

President's Report

John Gorman

Oct. 22, 2020

PURPOSE

To highlight recent accomplishments in the context of the CNA business plan and priorities, current activities and developments that impact the association and its membership.

CNA PRIORITIES AND BUSINESS PLAN

Management is looking forward to presenting the 2021 – 2023 refurb strategy and business plan and scorecard to the CNA Board of Directors for approval on October 22. An executive summary of the scorecard and 2021-23 refurb strategy and business plan is included in this package and Management will facilitate a discussion of key elements of these documents during the meeting (item 4).

CURRENT ACTIVITIES

Operations and Finance:

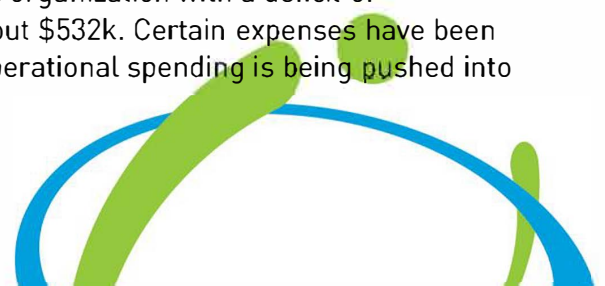
The revised business plan and strategy—as well as the accompanying measurable outcomes and targets—are ready to be brought to the board. Management will be tabling budget forecasts to accompany the plan in advance of the budget approval process (November 2020).

Management continues to work with its board and committees to add structure to all aspects of its operations. This includes the on-going review and “refresh” of our policies around governance, HR, and finance.

Investments in many facets of the organization have continued through the first two quarters of 2020. This is a continuation of building the capacity and competencies that will be required if the business plan and strategy is approved by the board. An example of this is the strategic and proactive media relations capacity the CNA has been building as part of our communications function. This started in early 2020 with the introduction of Tricia Weagant as Vice President and, in August, we appointed our new Director of Communications, Gehna Singh Kareckas, who has deep communications and media background. Management is pleased to report that in the last quarter this has resulted in a significantly enhanced share-of-voice in the media for the nuclear industry.

Spending for this fiscal year is significantly under budget due to the broad-reaching impact of COVID. Spending in the first half of 2020 is \$106k less than budget and overall spending for the fiscal year is forecast to be \$277k under budget leaving the organization with a deficit of approximately \$255k compared to a budgeted deficit of about \$532k. Certain expenses have been avoided altogether (e.g. travel) while some program and operational spending is being pushed into

[Oct. 15, 2020]



the 2021 fiscal year and will be reflected in the Budget 2021. This continues our approach of drawing down from savings as we build capacity and transition to an improved and sustainable business model over several years. The organization's savings at the end of 2020 are healthy and projected to be approximately 2.15M.

Membership revenues are up slightly thanks to good membership retention and the addition of seven new members to the CNA roster. Project revenue (revenue neutral) is also up.

COVID-19 Measures:

Management has opened the CNA office to employees with precautionary measures in place in line with public health guidelines. We have established a flexible and accommodating approach to return to office given back-to-school challenges and personal concerns and issues team members may be facing at home as a result of the pandemic.

Over the course of the pandemic, we have received much anecdotal feedback and formally surveyed employees twice to assess / reassess their needs, interest and readiness to work at the office on a part/full time basis. We have also gauged their experience in the current situation and how it may be changing future preferences and behaviours.

Feedback tells us that employees feel productive and supported working from home. They would prefer to have fewer days in the office even post-COVID 19. There is a general understanding and appreciation for the need to have some in-person time / days and easy access to Parliament Hill. As such, as part of our new office space search (our lease expires June 2021), we are exploring new options, including shared office space with a like-minded organization and implementing a hoteling set up. A reduced office footprint would save costs and, according to staff feedback, accommodate better work-life balance which is, of course, good for employee retention and recruitment.

In the meantime, we continue ongoing conversations with staff about the mental health aspects and effects of a prolonged physical distancing practice, understanding that employees' needs are different and providing options. Employees were encouraged to take holidays throughout the summer and we held an outdoors, physically distanced all-staff event in August, which was much welcomed and well-attended by staff.

Members and member engagement:

As of September 22, 97 per cent of members have renewed their 2020 membership. Of the 87 members, one unpaid member is currently affected by the pandemic with full intentions to complete payment in due course. We are cautiously optimistic that this reflects overall positive health of the industry through COVID. In addition, CNA has attracted seven new members this year including an indigenous-owned company (Creative Fire) and a renewables developer (Grasshopper Solar) interested in the national and international prospects for hybrid power systems (solar / nuclear). The CNA has not received any further cancellations in membership.

Member engagement continues to be a key focus for the association. CNA kicked off a webinar series during the pandemic that has been well attended and has received positive feedback from the membership. Webinar highlights over the last several months include an interview with Natural Resources Minister Seamus O'Regan and additional well-attended events featuring the new challenges and opportunities facing nuclear workers and the many prominent organizations in the industry that employ them.

We also continue our monthly member e-newsletter update, which had increased to a weekly cadence during the height of the pandemic. The e-newsletter, which features government analysis, industry news and association updates, has strong and growing readership.

As outlined in our strategic plan, we will be conducting an assessment of our member classes and member value proposition in early 2021.

Stakeholder engagement:

The CNA has had several key meetings in the third quarter to advance our broader stakeholder engagement and government relations objectives. Nuclear as “clean” continues to guide our discussions, including the importance of investments in small modular reactors and refurbishment projects in order to meet net-zero emissions targets.

Of particular note were meetings with **government influencers** including Gerald Butts, who previously served as Principal Secretary to Prime Minister Justin Trudeau and led the World Wildlife Fund, and Bruce Lourie, President of the Ivey Foundation. These meetings directly influenced the inclusion of nuclear in a report issued by the [Task Force for Resilient Recovery](#), an independent group of Canadian finance, policy and sustainability leaders. The report, which called on government to spur a green economic recovery, was picked up by media outlets across the country and prominently featured nuclear as part of the solution.

We also had productive and collaborative discussions with **industry representatives** with an interest in exploring the benefits of SMRs for their respective industries. Examples include mining, oil & gas, fertilizer, steel and hydrogen sectors. Hydrogen emerged as a key theme over the last several months. Through a series of stakeholder discussions, the CNA played a lead role in coordinating the industry response to the government's consultation on a hydrogen strategy for Canada. Given this experience and the importance of nuclear in the hydrogen economy, we will also be offering a Hydrogen 101 webinar to our members in the near future.

Management has shared our progress in forming **alliances with the renewables** and other electricity sector associations over the last several months. A joint weekly meeting has these groups sharing information and looking for opportunities to collaborate. We are very pleased to report that together with these association heads, we wrote and placed an [op-ed in Corporate Knights titled “Electrification is key to jumpstarting the economy.”](#) This is a critical step forward – a first for nuclear in terms of being welcomed into the fold alongside renewables, who acknowledge in the article the need for a future with small modular reactors. The CNA will

continue to explore joint communications and government relations activities leveraging this new relationship to support industry goals with the federal government.

Gender equity (and diversity writ-large) continues to be an important focus for the organization. This is now suitably reflected in the hiring and board recruitment practices of the organization and in the CNA's support for "Equal by Thirty" and other diversity programs. Our relationship with organizations such as WIN and NAYGN are pivotal to these efforts.

Government relations:

Direct-to-**government** liaison remains central to our strategy and we had several key meetings over the last few months. Besides regular checkpoints with government stakeholders at Natural Resources Canada and other key departments we held a series of meetings with MPs to discuss the role of nuclear in getting to net zero. This includes meeting with the chairs of key parliamentary committees, including: Yazmin Ratansi, the House of Commons Standing Committees for the Environment; James Maloney, Natural Resources Committee; and John McKay, MP for Sudbury and Chair of the Canada - USA Parliamentary Association.

These meetings were the result of a proactive push following the issuance of a letter to the Prime Minister and other Ministers' offices on the heels of COVID-19 positioning "electrification" as the path to meeting economic and climate change goals. This letter has been well received in various Minister's offices and we expect that this liaison will also lead to webinar and / or conference participation by various political influencers over time.

Our outreach continued with a letter to Erin O'Toole, the new leader of the Conservative Party and Leader of the Official Opposition, to outline the key messages and proposals that the Conservative Party could use in its discussions with the federal government regarding the Speech From the Throne and the expected federal budget.

Since the Premier of Alberta publicly indicated the province's intention to sign the MOU with other supportive Premiers from Saskatchewan, Ontario and New Brunswick, the CNA has been liaising with key Alberta stakeholders (government and industry) to provide information and support the discussions that are occurring in the province. An Alberta specific stakeholder plan is being developed to support this newly interested province in its evaluation of the SMR opportunity.

The **Speech from the Throne** focused primarily on combatting COVID and Canadians' justified anxiety around the pandemic clearly limited the government's ability to speak to, "building back better," however we do not believe this signals a shift in their intention. While nuclear was not mentioned specifically in the Speech—which was technology neutral on the topic of clean energy—the overall context continues to support the federal government's commitment to, "next generation, clean technologies."

The CNA takes this as a positive signal and continues to proactively promote the indispensable role of nuclear in plotting a viable course to Canada's net-zero future.

International:

Our **International Program** complements and supports the federal/provincial government relations programs and goals of the industry. We have now signed a memorandum of understanding with our UK and US counterparts and there has been significant progress over the last several months on establishing the same collaborative partnerships with the European and Japanese nuclear associations. These agreements are centred on building profile and consistent definitions of nuclear as clean with governments across jurisdictions and have evolved to share communications best practices and the cross-sharing of information and experiences that have benefited both the association and its membership.

These efforts also position the CNA and the Canadian nuclear industry as a strategic asset to the federal government's energy, climate and foreign affairs goals. In this manner we are increasingly becoming a key partner in various policy spaces with the federal government. Recent international initiatives included attending CEM, meeting with the OECD-NEA, and developing an opportunity to cooperate with the NEI to organize a workshop that will explore opportunities and barriers associated between Canada- USA in the nuclear sector.

The CNA is working collaboratively with the federal government, other energy industries and our international partners to ensure that nuclear has a strong profile and presence at **COP26** in the UK next Autumn.

Regulatory Affairs:

After a relatively quiet spring with respect to new regulatory initiatives, the government began to engage more actively on several fronts, and it is anticipated that these activities will increase this fall. Below is an outline of recent developments and ongoing activities the CNA is leading alongside the Regulatory Affairs Advisory Committee, which met most recently on July 9:

- The Canadian Nuclear Safety Commission is continuing the process of updating its regulatory documents, which requires engagement and attention across the industry.
- Earlier this year, the CNA signed an MOU with the Impact Assessment Agency (IAA), which leads federal environmental impact assessments, outlining a process for regular meetings for the agency to update CNA members on the implementation of the Impact Assessment Act. The Act outlines a process for assessing the impacts of major projects and projects carried out on federal lands or outside of Canada. The first meeting with the IAA took place in September and, while there are currently no nuclear projects under the IAA at this point, the lessons learned from other projects will prove valuable when nuclear projects move forward.
- The government amended the Fisheries Act last year, resulting in a significant review of the Department of Fisheries and Oceans (DFO) policies, programs, and regulations. DFO has outlined ten priority areas for review (including a comprehensive industry and public consultation process) over the next two years and the CNA is leading a working group to co-ordinate industry input into this review.

- The government has also undertaken a review of the Species at Risk Act (SARA). This is a review and revision of policies and programs as opposed to a legislative review. It is anticipated that discussion paper will be released this fall. The CNA working group on SARA will coordinate an industry response.
- The government has also committed to updating the Canadian Environmental Protection Act (CEPA). A parliamentary review was conducted in the last session and the government is preparing amendments to be introduced possibly this fall but most likely in the spring. The ENGO community is pushing hard to enshrine "the right to a healthy environment" in the legislation. Depending upon where and how this phrase is placed in the Act, it could have significant implications for industry. There are several other potential changes that could prove challenging for industry as well. The CNA has formed a working group to coordinate our approach as well as hiring a consultant to assist with this review.

Communications:

Management is pleased to report that in the last quarter we have significantly enhanced share-of-voice in the media for the nuclear industry.

In August, we proactively pushed the news around Alberta signing the MOU to extend and round out this positive story. This effort resulted in interviews, contributed articles and an op ed that, together, featured nuclear as innovative and clean in 140 news articles in prominent Canadian news outlets such as CBC, CTV and the National Post and a variety of broadcast and print media in regions across the country.

To support our media and government strategy, we also conducted our first omnibus survey, gathering Canadians views on climate change in the midst of a pandemic. The findings - that Canadians consider climate change the most extreme issue Canada faces despite the pandemic - led to a series of interviews and media placements. This was an important step in supporting the government in commitments they make around investments in nuclear, [including proclamations made by Minister O'Regan to CBC, an article in which our research was featured.](#)

At the same time, we completed the modernization of our digital presence in August, launching the revamped cna.ca and refreshed look, feel and naming convention of our member and public e-newsletters. This was an important step forward in reflecting a new and modern image of nuclear and we are pleased to see that the new look and feel of the tool has been well received.

Issues management:

Given the upcoming and ongoing spent fuel and nuclear byproduct developments (some of which are already facing public scrutiny) the CNA has established an issues management working group to coordinate a proactive industry-wide approach.

While the industry is no stranger to opposition as it relates to waste, we are likely to enter a more challenging period of managing public perception while driving important projects forward. Strategic communications and industry alignment will be key to navigating through this time.

The issues management group is made up of senior communications leaders appointed by members of the Radioactive Waste Leadership Forum. This group held its first meeting on September 22 and will begin to map an integrated issues management plan that includes an aligned approach to public, media and government relations as well as where the industry will be proactive in supporting at hearings and public consultations and where support will be required (i.e. a call to action to others in the industry). The plan is intended to complement the engagement that is taking place at the community level throughout the membership and focus more broadly at managing the message at a national / regional level.

The plan will be presented to the CNA's Public Affairs Advisory Committee for consultation, feedback and alignment and can be shared with leadership across the industry as requested.

CNA Conference and Trade Show:

The CNA's annual conference is a fundamental revenue stream for the association and, like many organizations, we are expecting to face challenges holding an in-person event in 2021 as a result of the pandemic. We were more fortunate than most in 2020, in that our event was held just prior to the lockdown so we were not affected.

Looking ahead, we expect that attempting to hold an in-person or hybrid (combined in-person / remote) event in February, when we were scheduled to host our conference, is likely to be prohibitive. COVID-19 restrictions are likely to remain in place and there is general fatigue around virtual meetings and events. We have assessed all possible scenarios for 2021 in collaboration with our venue and, in order to mitigate financial risk, we will be moving our conference to the fall. CNA2021 will be held September 15-17, 2021.

We will also be taking the opportunity to reassess future dates for the conference and are exploring the option of moving the conference to the spring in 2022 and beyond. That timeline will also ensure we do not infringe on important events hosted by others in the industry, including the WIN conference which usually takes place in the fall.

SMR Secretariat:

The Canadian Nuclear Industry SMR Secretariat (the Secretariat) has been coordinating our industry's submissions to the national SMR Action Plan, including a chapter from CNA and a unified chapter from the CEOs' SMR working group. The Action Plan is currently scheduled to be launched by the Minister of Natural Resources at the G4SR-2 virtual conference on November 18, after which the Secretariat will resume its core work of documenting the status of all stakeholders' actions toward implementing the 2018 SMR Roadmap.