$ -
Stanley Lazar	2017-04-12 -	The CEO is not a member of any specific Committee			4/4	The CEO does not receive separate remuneration for duties as a Board member			
Micah Melnyk <sup>(2)</sup>	2018-06-29 - 2023-06-28	Audit and Risk	3/3		4/4	\$ -	\$ 1,100	\$ 1,100	\$ -

## Senior Leadership Team (SLT)



The SLT consists of the President and CEO, three Vice-Presidents, one Director and the Controller. Based on FFMC's succession strategy the Corporation is planning to recruit a Chief Financial Officer and a Vice-President of Operations by the end of FY2021/22. The current President and CEO is appointed on an interim basis. Previous to the interim appointment, the President and CEO served as FFMC's Chief Financial Officer and continues to provide guidance on strategic financial matters. Members of the SLT conduct themselves according to FFMC's Code of Conduct and Conflict of Interest policies as well as ethical standards of business and professional and personal conduct. Information about FFMC's SLT is available on the Corporation's website at <http://freshwaterfish.com/content/pages/management-team>.

## Governance framework

In addition to the Board and SLT, FFMC's governance framework includes two committees to guide corporate decision-making.

The Governance Committee is a committee of the Board with specific responsibility for assisting the Board in its oversight duties by evaluating and recommending to the Board corporate governance practices applicable to the Corporation. The Governance Committee also has the responsibility for ensuring that FFMC management has established appropriate policies and procedures, that they follow appropriate and best practices, respect the spirit and intent of relevant government guidance and goals, and comply with applicable legislation. The Committee also leads the Board in its review and assessment of the Board's performance.

The Audit and Risk Committee ensures the adequacy and has oversight for risk management, internal controls, financial reporting, the internal and external audit processes, FFMC's system of internal controls, compliance with FFMC's Foreign Exchange Hedging Policy and compliance with laws and regulations. The Audit and Risk Committee plays a key role in assisting the board to fulfill its oversight responsibilities and reports the results of its activities to the Board on a regular basis.

# Appendix 3 - Financial statements

## Annual Statement of Comprehensive Income

Annual Statement of Comprehensive Income ('000's)	Forecast	Budget	Plan	Plan	Plan	Plan
	FY 2020/2021	FY 2021/2022	FY 2022/2023	FY 2023/2024	FY 2024/2025	FY 2025/2026
	1/May/2020	1/May/2021	1/May/2022	1/May/2023	1/May/2024	1/May/2025
	30/Apr/2021	30/Apr/2022	30/Apr/2023	30/Apr/2024	30/Apr/2025	30/Apr/2026
Revenue	\$ 55,790	\$ 56,412	\$ 77,123	\$ 79,672	\$ 81,880	\$ 83,734
Cost of Sales	50,043	53,314	67,921	69,686	70,772	73,073
Gross profit on operations	5,747	3,098	9,202	9,986	11,108	10,660
Marketing and administrative expenses	5,037	5,546	6,094	6,270	6,441	6,617
Other income and expenses	3,884	5,722	6,269	6,445	6,616	6,792
Profit (loss) before provision for final payment and income tax	1,863	-2,624	2,933	3,541	4,492	3,868
Provision for final payment	0	0	500	500	1,000	1,000
Income tax expense (recovery)	466	-656	608	760	873	717
Total comprehensive income (loss)	\$ 1,397	-\$ 1,968	\$ 1,825	\$ 2,281	\$ 2,619	\$ 2,151

## Annual Statement of Financial Position

Annual Statement of Financial Position ('000's)	Actual FY 2019/2020 30/Apr/2020	Forecast FY 2020/2021 30/Apr/2021	Budget FY 2021/2022 30/Apr/2022	Plan FY 2022/2023 30/Apr/2023	Plan FY 2023/2024 30/Apr/2024	Plan FY 2024/2025 30/Apr/2025	Plan FY 2025/2026 30/Apr/2026
<b>ASSETS</b>							
<b>Current</b>							
Cash	2,629	1,250	1,275	1,000	1,100	1,150	1,200
Accounts receivable	6,976	6,000	6,000	6,500	7,000	7,250	7,500
Inventory	26,944	22,248	23,222	22,837	23,651	26,100	27,528
Income Taxes Receivable	1,161	-	-	-	-	-	-
Prepaid expenses	111	225	225	225	225	225	225
	<u>37,821</u>	<u>29,723</u>	<u>30,722</u>	<u>30,562</u>	<u>31,976</u>	<u>34,725</u>	<u>36,453</u>
<b>Non-current</b>							
Property, plant and equipment	19,478	19,518	21,773	22,088	22,207	22,236	22,155
Intangible assets	157	101	111	70	75	70	75
	<u>19,635</u>	<u>19,619</u>	<u>21,884</u>	<u>22,158</u>	<u>22,282</u>	<u>22,306</u>	<u>22,230</u>
<b>Total Assets</b>	<u>57,456</u>	<u>49,342</u>	<u>52,606</u>	<u>52,720</u>	<u>54,258</u>	<u>57,031</u>	<u>58,683</u>
<b>LIABILITIES AND EQUITY</b>							
<b>Current</b>							
Accounts payable and accrued liabilities	3,754	4,000	6,000	7,000	7,000	7,000	7,000
Accrued obligation for employee benefits	579	579	579	579	579	579	579
Provision for final payment to fishers	-	-	-	500	500	1,000	1,000
Loans payable	32,864	23,994	27,611	24,401	23,658	23,312	22,812
Provision for environmental liability	407	385	-	-	-	-	-
Derivative-related liabilities	1,799	942	942	942	942	942	942
	<u>39,403</u>	<u>29,900</u>	<u>35,132</u>	<u>33,422</u>	<u>32,679</u>	<u>32,833</u>	<u>32,333</u>
<b>Non-current</b>							
Deferred tax liabilities	1,819	1,818	1,818	1,818	1,818	1,818	1,818
Accrued obligation for employee benefits	138	131	131	131	131	131	131
	<u>1,957</u>	<u>1,949</u>	<u>1,949</u>	<u>1,949</u>	<u>1,949</u>	<u>1,949</u>	<u>1,949</u>
<b>Equity</b>							
Retained earnings	16,096	17,493	15,525	17,350	19,630	22,249	24,401
<b>Total Liabilities and Equity</b>	<u>57,456</u>	<u>49,342</u>	<u>52,606</u>	<u>52,721</u>	<u>54,258</u>	<u>57,031</u>	<u>58,683</u>

## Annual Statement of Cash Flow

Annual Statement of Cash Flows ('000's)	Actual	Forecast	Budget	Plan	Plan	Plan	Plan
	FY 2019/2020	FY 2020/2021	FY 2021/2022	FY 2022/2023	FY 2023/2024	FY 2024/2025	FY 2025/2026
	1/May/2019	1/May/2020	1/May/2021	1/May/2022	1/May/2023	1/May/2024	1/May/2025
	30/Apr/2020	30/Apr/2021	30/Apr/2022	30/Apr/2023	30/Apr/2024	30/Apr/2025	30/Apr/2026
<b>Operating activities</b>							
Comprehensive income (loss) for the period	-2,344	1,397	-1,968	1,825	2,281	2,619	2,151
Add (deduct) items not affecting cash:							
Future tax expense (recovery)	-3	-1	0	0	0	0	0
Depreciation and amortization	1,813	1,891	1,976	2,076	2,176	2,276	2,376
Fixed asset retirements	14	0	0	0	0	0	0
Gain on disposal of property, plant and equipment	0	0	0	0	0	0	0
Write-down of inventory (reversal of write-down)	3,163	0	0	0	0	0	0
Increase (decrease) in net derivative-related liabilities	1,058	-857	0	0	0	0	0
Increase (decrease) in provision for final payment to fishers	-500	0	0	500	0	500	0
Increase in provision for environmental liability	400	0	0	0	0	0	0
Net changes in non-cash working capital:							
Decrease (increase) in accounts receivable	2,154	976	0	-500	-500	-250	-250
Decrease in income taxes receivable	-993	1,161	0	0	0	0	0
Decrease (increase) in inventories	-2,136	4,696	-974	385	-814	-2,449	-1,428
Decrease (increase) in prepaid expenses	97	-114	0	0	0	0	0
Increase (decrease) in accounts payable and accrued liabilities	-566	246	2,000	1,000	0	0	0
Decrease in provision for environmental liability	-209	-22	-385	0	0	0	0
Increase (decrease) in obligation for employee benefits	11	-7	0	0	0	0	0
<b>Cash provided by (used in) operating activities</b>	<b>1,959</b>	<b>9,366</b>	<b>649</b>	<b>5,286</b>	<b>3,143</b>	<b>2,696</b>	<b>2,850</b>
<b>Investing activities</b>							
Additions to property, plant and equipment and intangible assets	-850	-1,875	-4,241	-2,350	-2,300	-2,300	-2,300
Proceeds on disposal of property, plant and equipment	0	0	0	0	0	0	0
<b>Cash provided by (used in) investing activities</b>	<b>-850</b>	<b>-1,875</b>	<b>-4,241</b>	<b>-2,350</b>	<b>-2,300</b>	<b>-2,300</b>	<b>-2,300</b>
<b>Financing activities</b>							
Loans payable issued	700	-8,015	4,550	-2,278	191	587	433
Repayment of loans	-778	-855	-933	-933	-933	-933	-933
<b>Cash provided by (used in) financing activities</b>	<b>-78</b>	<b>-8,870</b>	<b>3,617</b>	<b>-3,211</b>	<b>-743</b>	<b>-346</b>	<b>-500</b>
<b>Increase (decrease) in cash during the period</b>	<b>1,031</b>	<b>-1,379</b>	<b>25</b>	<b>-275</b>	<b>100</b>	<b>50</b>	<b>50</b>
Cash at the beginning of the period	1,598	2,629	1,250	1,275	1,000	1,100	1,150
<b>Cash at the end of the period</b>	<b>2,629</b>	<b>1,250</b>	<b>1,275</b>	<b>1,000</b>	<b>1,100</b>	<b>1,150</b>	<b>1,200</b>

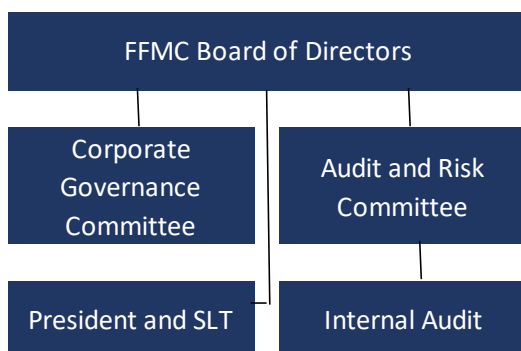
### 3.1.1 Application of new and revised IFRS

The Corporation has adopted IFRS 16 "Leases." IFRS 16 sets out principles for the recognition, measurement, presentation and disclosure of leases. The standard provides a single lease accounting model requiring recognition of assets for all leases except in specific circumstances. The standard has minimal changes in respect of lessor accounting. There was no material impact for transition to IFRS 16 on FFMC's financial statements.

## Appendix 4 – Risk and risk responses

The Board of Directors has overall responsibility for the establishment and oversight of the Corporation’s risk management framework. The Audit and Risk Committee assists the Board of Directors and is responsible for review, approval and monitoring the Corporation’s risk management policies including the development of a risk management program which involves establishing corporate risk tolerance, identifying and measuring the impact of various risks, and developing risk management action plans to mitigate risks that exceed corporate risk tolerance. The Audit and Risk Committee regularly reports to the Board of Directors on its activities.

Under the guidance of the Board of Directors and the Audit and Risk Committee, FFMC relies on effective leadership, engaged employees utilizing effective business tools and stakeholder engagement to ensure the disciplined execution of initiatives. It focuses on the identification and management of the key risks that could impact the achievement of FFMC’s strategic objectives. As part of its oversight process, the Board reviews Freshwater’s risk profile on a quarterly basis and actively contributes to the risk management process. FFMC’s risk management framework and practice are consistent with guidance issued by Treasury Board and subject to review by internal audit. A register of risks is maintained and updated regularly; it evolves as new risks are identified and existing ones are mitigated.



Risks are identified with the assistance of external consultants through a thorough analysis of FFMC’s environment. Any existing mitigation to help reduce the likelihood or impact of the risk is considered and additional mitigation is identified where practicable for each risk. The risks and categories identified are not static and are reviewed regularly by the ARC. The review may identify new risks, may determine that risks have decreased through sufficient mitigation to reduce their likelihood or impact, or may determine that the risk level has increased due to changes in the environment. The ARC monitors management’s progress on implementing the mitigation plans for each risk. An external consultant is retained to perform internal audits and report to the ARC on management’s progress on risk mitigation plans.

## Appendix 5 – Compliance with legislative and policy requirements

FFMC is governed by the *Freshwater Fish Marketing Act*. FFMC is also subject to other federal legislation, including:

- *Access to Information Act*
- *Canadian Human Rights Act*
- *Canada Labour Code*
- *Conflict of Interest Act*
- *Employment Equity Act*
- *Employment Insurance Act*
- *Financial Administration Act*
- *Official Languages Act*
- *Privacy Act*
- *Pay Equity Act*

FFMC also complies with Treasury Board policies, Governor in Council directives, ministerial directives and other federal, provincial and municipal legislation such as land titles, personal property, environmental protection, food safety, and occupational health and safety legislation. The following illustrates FFMC's efforts to comply with legislation and directives to which it is subject.

### ***Access to Information Act***

FFMC processes requests received under the *Access to Information Act*. FFMC posts summaries of all ATIP records released on its website at <http://www.freshwaterfish.com/content/pages/completed-access-information-requests>. The public may make an access request in writing or by calling or emailing our ATIP co-ordinator at [ATIP@freshwaterfish.com](mailto:ATIP@freshwaterfish.com). FFMC ensures that it complies with the recent changes to Part 1 of the *Act* as provided in *An Act to Amend the Access to Information Act and the Privacy Act to Make Consequential Amendments to Other Acts* (Bill C-58) including the changes related to tabling of the Annual Report.

### ***Employment Equity Act***

FFMC is committed to building a workforce that reflects the diversity of the Canadian workforce. FFMC maintains policies to ensure equitable employment opportunities are provided to all applicants. Our staffing policy ensures that recruitment and selection rules and tools are non-discriminatory and that applications are reviewed and evaluated based on objective and established criteria. FFMC is an inclusive workplace that strives to attract, hire and retain talent from diverse backgrounds.

### ***Conflict of Interest Act***

FFMC ensures that Directors annually review and affirm their commitment to and compliance with the *Conflict of Interest Act*, the Guidelines for Public Office Holders and the *Freshwater Fish Marketing Act* as well as FFMC's Code of Conduct policy through a formal process by providing conflict of interest declarations to Members.

### ***Canadian Human Rights Act***

FFMC conducts itself and provides experiences to its employees consistent with the expectations as set out in the *Canadian Human Rights Act*. FFMC has applicable policies such as a Code of Conduct, policies pertaining to staffing, salary administration, violence in the workplace and harassment and discrimination. FFMC also provides employees with a confidential means for disclosure through its Code of Conduct policy. FFMC's staffing and recruitment policies consider equal opportunity initiatives for women, Indigenous peoples and members of visible minorities.

### ***Official Languages Act***

FFMC strives to meet its commitments and obligations under the *Official Languages Act* and endeavours to balance its mandate of operating on a financially self-sustaining basis with spending requirements for bilingualism and

compliance with Parts IV, V, VI and VII of the legislation. FFMC is undertaking a review to further understand and enhance its conformity with the *Official Languages Act*.

### **Directive on Travel, Hospitality, Conference and Event Expenditures**

The Corporation is compliant with directive (P.C. 2015-1108) pursuant to section 89 of the *Financial Administration Act* that align its travel, hospitality, conference and event expenditure policies, guidelines and practices with Treasury Board policies, directives and related instruments on travel, hospitality, conference and event expenditures in a manner that is consistent with its legal obligations and to report on the implementation of this directive in the Corporation's corporate plan. FFMC's travel, hospitality and event expenditure policy and reporting of expenditures for travel, hospitality and conferences and quarterly travel and hospitality expenditures for the senior leadership and the Board of Directors, are available on FFMC's website at:

<http://www.freshwaterfish.com/content/pages/corporate-reports-0>

### **Trade agreements**

Freshwater is well-positioned to take advantage of additional opportunities through effective and timely marketing activities. The Canada-United States-Mexico Agreement (CUSMA), the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP) and the Canada-European Union Comprehensive Economic and Trade Agreement (CETA) offer trade advantages that the Corporation considers for additional sales and marketing opportunities.

### **Canada Labour Code Part II and the Canada Occupational Health and Safety Regulations**

FFMC is committed to providing a safe and healthy work environment for its employees. FFMC has a health and safety policy and comprehensive health and safety programs to identify, assess and control workplace hazards. These safety programs and practices are developed with the participation of the joint health and safety committee, management and employees.

### **Pay Equity Act**

The overwhelming majority of FFMC's employees are represented by collective agreements that incorporate pay equity legislation. As FFMC renegotiates its collective agreements, compliance with pay equity legislation is reviewed to ensure compliance. For FFMC's non-represented employees, the Corporation is currently sourcing proposals for a comprehensive compensation analysis and job family profiling review of positions. The review will include pay equity legislation and GBA+ considerations to review compensation structure, job analysis and job descriptions.

## Appendix 6 – Government priorities and direction

This appendix describes how FFMC's priorities and activities align with government-wide priorities and highlights notable activities in key areas. Government-wide priorities are outlined in the Speech from the Throne and the Budget Plan. FFMC contributes to government-wide priorities in the following ways:

### 6.1 Transparent and open government

FFMC is accountable and transparent to its shareholder and its stakeholders. The corporation adheres to legislative requirements regarding transparency and practises proactive disclosure of information on an ongoing basis. FFMC publishes on its website all annual and quarterly financial reports as well as the proactive disclosure of travel and hospitality expenses of Board members and Senior Leadership Team. Detailed information is available on our website at <http://freshwaterfish.com/content/pages/about-us>.

### 6.2 Access to information

As a federal Crown corporation, FFMC is subject to the *Access to Information Act (the Act)*. The *Act* creates an enforceable right of access to records under the control of a government entity in accordance with the principle that government information should be available to the public. By providing access to government information, the *Act* serves the important public interest of enabling public debate on the conduct of government institutions, strengthening the accountability of government to its citizens.

### 6.3 Privacy

Privacy is of vital importance to Canadians and controlling the collection, use and disclosure of personal information has become a pressing issue. FFMC is subject to the *Privacy Act*, which is administered by the Office of the Privacy Commissioner of Canada. Under the *Privacy Act*, FFMC must limit the collection, use and disclosure of personal information, provide appropriate security to guard against a loss or misuse of data and provide individuals with a right of access to the personal information that FFMC holds about them.

Concerns or complaints about FFMC's privacy practices or its compliance with the *Privacy Act* can be escalated to the federal government's Privacy Commissioner, who acts as an independent authority to resolve privacy problems and oversee compliance with the *Privacy Act*.

### 6.4 Info Source

FFMC along with all government institutions is subject to the *Access to Information Act* and the *Privacy Act*. FFMC publishes an inventory of its information holdings as well as relevant details about personal information under its control. The Info Source inventory can assist the public in making an access to information or personal information request, or in exercising their privacy rights.

### 6.5 Code of Conduct

Fairness, respect and integrity are core values for FFMC. FFMC's Code of Conduct guides how employees operate and sets out the process to report possible violations of this code.

### 6.6 Access to fishers and Canadians

FFMC holds an annual public meeting to share financial and operational results as well as information on the future of the Corporation. The meeting is open and accessible to the public annually in November. FFMC continues to develop a strong social network in the Canadian inland fishery. Regular fisher meetings are held with agents, co-operatives and fishers to share information and develop stronger working relationships. Through the use of e-mail distribution and FFMC's website, information is shared with the more than 1600 fishers that deliver fish to the Corporation



## **6.7 Gender-based analysis plus**

FFMC uses and considers GBA+ when developing policies, practices and negotiating collective agreements. Collective bargaining agreements for represented employees address gender based biases and wage equality. Approximately 45% of FFMC employees identify as female and are paid equal wages. 54% of FFMC employees have recently immigrated to Canada bringing a diversity of cultural backgrounds. 13% of men and 8% of women employed by FFMC are Indigenous.

FFMC is committed to supporting a workforce that reflects the diversity of Canada's population. This includes continuously reviewing and revising FFMC policies, practices and behaviors to ensure the Corporation does not discriminate against individuals or groups and operates with inclusiveness. During its annual reviews of corporate policies, GBA+ data is reviewed to ensure compliance.

## **6.8 Diversity and employment equity**

Diversity means a rich pool of backgrounds, abilities, strengths and schools of thought working together. As a federal Crown corporation, FFMC is committed to building a workforce that reflects the diversity of its industry and of the Canadian workforce. FFMC is a welcoming and inclusive workplace and attracts and retains talent from diverse backgrounds. FFMC's diversity strategy supports the Government of Canada's commitment to diversity and FFMC is working toward having a workforce that reflects the diversity of the industry and communities our employees work in. FFMC's Board of Directors has one Director who self-declares as Indigenous.

In terms of FFMC's broader diversity, FFMC employs up to 400 employees with peak employment in June and throughout September and October. Our workforce includes: 45% females, 21% Indigenous, 3% persons with disabilities and 35% members of visible minorities. Individuals can identify in more than one equity group and all disclosures are voluntary.

## **6.9 Sustainable development and greening government operations**

In Canada and abroad, the effects of climate change are becoming evident. Impacts such as coastal erosion, thawing permafrost, increases in heat waves, droughts and flooding, ecosystem changes, and risks to critical infrastructure and food and water security are being felt in Canada and globally. The Government of Canada's response to climate change requires action to reduce greenhouse gas emissions to the atmosphere and increase the resiliency of assets, services, and operations to adapt to the changing climate. Greening government operations support Canada's sustainability goals already established under the Paris Agreement on climate change and in the Pan-Canadian Framework on Clean Growth and Climate Change. This Greening Government Strategy is consistent with the United Nation's 2030 Agenda for Sustainable Development and the Federal Sustainable Development Strategy.

In support of the Government of Canada's support for climate change, FFMC continues to implement numerous initiatives. FFMC is recycling batteries, paper, cardboard and printer cartridges. The Winnipeg processing facility uses recirculated water from the heat exchanger that would normally be discharged to melt ice in the winter months. FFMC is installing a wastewater treatment facility at the Winnipeg plant to mitigate the amount of effluent being discharged to the municipal sewer system. In FY2019/20, FFMC ran a pilot project to compost all offal with results currently being evaluated. In FY2018/19 all lighting at the Winnipeg facility was updated to LED. The Corporation utilizes an environmental waste management company to pick up oils, paints, filters and computers and contract with another recycler for broken plastics such as totes, tubs and pallets. New engines installed on the Poplar River barge were upgraded and now meet EPA commercial marine tier 3 exhaust emission standards.

## **6.10 Indigenous issues – consultations**

To date, there have been no instances where the duty to consult Indigenous peoples has been triggered by FFMC's activities. However, supporting the social and economic inclusion of Indigenous peoples is a priority for the Corporation. FFMC's role in fostering the inland Canadian fishery ensures that Indigenous communities and peoples have greater access to opportunities. Commercial fishing is often one of the primary economic opportunities available to residents in the many remote and northern communities the Corporation serves. In many communities where

Freshwater operates delivery points, the fishery is the only opportunity for economic development. FFMC's presence fosters independent business ownership and increases employment in rural and remote regions of Canada.

### **6.11 Safe workspaces**

As a federal employer, FFMC has an obligation to provide a workplace that is civil, respectful and free of harassment. FFMC is committed to providing a harassment-free workplace and endeavours to provide a work environment that is supportive of the dignity and self-esteem of every person. FFMC is also committed to providing a violence-free workplace where any act of violence is unacceptable and will not be tolerated.

All factors that may contribute to violence or harassment in the workplace that FFMC is made aware of or that are reported are dealt with or investigated and any deliberate acts of violence & harassment in the workplace by an employee is subject to discipline.

FFMC maintains a workplace violence prevention and respectful workplace policy to ensure that employees and management understand that disciplinary action will be taken with those who commit or contribute to workplace violence or harassment. Those who are subjected to violence or harassment in the workplace understand there are procedures for recourse and that assistance and counselling is available. Employees and management understand that everyone has a responsibility to report any factors that may contribute to violence or harassment in the workplace and that all incidents of workplace violence and harassment must be reported.

FFMC is committed to resolving workplace violence and harassment situations to the best of our ability and, if they cannot be resolved, having a third party conduct an investigation to arrive at conclusions and recommendations for corrective action. FFMC is also committed to using the necessary amount of resources to prevent and to respond to incidents of workplace violence and harassment and communicating to employees what information about factors contributing to workplace violence and harassment. FFMC provides support for employees affected by workplace violence and harassment and does what is reasonably practical to achieve a violence-free and harassment-free workplace.