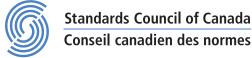
Annual Report

Delivering Value Together





Canadä

Standards Council of Canada



MISSION

To lead and facilitate the development and use of national and international standards and accreditation services in order to enhance Canada's competitiveness and well-being.



VISION

To be a global leader driving prosperity and well-being for Canada through innovative standardization strategies.



MANDATE

To promote efficient and effective voluntary standardization in Canada, where standardization is not expressly provided for by law.

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2018-2019

Message from the CEO and Chair

Great things can happen when we put our expertise and know-how as facilitators and consensus-builders at the service of our partners and stakeholders.

Our accomplishments were made possible through collaboration, by building strong relationships, and bringing together diverse groups and perspectives to develop strategies that are inclusive. We realized our goals with strong support from Innovation, Science and Economic Development Canada, our Council and the dedication of our staff and our partners in Canada's standardization network.

By bringing together people who see the world from different perspectives, we inspired new ideas, tackled complex problems in creative ways and spurred innovation. Thanks to everyone's contributions, standardization in Canada is thriving and delivering results. As we continue to support sectors that have traditionally benefited from standardization, we are also setting our sights on new and emerging areas – Al, big data, data governance and cannabis – so they can benefit from standardization early-on.

In the past year, we continued to leverage standardization in partnership with our stakeholders. Standardization can act as both a driver of innovation that can help unlock new opportunities, and as a problem-solving strategy that can assist in tackling the most important and complex challenges faced globally today.

Adapting to the effects of climate change is arguably one of our most pressing issues, especially in Canada where warming is happening at a faster rate than the rest of the world. We continue to work with standards development organizations and experts, developing standardization strategies to adapt our infrastructure, so it is more resilient, everywhere in Canada but especially in the North where effects are being felt more acutely. Standardization is also an effective strategy in the digital world, as more of our lives move to online spaces and data governance becomes a growing concern, particularly in light of recent data scandals and breaches. For example, we recently accredited the CIO Strategy Council which is driving the development of standards for the ethical use of data and artificial intelligence - so they can now develop National Standards of Canada in this area. And with the European Union's General Data Protection Regulation (GDPR) now in effect, we brought together key players in the sector to create the Canadian Advisory Committee on GDPR as a coordinated effort to help Canadian organizations address their regulatory obligations and develop strategies to help Canadians.

Another area where we are collaborating to unleash standardization's problem-solving potential is with respect to breaking down trade barriers within







Kathy Milsom | P.Eng., ICD.D

Canada and supporting Canada's commitment to modernize the *Canadian Free Trade Agreement*. We continue to capitalize on our consensus-building and facilitation expertise to support federal, provincial and territorial governments' aim to harmonize differing requirements between jurisdictions, reduce red tape and unnecessary costs, and ultimately help Canadian businesses succeed and our economy prosper.

In a world that is changing at lightning speed, we continue to work with our partners to ensure Canada is well positioned to reap the benefits of standardization's potential to drive innovation.

Canadian experts are playing increasingly significant roles in shaping and influencing marketplace rules that ultimately improve Canada's ability to compete globally and help ensure that we are on the cutting edge of the global innovation race. By bringing together, engaging and supporting this team of the best and brightest, the Standards Council of Canada helps amplify Canada's voice internationally by growing our country's leadership role in regional, national and international standardization activities around the world.

Just as important is SCC's ongoing commitment to the sustainability of Canada's standardization network. We are keeping pace with change by

continually modernizing our tools and processes to improve collaboration, develop new standardization strategies that are responsive and efficient, adapt our accreditation offerings to reflect emerging needs, and recruit and retain top talent to power our organization's work. The value of diversity is top of mind as we implement an extensive employment equity program. We are also focused on the pursuit of greater diversity, including gender balance, in standardization, especially at the international level. As demographics change, we are invested in ensuring that the standardization world is reflective of Canada's diversity by creating an environment where a broad range of voices can be heard. Looking to the future, we remain committed to actively engaging young professionals and cultivating the next generation of Canadian standards makers.

We are keen to continue working alongside
Canadian innovators to build standardization into
the development of their ideas, helping them remain
competitive and access new markets. New this year,
we are also supporting the Government of Canada's
Innovative Superclusters Initiative by ensuring that
companies know early-on how they can leverage
standardization to accelerate the commercialization of
their breakthroughs, and shape marketplace rules to
their advantage. Work is also underway with the newly



formed Canadian Data Governance Standardization Collaborative to identify data governance priorities that could benefit from standardization, an important first step towards delivering a comprehensive standardization roadmap that will benefit Canadian organizations and citizens.

This year was a particularly successful one for us at the Standards Council of Canada. We had very ambitious goals to drive innovation, mobilize Canadian leadership and realize organizational excellence, and in each of these areas we surpassed what we set out to achieve. Together with our partners in Canada's standardization network - including standards development organizations and other accredited organizations - Canadian experts and technical assessors, provincial, territorial and federal government regulators and policy-makers, international and regional standardization bodies, consumers and non-government organizations, academics and industry partners – we were successful in harnessing the power of standardization to fuel change for the better, help us prosper, contribute economic benefits and improve quality of life.

In closing, we would like to extend our appreciation to Standards Council staff and Council members, representatives of our shareholder, the Government of Canada, and the invaluable members of the Canadian standardization network for their contributions to all our considerable successes this past year.

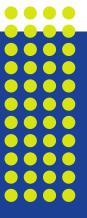
Chartel Duay African

Chantal Guay

CEO

Kathy Milsom Chair









"By bringing together people who see the world from different perspectives, we inspired new ideas, tackled complex problems in creative ways and spurred innovation."

Chantal Guay, SCC CEO Kathy Milsom, SCC Council Chair

SECTION 01

2018-19

Performance Against Objectives



OBJECTIVE	MEASURE
Deliver innovation	Develop and advance nine innovation proposals nationally, regionally or internationally.
through standardization	Government-selected superclusters are each supported with unique standardization strategies.



Canadian Leadership

OBJECTIVE	MEASURE
Deliver competitive advantage and economic prosperity through standardization	Work is underway on two opportunities to align standards for regulatory reconciliation in key sectors under the Canadian Free Trade Agreement (CFTA) Regulatory Reconciliation and Cooperation Table (RCT).





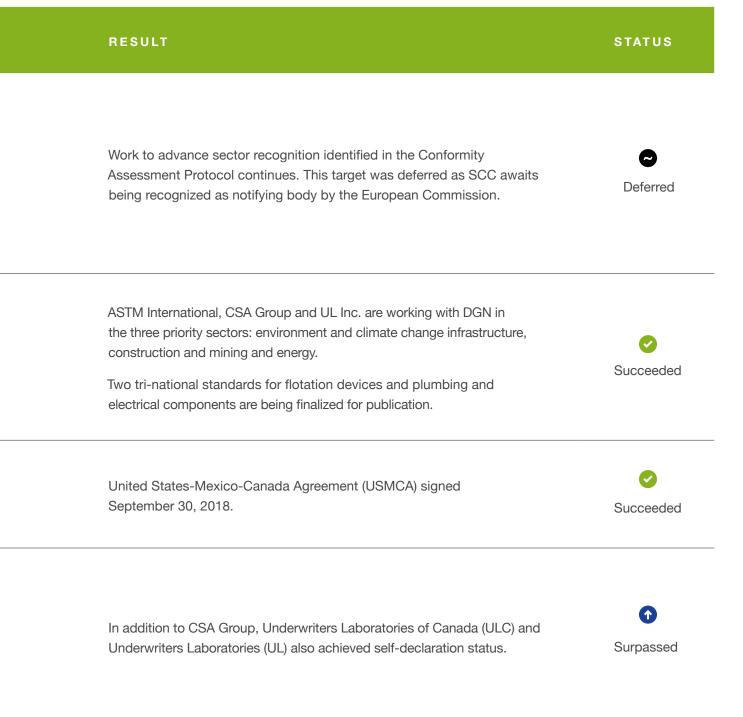


RESULT	STATUS
Ten proposals for innovative companies and organizations were successfully developed and advanced.	• Surpassed
Standardization strategies were developed for each of the five superclusters.	Succeeded

RESULT	STATUS
A reconciliation agreement on the Canadian Registration Number for pressure equipment was delivered.	•
The National Research Council received assistance to address the building code item under the RCT workplan.	Succeeded

Canadian Leadership

OBJECTIVE	MEASURE
Deliver competitive advantage and economic prosperity through standardization	Mutual recognition of accreditation by Canada and the European Union is in place for two product categories. This supports the Canada-European Union Comprehensive Economic and Trade Agreement (CETA) Conformity Assessment Protocol through the SCC-European co-operation for Accreditation Bilateral Cooperation Agreement.
Provide standardization expertise to enhance free trade in North America	Collaborate with North American stakeholders towards greater standardization alignment by facilitating access to Canadian standards for potential adoption by Mexico's Dirección General de Normas (DGN) in three sectors.
	Support Global Affairs Canada on standardization-related elements of the North American Free Trade Agreement (NAFTA) modernization by providing advice.
Enhance standardization governance in Canada	One standards development organization achieves self-declaration, advancing the self-declaration process for approval of National Standards of Canada.







Canadian Leadership

OBJECTIVE	MEASURE
	Process for Other Recognized Documents (ORDs) is implemented.
Enhance standardization governance in Canada	The member program toolkit is enhanced.
	The Young Professionals Standardization Framework is developed in collaboration with stakeholders.
Deliver standardization solutions	Eleven standardization solutions for climate change adaptation are delivered or developed as part of the Standards to Support Resilience in Infrastructure Program in support of Canada's Adapting to Climate Change initiative. Two for northern infrastructure, four for climate change, and five for critical infrastructure.
	One new or expanded accreditation program is provided biennially.



	RESULT	STATUS
	ORD notification system (ONS) was launched and is available on the SCC website.	Succeeded
	The e-learning modules that form the member training toolkit were improved and published on the website for easy access.	Succeeded
	The framework to attract young professionals was developed and a draft action plan was completed.	Succeeded
	Three northern infrastructure standards are under development.	• Surpassed
	One climate change standardization solution was published and four are under development.	• Surpassed
	Nine critical infrastructure standardization solutions are under development.	Surpassed
	Two new and two expanded accreditation programs were provided.	Surpassed



OBJECTIVE	MEASURE
Strengthen the organization's culture of excellence	A high-performing, knowledge-based workforce by developing an action plan implementing the employee engagement survey results; achieving less than 10% voluntary attrition; and investing at least 1.5% of overall salary expense in training.
	Continue to modernize business infrastructure by launching a standards collaboration platform pilot.
	Achieve strong governance and sound fiscal management by ensuring fiscal year actual to budget variance of surplus (deficit) is 5.0% or less of total budgeted expenditures.



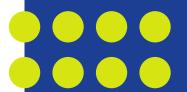


RESULT	STATUS
An action plan is in place to address the results from the employee engagement survey and recommendations are being implemented.	Succeeded
Voluntary attrition is at 8.9%.	Succeeded
1.9% of overall salary expense is invested in training.	Surpassed
Pilot standards collaboration platform launched.	Succeeded
Fiscal year actual (adjusted for parliamentary appropriations and royalty revenue distributions approved late in the year) to budget variance of surplus (deficit) is 0.4% of total budgeted expenditures.	Succeeded



SECTION 02

Operating Environment





In this Section:

- **18** Global Competition
- **20** Digital Transformation
- 21 Modernization of Canada's Standardization Network

Introduction

Governments around the world are getting increasingly involved in standardization and are using standards for strategic economic advantage. In fact, research has shown that between 1981 and 2014, standardization contributed 7.8 per cent of the growth rate in Canada's real gross domestic product (GDP) and 16.1 per cent in the growth of labour productivity. In 2014 alone, standards contributed nearly \$3 billion of the \$39 billion increase in Canada's real GDP. SCC has been at the forefront of ensuring that standardization works for Canada and that areas of strategic importance to the country, such as clean technology and innovation, are reflected in international standardization solutions.

As part of its planning process, SCC conducts a scan of its operating environment. This includes the monitoring of national and global trends, as well as social, economic and political factors that may impact on our ability to deliver our strategic priorities and in support of our vision to drive prosperity and well-being for Canada through innovative standardization. There are three main areas that require strategic attention and focus for SCC to further position itself as a premier standardization organization. These are: Global Competition, Digital Transformation, and Modernization of Canada's Standardization Network.

Growth of Labour Productivity between 1981 and 2014 Growth of Real GDP between 1981 and 2014





16.1% contributed by standards

7.8% contributed by standards

STANDARDS CONTRIBUTED NEARLY

\$3 BILLION







of the \$39 billion increase in Canada's real GDP in 2014.



The Honourable Navdeep Bains

Minister of Innovation, Science and Economic Development

"As a leader in Canada's standardization network, the Standards Council of Canada harnesses the power of standardization to help achieve prosperity for Canadians. It is also committed to ensuring that Canadians are actively involved in shaping international standards to reflect Canada's interests and priorities. SCC support for innovative companies, such as the new superclusters, helps promote cutting-edge Canadian ideas and products to compete globally."

Global Competition

In leading developed countries, national standards bodies play a critical role in implementing national strategies to advance their economic, political, social and environmental interests.

This is done through standards setting and by being at the negotiating table internationally and regionally. For example, countries are making concerted efforts to embed their intellectual property in standardization. By being standards-setters, countries gain a competitive advantage that can result in pressures on others to adopt their technologies. Under SCC's priority of Innovation, we are ensuring that Canadian companies are taking full advantage of standardization strategies to commercialize, open new markets and compete in the global economy.

By strategically engaging in standardization internationally and regionally, countries can ensure that they are prepared to leverage standards for economic growth. Currently, France, China, the United Kingdom, Germany, South Korea and Japan are either leading or represented on more than 700 technical committees at the International Organization for Standardization (ISO) alone. This level of engagement makes sure that they have a determining voice in setting the standards that will define the future. As such, by being a standards-setter, under our priority of Canadian Leadership, Canada can extend its influence internationally.

Coordination of international standardization initiatives helps to overcome trade barriers,

particularly considering that 80 per cent of global trade is influenced by standards. SCC has conducted research to demonstrate the trade enhancing benefits of participation in regional standardization organizations. Specifically, participation in the Pan American Standards Commission was associated with an increase of 10 per cent in exports to other member countries. Diversifying Canada's trade portfolio is a priority; trade agreements are key to increased diversification; however, cooperation on standardization opens the door to fully realizing the benefits of trade agreements. For this reason, and through our Canadian Leadership priority, SCC is actively involved in providing standardization expertise to Canada's trade negotiations (for example, United States-Mexico-Canada Agreement, Comprehensive Economic and Trade Agreement, Mercosur, China, the Pacific Alliance), to enable Canadian businesses to compete in these new markets.

While international engagement is important, Canada can also increase its competitiveness by reducing internal trade barriers. These barriers have been estimated to cost the Canadian economy up to \$130 billion annually. SCC is at the forefront in these negotiations and by working through our Provincial-Territorial

Advisory Committee. SCC is successfully bringing provincial and territorial regulators and policy-makers together to address these barriers. As one example, a reconciliation agreement with regard to the Canadian Registration Number for pressure equipment will be implemented to ensure a more seamless and cost-effective registration system in Canada to benefit Canadian manufacturers and consumers.

80% of global trade is influenced by standards





Digital Transformation

Under our strategic priority of Innovation, not only does SCC have to meet the standardization needs of traditional sectors, it also has to respond to emerging technologies and digital transformation, such as the impact of artificial intelligence (AI), industry 4.0 and blockchain.

In the digital world we now produce massive amounts of data that are available on demand and typically at no immediate financial cost to end users. It is estimated that only 0.5 per cent of the over 2.8 zettabytes of available data are analyzed. This limited data analysis still generates tremendous economic value. In 2014 alone, data flows contributed \$2.8 trillion US to GDP growth globally. As technologies that collect, retain, share, and bundle big data gain more traction, governments and businesses will increasingly compete on access to data.

Countries are wrestling with questions about data ownership, privacy, and security. For instance, the European Union launched the General Data Protection Regulation to harmonize data protection laws across the region and safeguard citizens' data. It has fundamentally changed how

data is handled in every sector. Standardization can act as a common denominator that increases trust, transparency and reduces risk for governments, businesses and consumers.

The Government of Canada recognizes the strategic value of digital technologies to its future economic performance. It also recognizes the value of standardization in this sector. SCC has received funding to develop a national cybersecurity certification program to assist small and medium-sized enterprises (SMEs) with managing cybersecurity threats in alignment with Canada's cyber security strategy. In tailoring the program to the specific needs of SMEs, which comprise 99.7 per cent of all businesses in Canada, this will help decrease the burden of dealing with cybersecurity threats for those businesses in a manageable, cost-effective way.

DATA FLOWS CONTRIBUTED





Modernization of Canada's Standardization Network

The pace of technological change has served to highlight the need to expedite the standards development process, without losing process rigour.

To ensure organizational excellence, and with our partners in the network, SCC is taking steps to develop new tools that aim to make the standards development process more flexible. For example, SCC will be working with standards development organizations (SDOs) to develop alternative standards deliverables, such as technical specifications. Technical specifications may be used to serve the standardization needs of innovative companies to ensure that they can more quickly bring their ideas to market.

Accessibility to standards is also a fundamental question that is being discussed by the standardization network. Ensuring that standards are accessible is particularly important when they are referenced in regulations. Standards contain intellectual property that has been produced and paid for by standards developers, which must be protected. To address accessibility concerns, many SDOs are already offering read-only access to standards referenced in legislation.

SCC remains committed to working with SDOs and regulators to improve accessibility to standards, while protecting intellectual property rights, to ensure the development of standards remains relevant and sustainable.

To effectively respond to the challenges and opportunities presented by the environment in which we operate, SCC is committed to its strategic priorities of innovation and organizational excellence to develop a culture of high performance. That means investing in the professional development and growth of our people and modernization of our information management/information technology (IM/IT) systems. More than ever though, success relies on a strong, nimble and robust standardization network of key partners that is adequately supported to develop the standards and conformity assessment strategies Canada needs to prosper in the years ahead.



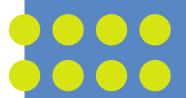
Technical Specifications

Technical specifications may be used to serve the standardization needs of innovative companies to ensure that they can more quickly bring their ideas to market.



SECTION 03

Highlights



In this Section:

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Innovation

Helping Canadian Innovators Thrive at Home and on the World Stage

Leading standards development and use to deliver value.

Innovation drives economies, and in today's global marketplace, it is a significant path to a country's economic growth and prosperity.

Canada must be first out of the gate in producing and commercializing new products, services and business models to advance its position in the global innovation race. The forces that drive these innovations are increasingly fueled by standardization. That is why SCC works diligently to build standardization into the development of new ideas, breakthroughs and technologies.

A key priority for SCC has been to seek out and engage with innovators to help them advance their made-in-Canada ideas, products and services through standardization strategies. Canadian companies that are active in standards-setting gain a competitive advantage by having direct input into shaping the standards that impact their businesses. To that end, we support the development of standards of and conformity assessment schemes that reflect the interests and priorities of Canadian business, and protect Canadian intellectual property and

technical specifications. Ensuring standardization is considered early in Canada's innovation ecosystem helps new ideas get to market faster, helps companies remain competitive and ultimately helps Canada compete globally.

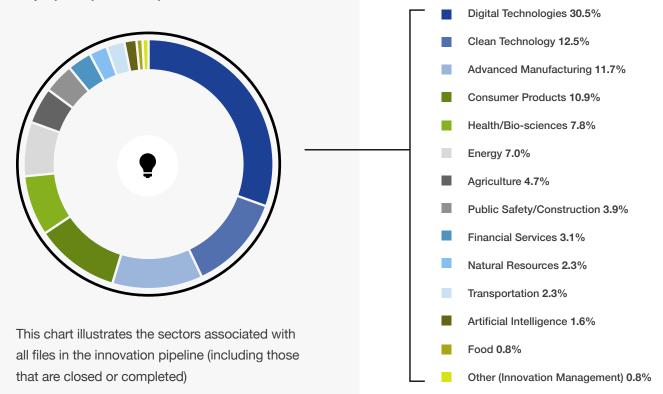
As part of ISED's support of Canada's Innovation and Skills Plan, this year, SCC exceeded its target and successfully developed and advanced ten new state-of-the-art innovation proposals. These proposals leverage SCC's standardization expertise to help Canadian innovators become national, regional and international standards setters and in turn support the commercialization and market access for trailblazing products, processes and services.

We also support ISED's Innovation
Superclusters Initiative by developing
tailor-made standardization strategies for
each of the selected superclusters. These
world-leading superclusters are working to
translate Canada's technology strengths into
commercial opportunities.

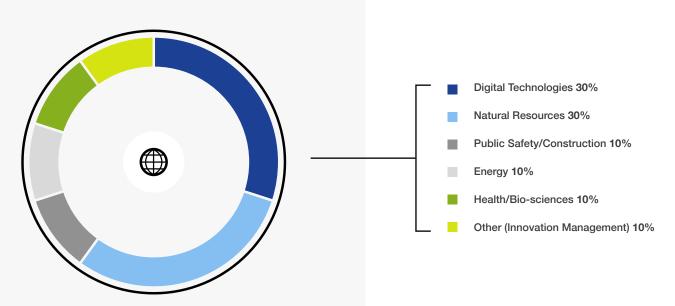


Innovation drives economies, and in today's global marketplace, it is a significant path to a country's economic growth and prosperity.

Sector breakdown of all SCC innovation projects (2017-2019)



Sector breakdown of new innovation projects advanced nationally, regionally or internationally in 2018-19



Teaming up with Canadian Innovators

Through strong relationships with the private sector, governments, research institutions and industries, SCC is developing initiatives that will help propel Canadian innovators to the global stage. SCC helped key players in many sectors of strategic importance to Canada develop standards proposals. SCC continues to build

on its successes as it grows the number of Canadian innovators it assists by providing custom standardization strategies that help them thrive in the global marketplace. These are among the new projects in our innovation pipeline, now totalling over 120 innovative companies and organizations that support business innovation.

Data security as a competitive advantage

Delvinia is a Toronto-based data collection company that provides accurate, relevant, reliable and current market information to help clients across Canada and around the world make better business decisions. In 2015, Delvinia launched Methodify, the first online automated market research platform in Canada, giving brands the ability to collect consumer insights and feedback in hours versus traditional research methods that would deliver this in weeks. The company's prioritization of data security has become even more important

in light of several recent data scandals and breaches involving other organizations.

Delvinia needed to know how it could use its competitive advantage – that it can demonstrate how it protects information, and that the company has permission to collect it – to expedite the approval process from procurement of their global clients. Delvinia's CEO Adam Froman believes SCC's guidance throughout the process was instrumental in achieving their goal. "It wasn't until we



DelviniaInnovator Profile

"[SCC's] support helped us accelerate our certification process to just three months, which is unheard of, and it's truly had a significant impact on our ability to scale globally."

- Adam Froman, CEO of Delvinia



started scaling globally that we realized how unprepared we were to take on the threats of a global marketplace. While we recognized we had to do something about it, it was SCC that determined ISO 27001 was the right standard for us to pursue to give us a competitive advantage globally, and they identified all the necessary steps to take to prepare for a speedy certification."

SCC's advice and expertise helped Delvinia obtain ISO 27001 certification to demonstrate follow-through on its pledge to protect data. This international standard is used around the world to ensure the safety of consumer data by providing a set of standardized requirements for an information security management system.

SCC made the certification journey a smooth one for Delvinia, directing the company to

training services to prepare for certification, a consulting firm for a pre-audit, and accredited certification bodies in Canada. Delvinia was approved within three months of its initial security audit—an incredible feat considering companies of similar size typically take up to six months for certification—and now holds a competitive advantage over other data collection companies.

"Their support helped us accelerate our certification process to just three months, which is unheard of," explained Froman, "and it's truly had a significant impact on our ability to scale globally."

The company can now show it is protecting the interests and rights of individuals while providing clients the data they need.

Certification to access new markets for innovative green technology

Terragon Environmental Technologies is a Montreal-based clean technology company that developed the Micro Auto Gasification System (MAGS™).

MAGS generates energy fueled by waste – plastics, paper, food, used oils and wood – that is converted into inert carbon products. The thermal energy it produces can be used to heat water or HVAC units. Although the equipment is currently used in such settings as cruise ships, overseas resorts, and by the military, Terragon aspires for MAGS to be more widely used, expanding their market to cities for use by businesses and households, starting with Canada.

On the road to achieving this, they faced regulatory barriers. Despite its level of emissions being similar to those of a boiler, regulators look at MAGS as an incinerator because it processes waste. This means that it is subject to stricter requirements, needing to conform to standards and testing for large-scale and environmentally degrading products and facilities which end up costing more than the MAGS product itself.



Terragon needed to show regulators that MAGS is a safe energy appliance and believed a standardization solution with stringent safety and emission requirements might help. SCC identified the simplest and speediest way to get over this hurdle by facilitating the development of an

Other Recognized Document (ORD). Certification to this document will allow the company to demonstrate the product's safety and relevance as a clean technology and to hopefully break into Canadian land-based markets.



Terragon Environmental Technologies

Innovator Profile



"The importance of standards for new and innovative products is paramount to successful commercialization. Terragon realized several years ago that its MAGS product did not fit into the current Canadian standard and regulatory framework making product diffusion extremely difficult. The Standards Council of Canada has been instrumental in leading Terragon down the path of interim standard creation which will play an important role in legitimizing MAGS to various parties including customers, regulatory authorities and insurance companies."

- Peter Tsantrizos, CEO and founder of Terragon

Breaking down barriers for cutting-edge products

Spartan Bioscience is an Ottawa-based company that manufactures DNA testing kits. Spartan developed a way to conduct polymerase chain reaction (PCR) DNA testing within a small and portable kit for a competitive price, producing results within 45 minutes, on site. The company successfully applied

this technology to water quality testing for Legionella. This solution, for which there are no known competitors, leaps ahead of the existing market, which has relied on sending samples for in-lab testing, a process that usually lasts approximately 10 days.

Spartan was recognized by the Institute of Electrical and Electronics Engineers Ottawa for developing the world's smallest on-demand DNA testing system. But existing standards for testing water quality only account for traditional laboratory testing methods. Spartan sought support from SCC to set standards for on-site, on-demand testing to allow buildings

to test water and air systems more frequently, and with a higher degree of certainty.

SCC can leverage Canadian expertise in standardization, entrench Canadian leadership in PCR applications, as well as promote and support amended standards in procurement specifications.



Spartan Bioscience



"SCC has been instrumental in guiding and supporting our efforts to develop standards for our products. With their help, we have been able to engage the global stakeholder community and build critical consensus on how to standardize our markets. This has allowed us to access existing markets and even create new ones."

- Paul Lem, M.D. Founder and CEO at Spartan Bioscience

Solutions for the economy and the environment

FPInnovations is a not-for-profit organization that specializes in innovative scientific solutions for the forestry sector, with a strong commitment to enhancing competitiveness and sustainability.

One of their promising innovations is a proprietary process that recovers lignin – a highly versatile and renewable bioproduct – from waste products in the pulp industry. It was recently discovered that it can be used as a replacement for fossil-based raw materials

in products such as carbon fiber, adhesives, thermoplastics, resins, composites and various chemicals.

Lignin's potential has sparked considerable interest worldwide and developing new

standards to assess purity, reactivity, chemical modification and end-use performance is indispensable to achieve its commercialization and trade potential. FPInnovations was already well-versed in standards development and with SCC's support they were able to start working on the standardization for lignin properties sooner than planned.

The company is already seeing results: ISO has recently recognized lignin's value by expanding the scope of ISO Technical Committee 6 (ISO/TC6) on Paper, Board and Pulp to include lignin. The Technical Committee has established an ad hoc group and brought forward two proposals for high priority test methods. The objective is to ensure that standards are developed in relevant areas and prioritized to effectively

respond to the global lignin industry's technical, regulatory and marketing needs. The two proposed international standards on lignin characterization under development will describe methods for determining the lignin content and carbohydrate composition of industrially-produced lignins.

SCC continues to support the path forward for FPInnovations by building awareness with national standards bodies, thanks to our participation in regional and international standardization organizations. By supporting the development of these international standards, SCC is helping FPInnovations fill a critical gap and helping the company develop a robust lignin-based industry that can better meet market demands and position Canada as world leader in this area.



×



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FPInnovations
Innovator Profile



"As several emerging novel, bio-sourced products such as lignin are reaching the commercialization stage, the need exists for standard characterization methods to evaluate their suitability in different applications. The Standards Council of Canada is helping us address this need quickly and efficiently."

- Stéphane Renou, President and CEO, FPInnovations

Standardization supports a new emerging industry

Cannabis is an emerging new industry that includes both the established medicinal cannabis industry as well as a new recreational market that arrived with legalization on October 17, 2018.

The drug is fourth in popularity around the world after alcohol, caffeine and tobacco and Canadians consistently rank among the most active users. The emerging sector has significant long-term economic potential for both domestic and international markets. The development of international standards provides an opportunity to protect people and promote Canadian economic interests.

The sector is experiencing several trends, such as medical cannabis recalls and questions about safety and quality control, that may lead to important standardization and accreditation opportunities. As well, key regulators and industry stakeholders have identified a strong

interest in the development of international standards that will provide additional assurances to consumers.

SCC is working to advance standardization activities in the cannabis sector by participating in established international standards development efforts to explore whether it can meet Canadian needs. SCC has also been working directly with the National Research Council of Canada and has established an approach to coordinate Canadian input through the National Cannabis Standardization Advisory Committee. As well, Health Canada has identified how standards can support Canada's regulatory framework for cannabis.



SCC helps small-and-medium-sized businesses comply with international data protection requirements

The European Union's General Data Protection Regulation (GDPR), enforced as of May 25, 2018, harmonizes data protection requirements for data controllers and processors in the EU as well as those who offer goods or services to EU residents, or monitor their behaviour. Because of this, Canadian organizations may be required to comply. Infringements can result in fines of 20 million Euro or 4 per cent of total annual worldwide turnover of the business.

There is a need to raise awareness in Canada of this new regulation and provide guidance to Canadian organizations, including small and medium-sized enterprises. Many Canadian organizations impacted by the regulation have asked SCC for guidance on addressing their obligations under the GDPR. In response, SCC

created the Canadian Advisory Committee on GDPR as a national forum with the mandate to share relevant information and recommendations and to increase Canadian participation in data privacy, data protection and GDPR-related standardization activities. It has partnered with the private sector, academia and provincial and federal partners such as Innovation, Science and Economic Development.

In this way, the Canadian Advisory Committee on GDPR can help Canadian organizations address their GPDR obligations as well as gain a competitive advantage and seize new business opportunities. As such, the committee has identified key resources accessible on SCC's website, which has become a go-to toolbox for Canadian organizations.

PROFILE

General Data Protection Regulation

"Thanks to SCC and the Canadian Advisory Committee on GDPR members' work on this important issue, Canadians now have access to a trusted source of information to help them fulfill their obligations with the regulation. This is definitely a value-add that is appreciated by small and medium-sized enterprises in Canada."

- Hisham Al-Zanoon, NRC-IRAP, Industrial Technology Advisor





Standards play a critical role in the data-driven economy.



Disruptive technologies gain a competitive edge with standardization

Digital technologies and AI are disrupting supply chains around the world. In the Canadian context, supply chains contribute to the economy, providing roughly a million jobs and enabling the movement of \$1 trillion worth of goods each year.

Data generated by supply chains has great business value when applied to needs such as logistics, demand forecasting and traceability. Industry forecasts estimate that by 2035, Al will increase Canadian annual gross value-added growth rate from 2.1 per cent to 3.5 per cent and boost labour productivity by 23 per cent.

Aiming to seize opportunities early on, SCC advanced collaborative working relationships with Canadian companies and leading organizations in this space. This includes an ongoing working relationship with organizations such as the CIO Strategy Council. The CIO

Strategy Council provides a leading, national forum for the country's most forward-thinking chief information officers to collectively shape, transform and elevate Canada's information and technology ecosystem.

Recognizing the role of standards as a pivotal part to Canada's leadership in Information and Communications Technology globally, the CIO Strategy Council, together with its members, is tackling leading questions surrounding technology innovation, uniting top leaders in the public and private sphere, and collaborating internationally to develop national standards fit for global use.

The CIO Strategy Council received accreditation by SCC as a standards development organization and is driving the development of National Standards of Canada for the ethical use of big data and Al.



CIO Strategy Council

"Standards play a critical role in the data-driven economy.

SCC's accreditation will help our members — industry leaders, engineers and business executives — create standards that advance Canada in important economic and non-economic areas such as security, digital rights and many others."

- Jim Balsillie, Co-chair of the CIO Strategy Council



Standardization strategies for Canada's superclusters

Building on the engagement strategy SCC developed last year, we continue to support Canada's Innovation Superclusters Initiative.

Launched in 2017, Innovation, Science and Economic Development Canada committed up to \$950 million in investments by 2022 for this initiative as part of the federal government's Innovation and Skills Plan. A first of their kind in Canada, the superclusters are designed to support business-led innovation in key sectors that have the greatest potential to spur economic growth.

Businesses, academic institutions and non-profits came together under this initiative to create ambitious strategies to give Canada a competitive advantage on the world stage. The five selected superclusters — Digital Technology, Protein Industries, Advanced Manufacturing, Al-Powered Supply Chains (SCALE.Al) and Oceans — are supporting the federal government's effort to create jobs and increase Canada's GDP.

International research continues to show links between standardization, labour productivity and economic growth, and guided by this evidence, we are working to ensure companies in the superclusters know at the onset what standardization can offer to accelerate the commercialization of their breakthroughs and about the support SCC can provide to help them shape marketplace rules to their advantage. To that aim, we developed comprehensive standardization strategies for each of the five superclusters. Activities include strategic partnership development, identifying priority areas and challenges, and standardization project development.

Given the commercial success that standardization enables, opportunities to advance innovation and spur economic growth through standards development have already been identified in the early stages of engagement with the superclusters. As they launch specific projects, SCC will provide advice on how standardization can help them pave the way to success. Strategies are also being discussed to ensure alignment with contribution agreements, and work is underway to formalize SCC's partnerships with the superclusters. SCC remains committed to developing and implementing standardization strategies to help Canada advance itself as a leader in standardization and provide tools for long-term national prosperity.



The superclusters are designed to support business-led innovation in key sectors that have the greatest potential to spur economic growth.

Canada's superclusters









Protein Industries
Supercluster



Advanced
Manufacuring
Supercluster



SCALE.AI
Supercluster



Ocean Supercluster



Canadian Leadership

Harnessing standardization for trade growth within Canada

Although it may be easy for most Canadians to travel across provincial and territorial borders, that's not the case with many goods and workers.

Differences in certification and testing requirements between Canadian jurisdictions have prevented products, tradespeople and professionals from moving freely between Canadian provinces and territories. Sometimes, different requirements and regulations are needed, but they can cause technical barriers to trade, creating unnecessary red tape for businesses.

Internal trade barriers hurt Canada's economy and put Canadian companies at a disadvantage. For consumers, these barriers often lead to higher costs and less choice. For manufacturers it means conflicting and duplicative requirements, again increasing their costs. These barriers have been estimated to cost the Canadian economy up to \$130 billion annually.

The Canadian Free Trade Agreement (CFTA) provides a means to remove these kinds of internal trade barriers, a priority for the Government of Canada. SCC supports the implementation of the trade agreement by working closely with provinces and territories towards the alignment of standards and codes in regulations. This work is done under the CFTA's Regulatory Reconciliation and Cooperation Table (RCT).

Under the RCT, the Provincial-Territorial Advisory Committee (PTAC), a statutory

committee of SCC, which brings together senior representatives from all of Canada's provinces and territories, has developed and is implementing a Reconciliation Agreement for the Canadian Registration Number (CRN) for pressure equipment. A common example of pressure equipment is the hot water heater.

Whether it's for domestic or industrial use. practically every building needs at least one hot water heater. However regulatory requirements for water heaters have differed between provinces and territories, meaning manufacturers may need to design more than one version of the same product in order to sell it in more than one province or territory. Manufacturers are also faced with the need to have the designs for their water heater reviewed more than once by different regulatory authorities, costing them time and money. For consumers this means fewer options, higher costs and delays in shipment, implications that are quantified in SCC's report The Case for Aligning Requirements for Water Heaters across Canada. This report concludes that improving the CRN process will help to facilitate a competitive marketplace that benefits businesses and consumers, while continuing to safeguard Canadians.

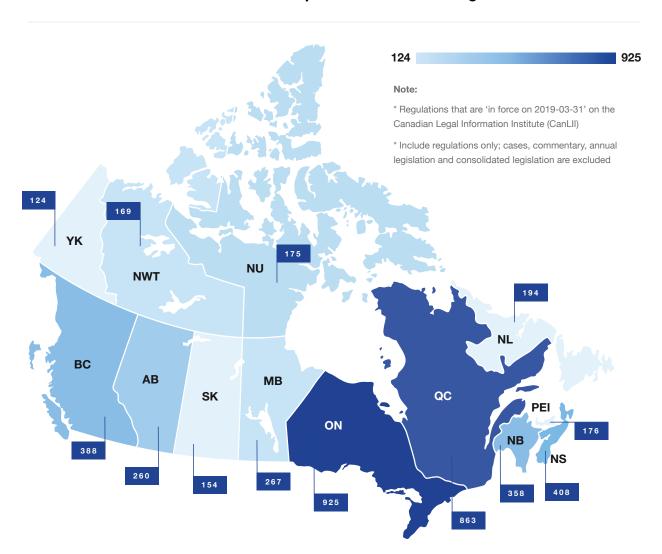
This is one way the PTAC is supporting the reduction of technical barriers to trade through standards and regulatory alignment under the CFTA. Currently, the committee is working with a number of stakeholders to successfully implement the reconciliation agreement for CRN.

By working to align standards and regulatory requirements, SCC is supporting regulatory reconciliation—the process of aligning existing regulations across the country. SCC is helping make Canadian companies more competitive, increasing opportunities for Canadian workers and providing better prices for Canadians.

Helping to achieve the goal of having one standard and one test across Canada will move us toward freer trade in Canada. It will also result in a healthier, sustainable, and more competitive nation in the years to come.

SCC is well-positioned to support standards alignment and regulatory reconciliation because of the extensive work it has done to identify references to standards in regulations. SCC's Monitoring Standards in Regulations program provides important intelligence and analysis to regulators through the identification and monitoring of referenced standards to help ensure they are effective, relevant and up-to-

Number of references to standards in provincial/territorial regulation



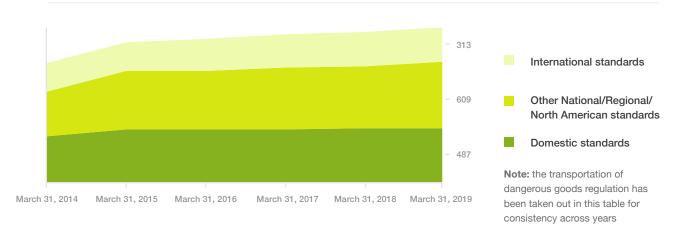
date. Originally applied to federal regulations, the Monitoring Standards in Regulations program grew to also include provinces and territories, which enables SCC to support regulatory reconciliation under the CFTA. Ensuring references to standards are aligned and up-to-date across jurisdictions helps reduce technical barriers to trade, drive economic prosperity and innovation, increase consumer confidence, protect our environment and keep people safe. Beyond identifying what standards are referenced where, it is also proving to be useful to discover patterns and trends. For example, it allows SCC to identify sectoral differences in the use of standards across jurisdictions. While providing inventories to jurisdictions remains a key component of the program, SCC's research team is also exploring new opportunities to leverage the intelligence it provides, including linking the database to economic data to quantify the impact of standardization on Canada. This important work helps regulators effectively and efficiently achieve their regulatory objectives.

To have a more complete picture of the implications of misaligned references to standards in regulations, SCC completed a

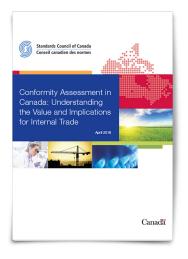
comprehensive report on conformity assessment, the practice of determining whether a product, service or system meets the requirements of a particular standard. It can be essential to ensuring regulatory requirements have been met. Conformity assessment has an important role to play in ensuring consumer safety, as well as product and service quality, compatibility, efficiency and effectiveness. The report highlighted efforts by multiple stakeholders, including SCC, to reduce unnecessary barriers to trade. It also demonstrated the contribution that conformity assessment makes to the Canadian economy with respect to GDP and employment.

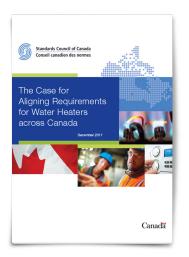
Through PTAC as well as collaboration with government departments and agencies, SCC is working with federal, provincial and territorial representatives to offer standardization strategies that promote the use of aligned and up-to-date standards in regulations. It's clear that for Canadian businesses to truly succeed, and to increase their overall well-being, the consistent use of standards and conformity assessment between provinces and territories is one of the most important contributions SCC can make.

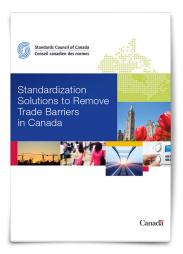
Number of references to standards in Canadian federal regulation





















SCC continues to innovate and improve its processes to provide value to Canada.



Enhanced relationships with Regulatory Authority Advisory Bodies

As the leader of Canada's standardization network, SCC continues to innovate and improve its processes to provide value to Canada.

That is why SCC is forging stronger relationships with Regulatory Authority Advisory Bodies to ensure that standards, conformity assessment procedures and other regulatory tools are up-to-date and aligned across the country. These bodies are technical advisory committees consisting of regulators from various provincial and territorial governmental organizations. They work to ensure consistency among jurisdictions regarding regulations, standards, Other Recognized Documents (ORDs), and conformity assessment procedures for the sale, purchase, safety, performance, use or application of consumer or industrial products.

Each Regulatory Authority Advisory Body specializes in a particular sector and as of 2019 SCC has signed memoranda of understanding and is working closely with a total of four of them: Canadian Advisory Council on Electrical Safety, Canadian Regulatory Council on Plumbing, Interprovincial Gas Advisory Council and Council of Canadian Fire Marshals and Fire Commissioners.

An ORD is a document developed by a certification body, in the absence of a recognized Canadian standard, to establish safety and performance criteria for a new product. An ORD delivers an equivalent level of safety or performance as provided for similar functions in existing standards. They are

temporary measures, developed and used by certification bodies in special circumstances. Alternatives such as this allow our stakeholders to be more agile and responsive to changing landscapes in regulated sectors, while preserving safety, security and oversight provided by Canada's standardization network.

SCC updated its ORD requirements following a review that identified opportunities for improvement. Among them, achieving more consistency and accountability in the process and addressing legacy ORDs. Putting these recommendations into action, in the past year SCC facilitated the updating of legacy ORDs including those of the Canadian Advisory Council on Electrical Safety, the Canadian Regulatory Council on Plumbing and the Interprovincial Gas Advisory Council.

This past year, SCC set in motion a new process to facilitate common approaches to the adoption of standards in new areas and sectors. Work started with the Canadian Regulatory Council on Plumbing and the Interprovincial Gas Advisory Council to discuss and identify common priorities on timely adoption of national building codes. Plans for common approaches to the adoption of standards in new sectors are also being implemented with key Regulatory Authority Advisory Bodies. This includes three task forces created at the Canadian Advisory

Council on Electrical Safety related to effective dates and use of applicable standards, energy storage systems, and the online sale of electrical products. This is an important step forward in our ongoing work to modernize standards governance in Canada and to ensure that Canada's standardization network is functioning effectively.

Agile and responsive to changing landscapes in regulated sectors

In Canada's national standardization network, a National Standard of Canada is a voluntary consensus-based standard published by an SCC-accredited standards development organization and approved by SCC.

All National Standards of Canada (NSCs) provide assurance to network users that they have been developed following the SCC prescribed process which ensures inclusion of a balanced committee of stakeholders. follows international best practices, promotes international harmonization, and meets Canada's needs. In 2018-19, SCC accredited the International Association of Plumbing and Mechanical Officials and the CIO Strategy Council, bringing to 11 the total number of SDOs that can develop, publish and maintain NSCs. By increasing the number of SCCaccredited SDOs in Canada, we are better able to offer more standardization options to help increase trade, reduce barriers for business and support economic growth.

Also this year, three SDOs achieved self-declaration status: CSA Group, ULC Standards and Underwriters' Laboratories Inc. Self-declaration is a framework process efficiency that was introduced to enable SCC-accredited SDOs to self-declare their standards as NSCs in compliance with SCC's Requirements &

Guidance documents. SCC-accredited SDOs can self-declare compliance through this new process whereby existing controls are leveraged and SDOs' projects are verified for compliance on a sample basis rather than by the verification of all projects. The self-declaration framework is now simpler, more efficient and reduces administrative burden, while still maintaining the high-trusted value and integrity of National Standards of Canada.

SCC has also been supporting the Government of Canada's ongoing regulatory modernization agenda, announced in Budget 2018 and led by the Treasury Board Secretariat of Canada, including providing guidance on standardization related items under the targeted regulatory reviews. Additionally, SCC has been engaging with federal departments to identify how regulators can better leverage standardization and conformity assessment strategies to achieve regulatory objectives.

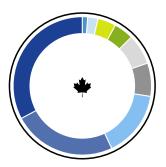
Accredited Standards Development Organizations

- Air-Conditioning, Heating & Refrigeration Institute
- ASTM International
- Bureau de normalisation du Québec
- Canadian General Standards Board
- Canadian Standards Association (CSA Group)
- CIO Strategy Council
- Health Standards Organization
- International Association of Plumbing and Mechanical Officials
- NSF International
- ULC Standards
- Underwriters' Laboratories Inc.



Sector representation of active standards published under SCC accreditation

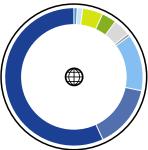
Graph 1: Sector distribution of active standards published under SCC accreditation as of March 31, 2019



- Agriculture and food technology Graph 1: 1.2% | Graph 2: 0.8%
- Generalities, infrastructures, sciences and services Graph 1: 4.3% | Graph 2: 4.8%
- Materials technologies
 Graph 1: 7.1% | Graph 2: 4.0%

international standards adopted under SCC accreditation as of March 31, 2019

Graph 2: Sector distribution of active



- Health, safety and environment Graph 1: 15.6% | Graph 2: 13.3%
- Electronics, information technology and telecommunications Graph 1: 32.8% | Graph 2: 56.9%
- Transport and distribution of goods Graph 1: 2.4% | Graph 2: 1.3%
- Special technologies
 Graph 1: 4.6% | Graph 2: 3.4 %
- Construction
 Graph 1: 7.8% | Graph 2: 0.6%
- Engineering technologies
 Graph 1: 24.2% | Graph 2: 14.9%

New and expanded accreditation programs

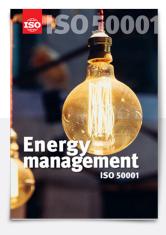
SCC is Canada's national accreditation body, which means it accredits testing laboratories, product certification bodies and other conformity assessment bodies to internationally recognized standards to strengthen the safety, reliability and quality of products and services for Canadians.

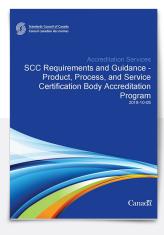
In 2018-19, accreditation programs were provided or expanded related to energy management systems (ISO 50001), occupational health and safety management systems (ISO 45001), and cannabis testing under ISO/IEC 17025 for testing and calibration laboratories.

The accreditation provided by SCC helps demonstrate an organization's competence to manage and perform conformity assessment activities as defined by its specific program scope of accreditation. Through SCC accreditation, bodies such as testing laboratories, certification, validation and inspection can obtain independent third-party validation for themselves and for their customers. Accreditation helps organizations deliver services with confidence and attract

new customers. SCC's Accreditation Program is internationally recognized as a signatory member to several international mutual recognition and multilateral agreements.

In 2018-19, SCC accredited the Bureau de normalisation du Québec (BNQ) to the Energy Management Systems Accreditation Program, the first customer to do so. BNQ is now able to certify organizations in the implementation of the International Standard ISO 50001, which helps organizations save money, conserve resources and tackle climate change. These improvements can lead to significant energy cost savings, as well as reduce an organization's greenhouse gas emissions that lead to global warming, an important factor considering that energy consumption contributes directly to 60 per cent of the world's emissions. ISO 50001 was recently





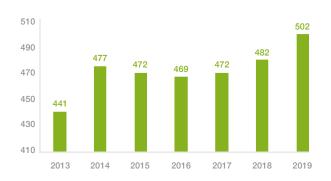


updated to make it even more effective in tackling the world's energy challenges, as it can now be more easily integrated into management systems.

Also in 2018-19, SCC began offering accreditation for bodies certifying to ISO 45001, occupational health and safety management systems, the world's first such international standard. Each day, more than 7,600 people world-wide die from work-related accidents or diseases, equivalent to more than 2.78 million people each year. The impact of workplace injuries is significant, both for employers and national economies. Workplace injuries result in early retirements, staff absences and rising insurance premiums, and other costs. ISO 45001 provides a framework to increase safety, reduce workplace risks and enhance health and well-being at work. By offering ISO 45001

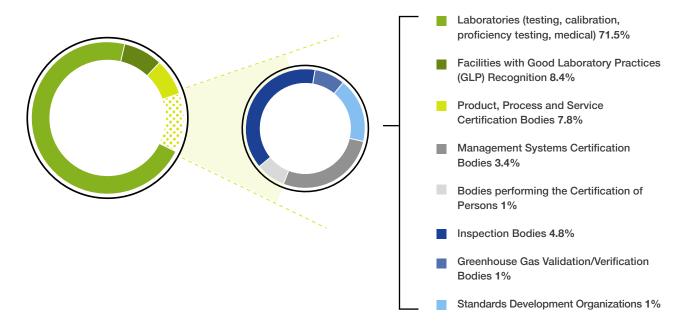
accreditation SCC is ensuring that certification options are available to organizations that wish to improve their occupational health and safety and reduce workplace risk.

Number of SCC Accredited Customers



Note: Number of customers as of March 31 each year.

Sector breakdown of Accreditation Services Customers





Meet our Assessors



Bei Wang

Lead assessor within certification, inspection and greenhouse gas accreditation programs

Bei Wang is a lead specialist in technical services at SCC, where she uses her knowledge and internal auditor skills in a rewarding way.

Bei built up her expertise over 10 years of quality assurance experience working in the sectors of bio-tech, analytical laboratory and medical devices in Canada.

She believes that building relationships with customers is one of the most enjoyable aspects of her job. As an assessor, Bei must be extremely organized, motivated and flexible, with excellent time management skills. As a lead assessor, Bei ensures that the customer understands that the assessment process is not a policing exercise.

Bei is a Certified Lead Auditor in ISO 50001-Energy Management Systems. Since

2014 she has been extensively involved in the development of the Global Superior Energy Performance scheme for the ISO 50001 Lead Auditor personnel certification programs.

In May 2018, Bei had the rare opportunity to lead a joint Certification Body re-accreditation assessment with an American National Standards Institute assessor. This required extensive coordination between the Certification Body customer, the SCC Account Manager and the other accreditation body's assigned assessor. Ultimately, conducting this type of joint assessment provides big savings for the customer and a great learning opportunity for workers like Bei.



Bei believes that building relationships with customers is one of the most enjoyable aspects of her job.



Robert Volkman

Assessor in management systems and greenhouse gases accreditation programs

Robert Volkman was working in health and safety regulatory compliance when he participated in audits with an SCC assessor present — an experience that led him to expand his auditing career and reach out to SCC, where he is now a senior principal.

Robert is an assessor in the management system and greenhouse gases accreditation programs, with over 35 years of experience in oil and gas, forestry, hydro-electric transmission, and government. He has focused on development and deployment of operations management systems; business process development and re-engineering of current processes; and technical writing services. He enjoys the time spent conducting witness audits with CB clients, where he relishes the challenge that assessors face to avoid

influencing the process with body language or other mannerisms.

The varied geographic locations of Certification Body customers also allow Robert to travel to places like China, where he recently had an eye-opening experience witnessing the country's uptake to improve through the adoption and implementation of standards. He has also recently observed the development of interior design for driverless cars. Keeping an open mind and learning from experienced assessors is key for Robert.



Robert relishes the challenge that assessors face to avoid influencing the process with body language or other mannerisms.

Resilient infrastructure in a changing climate

Extreme weather events like droughts, wildfires, floods and windstorms are happening more frequently throughout Canada, and such impacts resulting from a changing climate are increasingly challenging for communities.

Every year, flooding alone causes millions of dollars in property damage. And as our climate continues to change, the risks and the costs associated with it are only expected to rise.

Finding innovative ways to adapt is crucial, especially if we are to reduce the effects of climate change on our aging infrastructure. SCC remains committed to doing its part by working with experts across various sectors to integrate climate change adaptation into Canada's standardization system. These include federal, provincial, territorial and municipal leaders; infrastructure owners and operators; climate and weather scientists; architecture and engineering consultants; insurance industry representatives; conservation authorities; and developers.

Together, we are leading Canada's work to update existing standards and develop new ones referenced in building regulations and codes to make sure infrastructure across our country is resilient and safe.

In 2018-19, we continued to spearhead climate resilience initiatives through our Standards to Support Resilience in Infrastructure Program under Canada's Adapting to Climate Change objective in support of the Pan Canadian Framework on Clean Growth and Climate Change. As part of this program, SCC is providing a solid foundation for climate adaptation with the creation of standardization strategies that help ensure building codes, guidelines and standards are updated to protect



Chantal Guay

CEO of the Standards Council of Canada



"By working with the Intact Centre and our accredited standards development organizations, SCC is laying the foundation for a new national standard that will ensure flood resilience in Canadian communities. This collaboration is another example of how standardization strategies can strengthen Canadian infrastructure against climate change—and protect vulnerable communities across the country."

infrastructure. By doing so, we are helping protect Canadians and giving them peace of mind that their homes and communities will be safe and resilient in the years ahead. This initiative also supports the federal government's Pan-Canadian Framework on Clean Growth and Climate Change which includes actions to advance climate change adaptation and to build resilience to climate impacts across the country.

In terms of notable achievements this past year, SCC jointly published several foundational documents compiling best practices for flood-resilient residential communities. These include: Developing a Stormwater Quality Management Standard in Light of a Changing Climate developed in collaboration with Engineers Canada, Credit Valley Conservation and Mantle314; and Weathering the Storm: Developing a Canadian Standard for Flood-Resilient Existing Communities developed in collaboration with the University of Waterloo's Intact Centre on Climate Adaptation and the National Research Council Canada. This work benefits municipalities, homeowners and



Covers: Weathering the Storm & Developing a Stormwater Quality Management Standard in Light of a Changing Climate developers seeking to reduce property damage and flooding stress by providing them with cost-effective solutions they can implement to alleviate the risk of damage caused by future floods. Evidence-based foundational documents such as these are also intended to inform the development of future National Standards of Canada. Standards help reduce risks related to infrastructure failure, reduce liability associated with regulatory non-compliance and support continual improvement.

Similarly, in collaboration with the owners, operators, and users of Canada's weather stations, we are identifying new standards that will make weather data more accessible. Guidance for weather data, climate information and climate change projections is urgently needed so climate resilience planners have access to the data they need. To that end, we are supporting the development of the following standards by CSA Group: Weather Stations, Part 1: Metadata Self-Declaration for Canadian Weather Stations Collecting Atmospheric Meteorological Data; Weather Stations, Part 2 (a): Data Quality Rating System and Part 2 (b): User's Guide: Applying the Data Quality Rating System; Weather Stations, Part 3: Protocols for Sharing Atmospheric Meteorological Data; and Weather Stations, Part 4: Siting, Design, Operations and Maintenance of Canadian Weather Stations.

Northern communities—where the effects of climate change are being felt more acutely with warming occurring at a faster rate than the rest of the world—are faced with significant challenges in terms of maintaining and building infrastructure. SCC continues to support the creation of a suite of standardization strategies for infrastructure resilience which take into account the unique climatic, geographic, socio-economic and cultural circumstances of the region. New National Standards of Canada are underway

to provide guidelines for more resilient building infrastructure, which ultimately protects people living in Canada's north. Specifically, work by CSA Group and the Bureau de normalisation du Québec on new and updated standards and guidance for fire resilient buildings, managing snow loads, operating community draining systems, erosion protection, risk-based approach for community planning and foundations in permafrost is reducing the risk of destabilization, damage, and costly repairs. Work is also proceeding to develop northern infrastructure standards related to high wind, community planning and solid waste management. This is made possible in large part thanks to the collaborative efforts of northern communities and stakeholders within the standardization network that worked to adapt standards and codes to ensure infrastructure in these regions are climateresilient. In late 2018-19, SCC convened its

Northern Advisory Committee to help advance these activities by identifying opportunities to raise awareness and increase the use of standardization strategies delivered to date, and prioritize future work.

As a result of the work spearheaded by SCC in the area of infrastructure resiliency, Canadians from coast to coast to coast will also soon have access to designs that create flood-resilient communities; new standards to protect against high winds, erosion, and fires in northern communities; updated guidance to develop, interpret and use rainfall intensity-duration frequency information; to name a few. Changes to our climate are expected to intensify in the future. As such, it is critical that we continue to focus on this important work so that we can protect the health, safety and well-being of Canadians today and in the years to come.

Engaging and supporting members

Maintaining and fostering an energized standardization network rests in large part on supporting and attracting the best and brightest experts to participate in standardization development.

Engaging and empowering new and longtime members continued to be a key priority for SCC in 2018-19. As such, it invested in resources, programs and initiatives to recruit new members and ensure all participants in standards setting activities are well-equipped with the support and training they need to contribute fully and effectively, and deliver maximum value for Canada. A new addition put in place this year to enhance the member toolkit and improve the onboarding process for new members is a suite of user-friendly online orientation modules. These offer better training and guidance, and are accessible in one centralized location. Following each module, members are also able to test their knowledge by completing a quiz. Covering a wide range of topics such as the

Public Notification of Projects





A new addition put in place this year to enhance the member toolkit and improve the onboarding process for new members is a suite of user-friendly online orientation modules. importance of standards, Canadian participation in international standards development and Canadian standards development, they provide comprehensive information to ensure members have the knowledge and skills they need. These publicly available modules are also helpful to build awareness for recruitment purposes.

Ensuring the sustainability of Canada's standardization network is also dependant on engaging and retaining the next generation of members. As part of standardization succession planning activities, SCC developed a young professionals framework and implementation plan for a national program to increase this group's participation in standardization.

Appropriate training and guidance are required to position young professionals and, as such, they will also benefit from the new and improved member toolkit. Beyond training, the framework also includes mentorship opportunities to ensure young professionals are encouraged, prepared and feel welcomed to participate in standardization activities. It also includes outreach strategies that link young professionals with more senior industry, professional and standardization leaders and

specifically focus on identifying and developing young leaders as peer opinion leaders. This year SCC's Mentorship Program was enhanced with a cloud-based software as part of a pilot project that facilitates matching new members with experienced and knowledgeable experts. This new software also gives SCC valuable real-time data to measure the program and provides opportunities for participants to share feedback on their experience and suggestions for continual improvement. Through knowledge sharing and guidance, SCC members can increase their knowledge of national and international policies, procedures and processes, and develop their capacities as active committee members in an engaging, streamlined and effective way.

Through initiatives such as these, along with the ongoing support staff provides, SCC continues to help its members to ensure they are equipped to contribute to standardization with the right information, through the right medium and at the right time.



Members are better equipped to contribute to standardization with the right information, through the right medium and at the right time.



Representing Canada at the IEC Young Professional Workshop

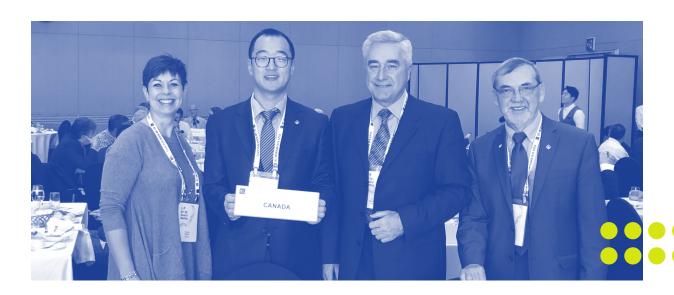
In March of 2018, SCC invited young professionals in the electrotechnology field to enter a contest to attend the 9th Annual International Electrotechnical Commission (IEC) Young Professionals Workshop in Busan, Republic of Korea in October of 2018.

The contest was an opportunity for SCC to connect with young professionals to revitalize Canada's standardization network and empower the next generation of standardssetting participants.

The winner, James Lim, an electrical engineer from Edmonton, Alberta, was chosen by a selection committee at SCC after submitting a video explaining why he would be the best choice and how standards impact innovation within his organization. Mr. Lim holds a Bachelor of Science degree in Electrical Engineering from the University of Alberta and

works as a Regulatory Approvals Specialist for company nVent Thermal Canada Ltd., a commercial electrical company.

In South Korea, Mr. Lim had the opportunity to learn about IEC's standards development processes and Conformity Assessment Systems; network with electrotechnical professionals from around the world; observe and participate in technical meetings to see how standards are developed; and sit-in on IEC management committee meetings to develop a better understanding of policy decision-making in standardization.



Pictured: James Lim (holding the placard), an electrical engineer from Edmonton, Alberta, was selected to represent Canada at the International Electrotechnical Commission Young Professional Workshop in Busan, South Korea.

World Accreditation Day & World Standards Day

World Standards Day 2018 - Standardization supporting innovation

Every year, SCC celebrates World Standards Day to recognize the thousands of dedicated experts who volunteer their time and expertise to help develop national and international standards, and to shine a light on standardization's importance and value.

Members of Canada's standardization network, including standardization experts, industry leaders, consumers, academics, staff and stakeholders from various sectors came together to hear from Canadian leaders speak about standardization support for innovation, especially when it comes to addressing climate change impacts.

At the event, attendees heard keynote presentations from two prominent industry leaders involved in Canada's innovation and standardization ecosystem: The Honourable

Sergio Marchi, president and CEO of the Canadian Electricity Association, and Leah Lawrence, president and CEO of Sustainable Development Technology Canada (SDTC). Mr. Marchi highlighted how standards help support safety, reliability, adaptability and innovation in the electrical sector. Given the wide-ranging impacts of climate change, he also touched on how standards are helping ensure that critical updates to Canada's electrical infrastructure are done with that in mind. Ms. Lawrence homed in on how standardization can help



The Honourable Sergio Marchi

President and CEO, Canadian Electricity Association



"As the national voice of the electricity sector in Canada, the Canadian Electricity Association has an intimate knowledge of the powerful and positive contributions standards make in our industry. Standards are the foundation of our industry, from power generation to customer service to health and safety."

Pictured: The Honourable Sergio Marchi, President and CEO, Canadian Electricity Association, keynote speaker at World Standards Days 2018.

innovative companies, particularly in the clean technology sector, scale up and grow their business. Recognizing the value in leveraging standardization to support cleantech innovators, she talked about the strong relationship SDTC has with SCC, evidenced by the fact that they have referred many of their client companies to SCC's Innovation Program.

Also featured at the event were first-hand accounts of how standardization can support Canadian businesses that play a hand in addressing the impacts of climate change. A panel of three innovators whose companies are part of the Innovation Program pipeline spoke about how standardization and working with SCC supports their businesses, helps them innovate, grow and ultimately succeed in global markets. The panel was moderated by standardization champion Blair Feltmate of the University of Waterloo's Intact Centre on Climate Adaptation, and touched on how changing our behaviour and tackling the challenges that come with a changing climate requires

not only innovators, but people who establish standards that enable the commercialization of their products and services. Andrew Massé, general manager and designer at WindTrans Systems Ltd., Audrey Mascarenhas, president and CEO of Questor Technology Inc. and Peter Tsantrizos, president and CEO of Terragon Environmental Technologies Inc. all spoke about their experiences as cutting-edge companies and the barriers they overcame when no standards existed for their innovations. Their insights emphasized how standardization strategies not only help to address businesses requirements and overcome market challenges, but also how standards can advance innovation that supports the success of breakthroughs that benefit the economy and the environment. The need to adapt to a climate that is changing is no longer a choice, it is a necessity. The need for solutions to one of the most complex issues facing the world today creates opportunities for innovative sectors and industries to emerge and thrive, and SCC remains committed to supporting their efforts.



Leah Lawrence

President and CEO, Sustainable Technology Development Canada



"Standardization also allows us to streamline and limit red tape to increase efficiencies. When designed thoughtfully and applied appropriately, they should allow our great minds to spend more of their precious time creating new ideas, building exceptional products and services, and accessing new markets."

Pictured: Leah Lawrence, President and CEO, Sustainable Technology Development Canada, keynote speaker at World Standards Day 2018.







Image A | Panelists (left to right): Audrey Mascarenhas, President and CEO, Questor Technology Inc.; Andrew Massé, General Manager and Designer, WindTrans Systems Ltd.; and Peter Tsantrizos, President and CEO, Terragon Environmental Technologies Inc.; with Moderator Blair Feltmate of the University of Waterloo's Intact Centre on Climate Adaptation

Image B: SCC Council Chair Kathy Milsom presenting at World Standards Day. The presentation emphasized the important work SCC is doing to ensure Canada is provided with the support needed to fully leverage the opportunities of standardization.

Image C: World Standards Day attendees gather to network and celebrate the efforts of the thousands of experts worldwide who develop national and international standards.

Finding a path to certification for a cutting-edge product

WindTrans created a versatile, energy efficient and portable pump that can be operated by hand, kinetic power or motor.

Using innovative technology, it transfers fluids quickly with little effort, with or without an engine or motor. In fact, a manual hand crank test showed it can move 135 gallons of water per minute and another that it can empty a 55-gallon tank in under 16 seconds. It is the first high-flow rate pump operating efficiently at low rotational speeds in either pump or turbine mode. Not only that, it can also be used as a turbine to produce electricity when connected to a generator.

This high volume, low speed pump – chiefly since it can be powered in several ways and produce energy – is ideal for situations when there is no power or grid assistance, like in remote areas and during power outages.

Expectedly, emergency services have shown interest to use it for fire-fighting, flood control,

spill recovery, and any time when connecting to power is impossible. It can also pump high and low viscosity fluids, from sludge to freshwater.

Although they were ready to go to market, WindTrans faced challenges certifying their product since no standard perfectly applied to their cutting-edge technology. Customer demand and concerns over liability drove this need for certification, especially since the pump is intended for a range of fluids, including heavier ones like oil. SCC helped them find an avenue to achieve certification by identifying a standard that best applied and advising on how to amend it so it allows for their innovative product. Having now received certification under this amended standard, WindTrans is able to access new markets and stay competitive.





Pictured: Emergency services are interested Windtrans' pump for uses in various contexts, including fire-fighting. Shown here are fire-fighters easily transporting the pump and using it to get their water resources.

World Accreditation Day 2018 - How accreditation delivers a safer world

Celebrated each year, World Accreditation Day is an international event established by the International Accreditation Forum and the International Laboratory Accreditation Cooperation to raise awareness of the value of accreditation.

It is an opportunity to showcase the important role accreditation and certification procedures, standards, regulations and testing play to ensure the safety of products and services.

This year's celebration brought together regulators, conformity assessment bodies, manufacturers, government officials, standards developers and businesses. Attendees had the opportunity to hear an engaging keynote address from Dr. Primal Silva, chief science operating officer and acting vice

president, Science at the Canadian Food Inspection Agency (CFIA) whose presentation highlighted the value of accreditation and how it inspires public trust by enhancing the safety of Canadian systems and products. He also described how conforming to industry-recognized standards through accreditation provides benefits to industry and the economy. Specifically, he addressed the intersection between CFIA's mission and accreditation. CFIA is committed to safeguarding food, animals and plants to foster health and



Dr. Primal Silva

Chief Science Operation Officer and Acting Vice President, Science, Canadian Food Inspection Agency (CFIA)



"The Government of Canada recently set a very ambitious goal for the agri-food sector, to grow our agri-food exports from \$50 billion currently to \$75 billion by 2025. That's where accreditation comes in—our ability to assure that the quality of our agri-food products conforms to the highest standards confers a competitive advantage internationally."

Pictured: Dr. Primal Silva, Chief Science Operating Officer and Acting Vice President, Science at the Canadian Food Inspection Agency (CFIA)

growth in Canada's environment, economy and people. And the mechanism by which organizations ensure compliance with national and international standards, is accreditation. It provides third-party assurance that laboratories responsible for testing comply with best practices and ultimately keep people safe. A sentiment echoed by SCC vice-president of Accreditation Services, Elias Rafoul, whose remarks described how labs can effectively demonstrate that the results they generate are consistently reliable through accreditation to standards, in turn helping inspire trust that the findings they yield are of the highest quality.



Pictured: Elias Rafoul, SCC Vice-President, Accreditation Services



"The quality of our food is something most of us take for granted. Every time we buy a can of tuna, a package of ground beef, or a carton of milk, we assume it's safe. We can make this assumption because of accreditation."

Chantal Guay, SCC CEO

Canadian Participation In International Standardization

Bringing Canada to the international standards stage

As governments around the world look to standards and accreditation as a way to improve their competitiveness, SCC's international activities remain critical to ensure that standardization continues to fuel Canada's economy. By collaborating with and taking on leadership roles in national, regional and international standardization bodies from

around the world, SCC helps to facilitate the trade of Canadian goods and services with these countries.

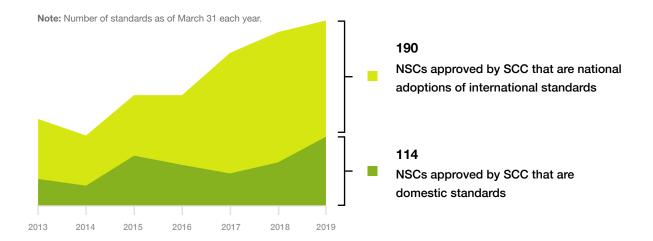
And as the leader of Canada's standardization network, SCC amplifies Canada's voice internationally. We do that at the international committees where standards are developed and at the highest levels of international standards bodies. It is in Canada's interest to play a strong role in shaping international standards, and to encourage the adoption of those standards globally. By taking on international leadership positions and being involved in key standardization committees, Canada has considerable input into governance and policy at the international level. This enables Canadian participants to improve Canada's ability to compete globally by influencing and shaping marketplace rules. SCC has a strong track record of promoting the participation of Canadian experts both on international technical committees and in leadership roles within international standards bodies.

SCC is also at the table in the regional standards organizations that work to facilitate trade with our nearest neighbours. It is in Canada's interest to work to ensure that national standards — whether Canada's.

or those of other countries - facilitate trade instead of becoming barriers to it. We accomplish that by participating extensively at the international and regional levels, and by engaging bilaterally with national standards bodies around the world to find ways to cooperate for mutual benefit. In 2018-19, we continued to reinforce our relationships with the Pan American Standards Commission (COPANT) and the Pacific Area Standards Congress (PASC), regional organizations with membership in the International Organization for Standardization. Such relationships are proven to be very valuable, as evidenced by a recent SCC study that showed that membership in COPANT is positively and significantly related to trade. It follows that membership in a regional standardization organization is associated with trade promotion since it helps reduce some technical barriers to trade amongst the member countries. In addition to COPANT

Total number of National Standards of Canada (NSCs) approved by SCC (yearly)

Efficiently adopting international standards to ensure Canada's competitive edge on the global stage.



and PASC, SCC is also a member of the Asia-Pacific Cooperation Forum and the Forum of IEC National Committees of the Americas, which represent the common regional interests of their member nations' concerns at the International Electrotechnical Commission.

As a recognized and active member of the International Accreditation Forum, the Inter-American Accreditation Cooperation and the Asia Pacific Laboratory Accreditation Cooperation, SCC is also strategically positioned to influence and reinforce the value of accreditation both regionally and on the international stage.

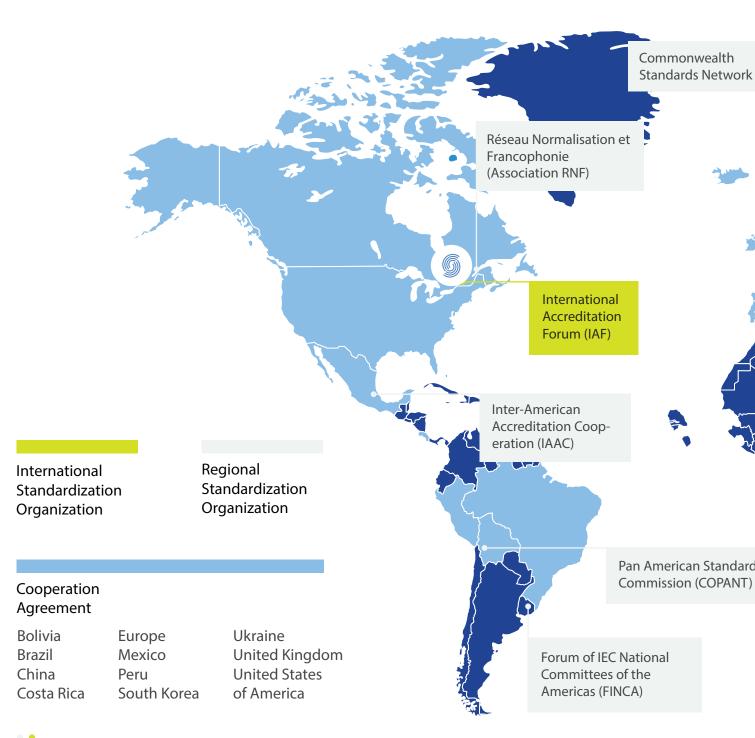
It has been estimated that standards influence 80 per cent of global trade. For Canada, international trade accounts for 65 per cent of our GDP; as one of the most trade-dependant nations in the G-7, standardization is especially critical to the Canadian economy. That is one reason why SCC is a trusted advisor to government in the negotiation of trade agreements, from North America to the European Union. Our work helps break down technical barriers to trade and protect the health and safety of Canadians in a wide number of sectors, from consumer products to healthcare and the environment.



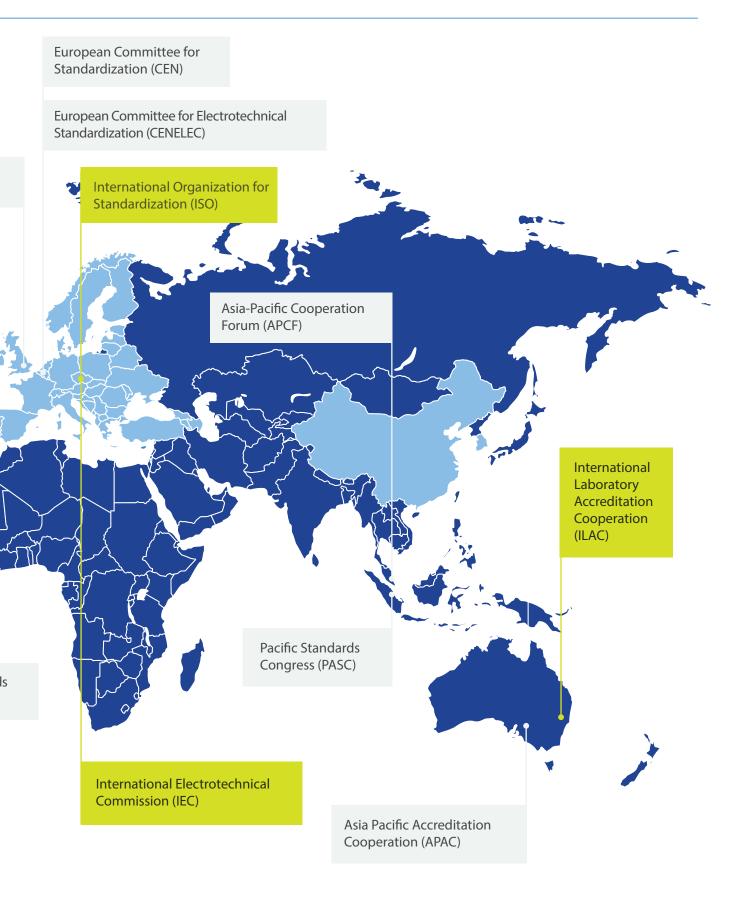
SCC Accreditation Leads to Global Recognition and Market Access: The Standards Council of Canada is a signatory to three new agreements with the Inter-American Accreditation Cooperation (IAAC). Accreditations SCC offers to certification bodies for the following schemes are now recognized globally: Energy Management Systems (ISO 50001), Medical Device Management Systems (ISO 13485), Food Safety Management Systems (ISO 22000).

Collaborating Around The World

Participation and leadership in international and regional standardization organizations is a critical part of SCC's strategic priority to be an international leader in standardization. Promoting efficient and effective standardization to advance the national economy, facilitate international trade, and further international cooperation is part of SCC's mandate, and entering into cooperation arrangements with similar organizations in other countries supports these aims.



Note: Indicated on the map are the standardization organizations' headquarter, secretariat or main office.



Representing Canada at ISO, IEC and regional bodies

SCC ensures Canadian interests are represented in international standards by promoting Canadian leadership in international standards bodies.

2018-19 saw several more Canadians elected or appointed to governance and leadership positions in ISO, IEC and beyond. Among them, Colin Clark, SCC Council member, was elected to the IEC Council Board and appointed to sit on the IEC Internal Transformation Strategy Group and Dr. Mkabi Walcott, SCC Vice-President, Standards and International Relations, was elected to the ISO Technical Management Board, ISO Information Technology Strategy Advisory Group and IEC Information Technology Advisory Group.

Canada is also leading regionally. SCC CEO Chantal Guay was confirmed as the next Chair of the Pacific Area Standards Congress Executive Committee for a three-year term beginning in 2019. As Chair, she will be responsible for leading the effective pursuit of PASC's strategic objectives. Additionally, Elias Rafoul, SCC's Accreditation Services Vice-President, is now both Treasurer and a member of the executive committee of the Inter-American Accreditation Cooperation, an association representing accreditation bodies in the Americas and other organizations interested in conformity assessment. Finally, Dr. Mkabi Walcott, also mentioned above, was elected to the board of directors of the Pan American Standards Commission for a two-year term.



Pictured: Colin Clark and Tony Capel (left) were selected to fill key leadership positions within the International Electrotechnical Commission. Mr. Clark, the Chief Technical Officer of Brookfield Renewable and vice-chair of SCC's Council, was elected to the IEC Council Board. Mr. Capel, owner and President of Comgate Engineering Limited, was elected to IEC's Standardization Management Board.



Pictured: The Inter-American Accreditation Cooperation Executive Committee meet in Rio de Janeiro, Brazil. SCC Vice-President of Accreditation Services, Elias Rafoul is a member and was elected treasurer in 2019.

Working regionally and internationally continues to be a key priority for SCC in the areas of accreditation and standards development. That's why in 2018-19, SCC attended the joint general assembly meetings for the International Accreditation Forum and

the International Laboratory Accreditation Cooperation, both to network with other accreditation bodies, and to maintain the international multilateral agreement and Mutual Recognition Arrangement.

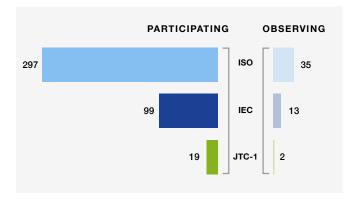
At the technical committee table

Developing standards relies heavily on the hard work of expert volunteers from around the world, and Canada's experts are being heard.

This year, Canada had participating status on 415 international technical committees and observing status on another 50. Those participants are also leaders. At the end of fiscal 2018-19, Canadians held 193 leadership positions within international technical committees. These included 24 chair positions and 152 conveners. Additionally, in 2018-19, Canada held the secretariat for 17 international technical committees including ISO/TC 176 which is responsible for quality management systems and ISO/TC 207 responsible for environmental management systems.

International leadership is a key strategic objective of SCC, and working within international standards bodies ensures

Number of international technical committees and sub-committees in which Canada is involved

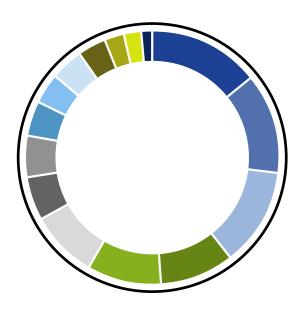




Canada's voice is heard. That's why SCC, in collaboration with CSA Group and CISCO Systems, hosted the ISO/IEC/JTC1 Information Technology Joint Advisory Committee meeting. It brought together more than 60 international delegates to discuss important issues from improving the relationship between standards and regulators, to artificial intelligence and Big Data.

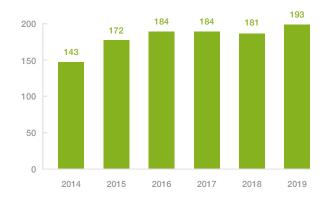
SCC also participated in the ISO Committee on Consumer Policy Chair's Advisory Group meetings, where Canadian positions were put forward on several issues, among them ethical Al and the sharing economy, and advertising and marketing for children. Canadians are well-represented at this committee and their work will help advance standardization in areas of importance to consumers in Canada.

SCC is also actively engaging with the Canadian National Committee of the International Electrotechnical Commission Council to set strategic goals in the context of major global trends impacting the electrotechnical industry, including cybersecurity.



Note: including participating and observing status

Number of Canadian leadership roles on ISO and IEC technical committees



Note: Number of positions as of March 31 each year.

At the end of fiscal 2018-19, Canadians held 193 leadership positions within international technical committees.

Sector Distribution of Canada's Involvement in ISO TCs/SCs

- Mechanical engineering 14.3%
- Health, medicine and laboratory equipment 12.9%
- Building and construction 12.6%
- Information technology, graphics and photography 9.4%
- Transport 9.4%
- Sustainability and environment 8.6%
- Energy 5.4%
- Special technologies 5.4%
- Food and agriculture 4.3%
- Business management and innovation 4.0%
- Services 4.0%
- Horizontal subjects 3.7%
- Non-metallic materials 2.6%
- Ores and metals 2.3%
- Security, safety and risk 1.1%

Strengthening relationships within North America

Cultivating relationships with our neighbours and trading partners in North America continues to be a key priority.

In 2018-19, SCC supported Global Affairs
Canada on the standardization-related
components of the new free trade agreement
signed in September, the United States-MexicoCanada Agreement.

This important work builds on SCC's ongoing effort to support good relationships within North America. SCC is embedded in the Canada-U.S. Regulatory Cooperation Council (RCC), which permits us to support the use of standards and conformity assessment strategies in regional and international regulatory cooperation. A recent meeting in Washington, D.C. allowed us to hear about progress on ongoing regulatory cooperation as well as provide input on upcoming work items that include medical devices, consumer product safety and rail safety.

Also in 2018-2019, SCC successfully renewed two important memoranda of understanding with the American National Standards Institute and Mexico's Dirección General de Normas. Those MOUs ensure that Canada, the U.S. and Mexico will continue to work cooperatively in the areas of standardization and conformity assessment for the mutual benefit of all three countries that comprise the North American trading bloc.

Within North America, alignment of standards is important for all parties. Two tri-national standards, for plumbing and electrical components and flotation devices, are being finalized for publication. SCC is also facilitating Mexican access to Canadian standards in the areas of environment and climate change infrastructure, construction, mining and energy.

SCC is also working to align North American practices in conformity assessment. In August, we participated in the annual conference of the Society of Standards Professionals, as well as in a workshop of the National Institute of





Pictured: John Walter, SCC CEO until April 16, 2018, signing memoranda of understanding with representatives from the American National Standards Institute (left) and Mexico's Dirección General de Normas (right).

Standards and Technology entitled Conformity
Assessment Guidance and Best Practices
Workshop: Canada – Mexico – USA. Elias Rafoul,
SCC vice-president of Accreditation Services,
gave an overview of conformity assessment in
Canada at the workshop, in addition to speaking
at the conference during a session comparing
standards and conformity assessment systems
in North America.



Speakers at the Conformity Assessment Guidance and Best Practices Workshop: Canada – Mexico – USA held on August 6, 2018 in conjunction with the 2018 SES Conference.

Building bridges with international players

SCC continued to hold bilateral meetings with the standards bodies of several international partners, among them were Australia, Bolivia, Brazil, Colombia, Costa Rica, France, Japan, Peru, Singapore, Spain and the United Kingdom.

Such meetings allowed SCC to discuss support for trade agreements and capacity building opportunities. SCC continued this important work in September at the ISO General Assembly, where we took part in a number of bilateral engagements with several of the international partners listed above as well as with Mexico, China and South Korea. These meetings were held to discuss support to trade agreements, capacity building opportunities and potential collaboration to support innovation initiatives.

In 2018-2019, collaboration with our counterparts in other countries also led to new cooperation arrangements with national standards bodies in the UK, South Korea, Brazil and Ukraine. SCC's mandate includes promoting efficient and effective standardization to advance the

national economy, facilitate international trade, and further international cooperation in relation to standardization. Entering into such arrangements with similar organizations in other countries is a means to deliver on this mandate.

SCC also continues to work with national standardization bodies in China, Canada's second-largest trading partner, in recognition of the significance of this trade relationship and the important role of international standardization in trade. In May 2018, an SCC delegation led by Chair Kathy Milsom visited China. SCC — under the leadership of CEO Chantal Guay — and the Standardization Administration of China discussed various areas for increased cooperation. Additionally, SCC and the Certification Accreditation Administration

of China agreed to finalize a framework for cooperation to foster greater understanding of the accreditation and regulatory systems of both countries, and to strengthen mutual cooperation in conformity assessment activities.

By engaging with counterparts in China, SCC can facilitate the alignment of standards and mutual recognition of conformity assessment results, thereby helping to increase trade and opportunities for Canadian and Chinese businesses.



The Standards Council of Canada and the Ukrainian Research and Training Center for Standardization, Certification and signed a cooperation arrangement.



The Standards Council of Canada signed a cooperation arrangement with the British Standards Institution.









Image A: SCC CEO Chantal Guay at the 82nd Annual General Meeting of the IEC, signing an agreement with the national standards body of South Korea.

Image B: Event at the Canadian Embassy in Beijing during which Chantal Guay, SCC CEO, delivered a presentation on how standardization supports innovation, alongside Mr. Xu Xinjian, Director General, Legislative Department, State Administration for Market Regulation and Mr. Xiao Han, Director General, Industrial Standards Department, Standardization Administration of China.

Image C: A delegation from SCC visited China for a trip to strengthen our relationships and increase collaboration with our Chinese counterparts, the Standardization Administration of China and the Certification and Accreditation Administration of China.

Trusted advisors and facilitators on trade

SCC has undertaken a number of activities in support of the Government of Canada's Trade Diversification Strategy.

That includes attending the Asia-Pacific Economic Co-operation Sub-committee on Standards and Conformance in August on behalf of Global Affairs Canada, as well as representing the Pacific Area Standards Congress at the Asia-Pacific Economic Co-operation Sub-committee meeting of Specialist Regional Bodies. On the conformity assessment side, SCC has maintained its Asia Pacific Accreditation Cooperation Mutual Recognition Arrangement status for Calibration, Testing and Medical Testing. This arrangement forms a regional network of laboratories and inspection bodies that facilitates trade through the acceptance of test, calibration and inspection results.

SCC also attended the 8th Triennial Review of the World Trade Organization Technical Barriers to Trade Agreement as well as the committee meetings in November. The committee has approved an SCC proposal for a workshop on the incorporation of standards by reference in regulation, to be held in November 2019.

SCC is actively advising Global Affairs Canada in the negotiations of the *Canada-Mercosur Free Trade Agreement*, providing input to the department on the standardization-related aspects of those negotiations. The previously-mentioned cooperation agreement with Brazil's national standards body supports Canada's trade diversification priorities both bilaterally with Brazil and as part of Mercosur.



SCC is actively advising Global Affairs Canada in the negotiations of the *Canada-Mercosur Free Trade Agreement*.



SCC in Europe

Work continues to support the Canada-European Union (EU) Comprehensive Economic and Trade Agreement (CETA) in the area of conformity assessment.

SCC is working closely with the European cooperation for Accreditation to implement the agreement's Conformity Assessment Protocol, which is expected to facilitate trade and reduce costs for businesses in both Canada and Europe. The framework for the mutual recognition of accreditation and assessments of four SCC-accredited conformity assessment bodies seeking to extend their scopes of accreditation under the first product category — equipment placed in hazardous locations — are complete. SCC must await recognition by the European Commission as an accreditation body before designating these conformity assessment bodies on behalf of the Government of Canada.

SCC's has co-operation agreements with the European co-operation for Accreditation and CEN/CENELEC – the European Committee for Standardization and the European Committee for Electrotechnical Standardization – which signal our ongoing commitment to working with our European counterparts to achieve standardization-related objectives in areas of mutual priority.

SCC worked very productively with European counterparts throughout 2018-19. CEO Chantal Guay attended the General Assemblies of the European Committee for Standardization and

the European Committee for Electrotechnical Standardization, including a session on innovation and standardization which covered responsiveness to the quick pace and evolving needs of stakeholders in science, research and innovation. SCC also held bilateral meetings with a number of European counterparts, including Austria's Analytical Service Incorporated, the National Standards of Ireland, the Swedish Institute for Standards and the British Standards Institution. These meetings were held to discuss support to trade agreements, capacity building opportunities, collaboration opportunities in support of our innovation proposals, as well as requests of support for Canadian candidates striving for leadership positions in international standardization development.

In October, SCC took part in meetings at the International Electrotechnical Commission (IEC) General Meeting which included CEN/CENELEC as well as the National Committees of the United Kingdom, Sweden and Australia. Those meetings were held to discuss and support trade agreements, the IEC strategic implementation plan, potential collaboration to support innovation proposals, as well as requests of support for candidates for various Canadian leadership positions at IEC.



Supporting gender equality in standardization

Greater inclusion of women in standards and standards development is an important priority for SCC, one with ties to the UN's Sustainable Development Goals as well as the Canadian government's commitment to gender equality.

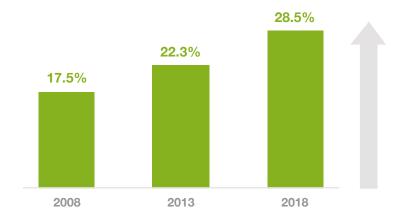
In November, SCC attended the United Nations Economic Commission for Europe Working Party 6 on the gender responsive standards initiative. SCC supported the Permanent Mission of Canada in Geneva by addressing the Working Party, and outlined our commitment to developing a strategy to improve gender balance and gender expertise in Canada's standardization network. Since then, SCC has created an internal Gender and Standards Working Group to ensure gender is a consideration in SCC's standardization policies and to increase awareness in the workplace.

Canada is among one of the first countries to quantify the participation of women on SCC's ISO/IEC mirror committees. Currently, women account for approximately 25 per cent of ISO mirror committee participants, and 9 per cent for IEC, even though they account for 47 per cent of Canada's working population. Learning the numbers is a key first step to developing plans to better include women in standards development.



Currently, women account for approximately 25 per cent of ISO mirror committee participants, and 9 per cent for IEC, even though they account for 47 per cent of Canada's working population.

Percentage of new Canadian mirror committee members who are women



Recognizing Outstanding Canadian Achievements



2018 Standards Council of Canada Awards

Canada's national awards in standardization were presented at the World Standards Day 2018 event in Ottawa. These recognize the commitment and achievements of individuals, organizations and committees who dedicate their time and expertise in support of Canada's national standardization network.



Hugh Krentz Award

Don Newsham, Chair of MC/ISO/TC 215 – Health Informatics

Don Newsham is an international thought leader on digital health and standardization. His commitment to standardization spans over 19 years, and his responsibilities and contributions have steadily increased over that time, from Project Lead to International Convener to liaison across standards development organizations to facilitate effective collaboration. He is dedicated to the development of standards that address Canadian needs, and is recognized by his peers as someone with tremendous integrity and diplomacy. As the Canadian Head of Delegation and the Chair of the



Canadian Mirror Committee of the International Organization for Standardization Technical Committee 215 – Health Informatics (MC/ISO/TC 215), Mr. Newsham's support of the work of his colleagues and others—in particular, his mentorship of young standards professionals—make him an exceptional leader in Canadian and international standardization.



"Those nominated for these awards play an essential role in making our standardization network what it is today. They support our quest to create a strong and adaptable network that responds to the needs of stakeholders and fuels innovation to help Canada compete globally."

Kathy Milsom, SCC Council Chair



Corporate Commitment Award

National Research Council, accepted by Michel Dumoulin, Vice-President Engineering, NRC

The National Research Council (NRC) is the Government of Canada's largest research organization supporting industrial innovation, the advancement of knowledge and technology development and fulfilling government mandates. Their exemplary commitment to Canada's standardization network has seen them take on a prominent role in helping to align public safety codes across Canadian jurisdictions and to ensure codes are regularly updated to reflect technological advancement in the fields of construction and public safety.



Accepting the award on behalf of NRC was Dr. Michel Dumoulin, the Vice-President (acting) of the NRC's Engineering Division. He has been with NRC for over 20 years, during which time he co-authored over 120 scientific publications and six patents.

Committee Achievement Award

MC/ISO/TC 215 – Health Informatics, accepted by Don Newsham and Elizabeth Keller

The Canadian Mirror Committee of the International Organization for Standardization Technical Committee 215 – Health Informatics (MC/ISO/TC 215) received the 2018 Committee Achievement Award. From leading the development of numerous standards documents to taking on the role of international convenor for multiple working groups over two decades, this dedicated group of Canadian volunteers from MC/ISO/TC 215 have been applauded for their consistent, strong and effective leadership. Canadian representatives led the way to creating a Joint Initiative Council (JIC) for ISO/TC 215, which brings together committee membership and representatives from several international



standards development organizations working in health informatics. The JIC is a forum for collaboration and coordination to reduce duplication and identify synergies that enable efficient standards development in the area. Accepting the award were Elizabeth Keller, elected incoming chair (October 2018) of MC/ISO/TC 215 and head of delegation for Canada, and Don Newsham, chair of MC/ISO/TC 215 and head of delegation for Canada.

Young Leader Award

Amin Yazdani, Professor and Program Coordinator for Occupational Health, Safety and Wellness at the Conestoga College Institute of Technology and Advanced Learning's School of Business

Dr. Amin Yazdani is a Professor and Program Coordinator for Occupational Health, Safety and Wellness at the Conestoga College Institute of Technology and Advanced Learning's School of Business, an Adjunct Assistant Professor at the University of Waterloo's School of Public Health and Health Systems, and an Adjunct Assistant Professor at McMaster University's Department of Geography and Earth Science. Dr. Yazdani's extensive research program includes innovative approaches to improve workplace health



and safety through standardization. His leadership and contributions as an academic representative—particularly with the CSA Group—have resulted in the development of several Canadian standards in the area of work and health. Beyond his direct involvement in standards development, Dr. Yazdani also fosters the engagement of students in standardization, helping guarantee the next generation of standards professionals.

McMahon Dedicated Service Award

Hélène Couturier, Head Translator, SCC

With over 25 years of service to SCC, Hélène Couturier has provided immeasurable value not only to the organization but also to the field of standardization through her superior translations and overall support for our mandate as a bilingual organization. She has dedicated herself throughout her entire career at SCC to ensuring that our corporate bilingual presence was of the highest quality which has positively reflected



on our reputation—in Canada and around the world. Hélène's commitment to customer service excellence is also notable, and regularly recognized and praised by colleagues.



2018 IEC 1906 Awards



The 1906 Award recognizes the contributions of international experts to a project or activity that significantly contributes to advancing IEC's work.

Eight Canadian experts were honoured by the IEC for their outstanding commitment to international standardization. The number of Canadian recipients in 2018 equals an all-time high, originally set in 2005.

Mohamed El-Hawary, IEC/TC 114

Marine Energy - Wave, tidal and other water current Converters

For his contribution to and leadership in TC114 for many years. As the co-project leader for PT 626000-30 and co-convenor for MT 62600-1, Dr. El-Hawary has championed the international efforts to develop technical specifications for both power quality and terminology.

Maridoss Sarma, IEC/TC 113

Nanotechnology for electrotechnical products and systems

For his engagement in IEC TC 113 over many years. In his role as the IEC convenor in JWG 1, he made many technical contributions, especially for the development of nanotechnology vocabulary. Under his guidance, TC 113 created a first chapter in the electrotechnical vocabulary dealing with nano-enabled electrotechnology. Mr. Sarma's engagement in both the strategy discussion of the TC and in the improvement of the cooperation with ISO TC 229 has also been remarkable.

Richard Larivée, IEC/TC 97

Electrical installations for lighting and beaconing of aerodromes

For his participation as one of the pillars of TC 97, bringing his knowledge to PT 61820 and helping the project team while facing decisions on electrical safety matters.

David Tuckey, IEC/TC 85

Measuring equipment for electrical and electromagnetic quantities

For his huge expertise and excellent work on IEC 62586-1 and IEC 62586-2.

Michel Brossoit, IEC/TC 62

Electrical equipment in medical practice

For his work in SC 62A and SC 62D as a long-time contributor to standardization under medical robotics and electrical equipment using robotic technology, and in acknowledgement of his efforts and leadership as international convenor of JWG9 within SC62A and of JWG35 and JWG36 within SC 62D.

Vegard Andersen, IEC/TC 66

Safety of measuring, control and laboratory equipment

For his valuable contribution as the convenor of MT 14 to enable IEC 61010-2-091 to be published, and as a member of several WGs and MTs to bring the experience of the test houses to standards development.

David Brière, IEC/TC 61

Safety of household and similar electrical appliances

For his leadership as convenor of MT 4, Temperature limits and resistance to heat and fire, in its work on determining requirements for touchable hot surfaces. He also provides valuable expertise on the TC 61 Chairman's Advisory Group, AG 28, in solving inquiries on the IEC 60335 series of Standards.

Jacob Iosfin, IEC/TC 4

Hydraulic turbines

For his extensive technical contributions, including IEC 62097/AMD1: Hydraulic machines, radial and axial – Performance conversion method from model to prototype.



Culture of Excellence

A high-performing and knowledge-based workforce

SCC's ability to deliver value to Canada depends on attracting and retaining the best and the brightest.

Staff must have the tools, knowledge and expertise to seize opportunities and develop standardization strategies that not only support innovation, but also protect Canadian consumers, promote trade, support sustainable development and fuel our economy.

Investing in staff at all levels of the organization ensures everyone has the skills they need to help us deliver on our ambitious goals. Through its investment in employee engagement and professional development, SCC is well positioned to retain the expert staff needed to follow through on our plan to build an even stronger standardization network. Our talent management strategy also includes succession planning to identify and develop the next generation of leaders so we continue to have a team of the best people going forward.

Each employee needs personal and professional development opportunities to advance their skills and expertise so they can contribute their best to the organization and grow in their

career. In 2018-19, we focused on strengthening capacity, fostering a high-performance culture and optimizing human resources value through improved infrastructure, policies, processes and tools. SCC continued to implement a comprehensive competency-based framework for all positions, used an individualized learning plan framework for all employees, delivered a two-day program on effective interpersonal communication program called Courageous Conversations and held a custom designed program Leadership Matters for all managers.

Continual improvement at SCC goes beyond professional development. All employees are encouraged to submit opportunities for improvements. This is in line with SCC's culture of innovation where all employees are empowered and engaged in the process of incremental and transformational change to improve organizational performance, enhance job satisfaction and boost the quality of working life at the organization.







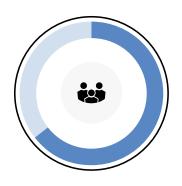
SCC also followed through on its commitment to cultivate a healthy workplace, with a continued focus on supporting the Federal Public Service Workplace Mental Health Strategy. This past year, we put in place initiatives to raise awareness about healthy practices and to foster a respectful workplace, including through ongoing staff training sessions. SCC also has an active mental health committee and launched the "Mind your Health" resource to support health and well-being. This supports SCC's commitment to fostering an open and supportive culture where everyone thrives.

At SCC, where over 50 per cent of all employees are women, we take pride in empowering women to seize opportunities to participate and lead in standardization, including through international standards development. As well, SCC delivered on its commitment to ensure all employees are treated fairly within our organization and moved to

implement an employment equity program. This program ensures that women, Indigenous peoples, persons with disabilities and visible minorities are equitably represented at all levels within our workforce.

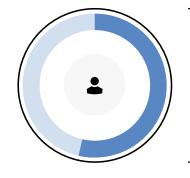
Meeting the needs of the 21st century's digital economy means having the right tools and processes in place. To that aim, SCC adapted and modernized business tools and online platforms to better support staff, customers, Canadian experts and stakeholders. In 2018-19, we successfully piloted a modernized digital collaboration tool for standards management that is more intuitive and user-friendly with nine committees representing roughly 200 technical committee members. Work is underway to fully implement it, which will enable staff and stakeholders to more effectively and efficiently contribute to standardization strategies that help propel Canada forward.

SCC Organizational Gender Breakdown



ALL STAFF
71 Women

39 Men



LEADERS

14 Women

12 Men







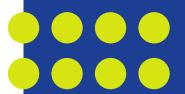


At SCC, where over 50 per cent of all employees are women, we take pride in empowering women to seize opportunities to participate and lead in standardization, including through international standards development.



SECTION 04

Corporate Governance





In this Section:

- **85** Governing Council
- 85 Council Structure

Governing Council

SCC is governed by a Council that reports to Parliament through the Minister of Innovation, Science and Economic Development. The Council is comprised of 13 members, ten are appointed by the federal government and three sit on Council by virtue of the Chair/Vice-Chair positions they hold on statutory committees established in the *Standards Council of Canada Act*. The Council is responsible for overseeing the strategic direction of the organization, ensuring fulfillment of the mandate and for providing guidance on governance matters.

SCC's Council is appointed to represent a broad spectrum of stakeholder interests in the private sector. Members have the knowledge and experience necessary to assist the Council in setting the strategic direction of the organization, providing direction on governance issues and ensuring the fulfilment of SCC's mandate. Members are responsible for ensuring that decisions are taken in the best interest of SCC.

Council Structure

SCC's Council and Executive Team are supported by standing and advisory committees and panels.





Kathy Milsom, P. Eng. ICD.D | Chair



Jim Young, P. Eng.
Director, Land Division
Planning, Development and
Technical Safety, Department
of Communities, Land and
Environment, Government
of Prince Edward Island
Provincial-Territorial Advisory

Committee Chair



Kathryn Coll,President and Managing
Partner, HR Atlantic



Michael Burns, P. Eng. Retired



Zakiah A. Kassam, P. Eng. | Principal, AirVironment Canada



Colin Clark, FEIC, P. Eng.
Chief Technical Officer
Brookfield Renewable
Vice-Chair | Corporate Governance
Committee Chair



Dr. Brent SchacterPhysician, CancerCare
Manitoba and Professor,
University of Manitoba



Tom Bursey, FCPA, ICD.D, Vice-President, Corporate Services and Chief Financial Officer, Council of Canadian Academies

Audit Committee Chair



Tayt WinnitoyExecutive Vice President,
Consumer Protection BC

.....



Mary Cianchetti, P. Eng. President of Standards, CSA Group Standards Development Organizations Advisory Committee Chair



Paul Pierlot,
Director, Regulatory
Accountability
Government of Manitoba
Provincial-Territorial Advisory
Committee Vice-Chair



Glenda Reid, BN, MBA Retired



François Coallier, Ph. D., P.Eng. | Professor, École de technologie supérieure



Top left: Jim Young, Michael Burns, Kathryn Coll, Chantal Guay, Dr. Brent Schacter, François Coallier

Bottom left: Zakiah A. Kassam, Tayt Winnitoy, Kathy Milsom, Colin Clark, Glenda Reid

Missing: Tom Bursey, Mary Cianchetti, Paul Pierlot



The Council has two standing committees: the Audit Committee and the Corporate Governance Committee.

The Audit Committee assists the SCC Council in fulfilling its oversight responsibilities with respect to the financial and information management of the organization, including corporate planning, financial reporting and financial controls, the internal and external audit process, risk management, continuous disclosure practices and compliance with ethics-related, legal and statutory requirements, information management strategy and related initiatives, and other related oversight responsibilities. The Corporate Governance Committee ensures that

Council fulfills its legal, ethical, and functional responsibilities through governance policy development, recruitment strategies, training programs, monitoring of Council activities, evaluation of Council members' performance, and oversight of the Chief Executive Officer objectives and performance, as well as Council commitments.

Both committees play an important role in strategically supporting governance approaches for SCC's initiatives.

The Council is also supported by two advisory committees as established in the SCC Act:

Provincial-Territorial AdvisoryCommittee

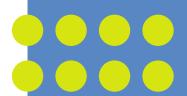
Provincial-Territorial Advisory Committee (PTAC) is established in the *Standards*Council of Canada Act. PTAC promotes cooperation and communication between the provinces, territories and SCC, and provincial and territorial participation in Canadian standardization activities.

Standards DevelopmentOrganizations AdvisoryCommittee

The Standards Development Organizations Advisory Committee (SDOAC) is also established in the *Standards Council of Canada Act.* SDOAC promotes collaboration and cooperation between SCC and SCC-accredited SDOs.

SECTION 05

Corporate Profile



In this Section:

- 90 Mandate
- 91 Staff and Activities
- 92 The Organization

Mandate

SCC was established in 1970 as a federal Crown corporation. Its mandate is set out in its governing legislation, the *Standards Council of Canada Act*.

SCC's mandate is to promote efficient and effective voluntary standardization in Canada, where the law does not expressly provide for standardization activities. In particular, SCC has a mandate to:



- · Promote the participation of Canadians in voluntary standards activities;
- · Promote public and private-sector cooperation in voluntary standardization in Canada;
- Coordinate and oversee the efforts of people and organizations involved in Canada's network of standardization professionals;



- Foster quality, performance and technological innovation in Canadian goods and services through standardization-related activities; and
- Develop standardization-related strategies and long-term objectives to advance the
 national economy; support sustainable development; benefit the health, safety and
 welfare of workers and the public; assist and protect consumers; facilitate domestic and
 international trade; and further international cooperation in relation to standardization.



(a)

MISSION

To lead and facilitate the development and use of national and international standards and accreditation services in order to enhance Canada's competitiveness and well-being.



VISION

To be a global leader driving prosperity and well-being for Canada through innovative standardization strategies.

Staff and Activities

The strategies and policies established by SCC's Governing Council are implemented by a staff of 106. The organization's work is led by its Chief Executive Officer, Chantal Guay who is supported by SCC's Executive Team.



Top left: Elias Rafoul, Richard Tremblay, Dominique Dallaire, Dr. Mkabi Walcott **Bottom left:** Sandra Watson, Chantal Guay, Greg Fyfe



Richard Tremblay Vice-President Strategy and Stakeholder Engagement

Mkabi Walcott Vice-President Standards and International Relations Elias Rafoul
Vice-President
Accreditation
Services

Sandra Watson
Vice-President
Communications,
Corporate Planning
& Corporate
Secretary

Greg Fyfe
Vice-President
Corporate
Services and
Chief Financial
Officer

Dominique Dallaire
Director
Human
Resources

The Organization

Strategy and Stakeholder Engagement

The Strategy and Stakeholder Engagement branch plays a leading role in the development of strategies that enable SCC to achieve its overarching results.

The branch works to identify and define the conditions required for Canada to optimize its use of standardization and leads the program areas of innovation and adapting infrastructure to climate change. It also provides standardization-related policy advice to the federal government in the negotiations of Canada's Free Trade Agreements, such as CETA, the United States-Mexico-Canada Agreement, and China.

To ensure that SCC meets its strategic priorities, the Strategy and Stakeholder Engagement branch develops outreach strategies and provides advice to address stakeholder objectives. The branch regularly interacts, and consults, with key stakeholders including federal, provincial and territorial regulators, as well as industry, to drive the implementation of strategic objectives. The branch also provides secretariat functions to the SCC's Provincial-Territorial Advisory Committee and the National Public Safety Advisory Committee.







Leading innovation

Adapting infrastructure to climate change

Standards and International Relations

The Standards and International Relations branch facilitates Canada's participation in the standards development activities of the International Organization for Standardization and the International Electrotechnical Commission, two of the world's largest

voluntary standardization bodies. This involves management of SCC's Membership Program, which enables the participation of Canadian subject matter experts in international standardization spheres to ensure Canadian perspectives are reflected.

The branch also oversees Canadian standards development activities by SCC-accredited standards development organizations; sets recommended requirements used for the accreditation of standards development organizations; provides process governance and guidance to ensure compliance with appropriate requirements for the development, adoption and publication of National Standards of Canada; and National Standards of Canada.

The branch has an Innovation Implementation team, which provides the engagement strategies, project management, and implementation of national and international activities to support approved innovators in achieving their business objectives through standardization strategies.

In addition, the branch coordinates Canada's interest in regional standards organizations including the Pan American Standards Commission, Pacific Area Standards Congress, Forum of the IEC National Committees of the Americas, Asia- Pacific Cooperation Forum, and Réseau Normalisation et Francophonie. The branch also coordinates SCC's engagement in capacity building activities intended to strengthen the standardization infrastructures of key regional and international trade partners.

Accreditation Services

SCC's Accreditation Services branch provides accreditation services to various customers, including SCC-accredited standards development organizations, product, process and service certifiers, management system certifiers, inspection bodies, greenhouse-gas verifiers and validators, personnel certifiers and testing laboratories. The branch is also Canada's compliance monitoring authority that administers the Organization for Economic Cooperation and Development Good Laboratory Practice quality system.

The Accreditation Services branch is a signatory to several Mutual Recognition Agreements and Multilateral Agreements with international accreditation forums that foster the acceptance of one standard, one certification, one test accepted everywhere. These forums have been created by accreditation bodies around the world to assist with international acceptance of conformity assessment results. The agreements are part of greater efforts to form a global accreditation system.



International accreditation forums foster the recognition of one standard, one certification, one test accepted everywhere.



Communications and Corporate Planning

The Communications and Corporate Planning branch provides corporate communications services that include internal and external communications planning, a full line of communications products, website and event management, social media and translation services.

Its function is to inform stakeholders about the organization's mandate, promote the value of standardization and explain the ways SCC activities contribute to the achievement of corporate priorities.

The branch is also responsible for corporate planning, risk management, government

reporting (including Access to Information and Privacy requests), research and standards inventory monitoring.

This branch also fills the corporate secretariat role, providing advice, secretariat and governance policy support to SCC's CEO, Council Chair and Council.



Inform stakeholders about the organization's mandate



Promote the value of standardization



Explain how SCC helps achieve corporate priorities

Corporate Services

The Corporate Services branch provides professional services support to the organization. The branch is responsible for financial management, investment planning and business advisory services, IM/IT, quality management including related auditing, project portfolio management, corporate administration, contracting and procurement (including travel services).

The branch provides stewardship of SCC's financial resources through ongoing planning, control and engagement with internal stakeholders to create a strong sense of financial acumen. The branch is also working to improve SCC's digital workspace collaboration tools for external collaborators and develop a more robust and effective customer relationship management system for Accreditation Services.

Human Resources

Reporting directly to the Office of the CEO is the Human Resources team responsible for managing, recruitment, compensation and employee benefits, compliance with employment legislation as well as overseeing employee engagement, employee relations, and training and development strategies.

Supporting Bodies

SCC is also supported by one advisory panel and one committee, as follows:



Accreditation Advisory Panel

The Accreditation Advisory Panel falls under the purview of SCC's Accreditation Services branch. The panel provides policy advice, with a view to ensuring fairness and impartiality in relevant SCC policies and programming.

Canadian National Committee for the International Electrotechnical Commission

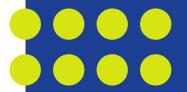


The Canadian National Committee of the IEC (CANC/IEC) provides strategic and policy advice to SCC on Canada's strategic priorities for companies operating in the energy, electrotechnical and electrical sector, as well as, IEC-related matters. The committee falls under the purview of SCC's Standards and International Relations branch.





Financial Performance



In this Section:

- 97 Financial Introduction
- 100 Financial Overview
- 101 Enterprise Risk Management Assessment
- 103 Independent Auditor's Report
- 111 Notes to the Financial Statements

Financial Introduction

In 2018–2019, SCC's total revenue (excluding federal government funding) was \$11.0 million, which was 5 per cent higher than the \$10.5 million recorded during 2017–2018. The increase from last year was primarily due to an increase of \$0.5 million in royalty revenues from the sale of standards and an increase of \$0.1 million in Other Income.

Royalties from the sale of standards totalled \$2.1 million, which was an increase of 31 per cent from last year's \$1.6 million. This increase is consistent with a multi-year upward trend on the sales on standards, albeit at a higher rate this year ended. These revenues are subject to fluctuation due to changes in standards as well as overall economic activity.

Revenue from innovative services, delegate support and other income amounted to \$1.1 million, which increased by \$0.2 million or 22 per cent from the \$0.9 million recognized during the prior fiscal year. This increase was due to an unanticipated re-distribution of \$0.3 million from the International Organization for Standardization (ISO) related to accumulated surplus. Partially offsetting this increase, was a \$0.2 million decline in one-time contributions that SCC received last year for hosting the Pacific Area Standards Congress (PASC), the

Pan American Standards Commission (COPANT) and ISO's Committee on Conformity Assessment (CASCO) meetings in Vancouver. Delegate support contributions were \$0.4 million and were consistent to prior year.

Revenue from Accreditation Services fees was \$7.9 million, which was 1 per cent lower than the \$8.0 million recorded during 2017–2018.

Assessment-related revenue was \$4.0 million from over 480 assessment activities performed during 2018–2019. Last year's accreditation revenue was \$3.8 million from 460 activities.

The increased assessment activity helped to offset a reduction in the participation rate within SCC's program for Canadian Medical Devices Conformity Assessment System (CMDCAS).

Since last year, Annual Fees and Application Fees revenue decreased by \$0.2 million; primarily due to customer and customer profile changes.



"Royalties from the sale of standards totalled \$2.1 million, which was an increase of 31 per cent from last year's \$1.6 million."

Expenses for 2018–2019 were \$26.7 million, which was \$2.8 million higher than last fiscal year's expenses of \$23.9 million. Year-over-year increases were related to:

- \$1.4 million for the write-down of an asset resulting from an independent assessment of the functionality of SCC's Business Management Solution (BMS) software project;
- \$0.8 million professional fees for consulting related to program spending for the Infrastructure, Innovation, and IM-IT modernization projects;
- \$0.3 million amortization due to IM-IT and facilities modernization implementation;
- \$0.2 million staffing (salaries, benefits and training) related to filling anticipated program positions; and
- \$0.1 million from all other expenses, primarily due to increased engagement costs and travel associated with increased participation in standards related meetings and events.

Through March 31, 2019, SCC has recognized \$18.0 million in Parliamentary Appropriations which is \$4.1 million higher than 2017-2018 appropriations of \$13.8 million. The year-over-year funding changes are as follows:

- \$2.0 million for SCC's "New Intellectual Property Strategy" (IP);
- \$1.4 million for "Infrastructure: Adapting Infrastructure to Climate Change";
- \$0.8 million for SCC's Innovation project that is part of "Canada's Innovation and Skills Plan";
- \$0.1 million for "Ensuring Security & Prosperity in the Digital Age" (Cybersecurity); and
- -\$0.2 million from current year one-time reimbursements.

The overall net annual surplus of \$2.3 million during 2018–2019 was \$2.5 million higher than the \$0.2 million deficit budgeted for the same timeframe due to the following:

- \$1.9 million from late funding received for SCC's IP and Cybersecurity projects. These initiatives
 were not included as part of SCC's budget and approval for the programs occurred during the fourth
 quarter, causing deferrals of spending into future fiscal periods that SCC is managing through its
 accumulated surplus.
- \$0.9 million from incremental, unplanned revenue. Royalties were \$0.6 million higher than budget and SCC received other income from ISO for the redistribution of its excess prior year surplus.
- \$0.8 million from Salaries and Benefits, excluding reimbursable one-time costs due to unplanned vacancies and a longer than expected duration to fill positions (some were senior management level vacancies).
- \$0.5 million from Professional fees, due primarily to a decision to re-prioritize the use of funding for software within SCC's Infrastructure initiative. These savings have been re-tasked within the Infrastructure initiative and will now occur in future fiscal periods.
- -\$1.4 million for the write-down of BMS and,
- -\$0.2 million from all other expenses, primarily due to increased engagement costs and travel associated with increased participation in standards related meetings and events.

At March 31, 2019, SCC's accumulated surplus was \$6.6 million. \$1.0 million is required for adherence to SCC's Accumulated Surplus Target Policy; the balance will be utilized on a multi-year planned program of reinvestment into the organization and infrastructure advancing SCC's mandate and initiatives over the following fiscal years. SCC has a planned deficit in each of the next five years of its Corporate Plan to reflect the catch-up of spending against projects such as Intellectual Property, Cybersecurity, Innovation and Infrastructure.



Financial Overview 2014–2015 to 2018–2019

FINANCIAL OVERVIEW	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019 BUDGET	2018-2019 ACTUAL
REVENUE						
Accreditation fees	6,689,077	7,288,407	7,750,273	8,008,784	7,749,911	7,867,962
Royalties from standards sales	1,032,148	1,397,631	1,234,018	1,578,477	1,400,000	2,064,385
Innovative services	405,140	385,346	311,108	227,087	341,004	284,454
Delegate support contributions	143,000	185,591	342,454	407,686	380,000	359,997
Other income	281,151	263,170	187,326	326,045	151,720	451,155
	8,550,516	9,520,145	9,825,179	10,548,079	10,022,635	11,027,953
EXPENSES (RESTATED)						
Accreditation services	4,751,161	5,090,102	5,458,679	5,770,228	5,775,206	5,987,870
Standards solution & strategy	8,008,512	7,419,560	8,350,050	9,080,271	10,959,209	10,280,101
Management & administrative servicest	7,663,053	8,129,030	8,020,916	9,089,755	8,462,220	10,548,706
	20,422,726	20,638,692	21,829,645	23,940,254	25,196,635	26,726,677
SURPLUS / (DEFICIT) FROM OPERATIONS	(11,872,210)	(11,118,547)	(12,004,466)	(13,392,175)	(15,174,000)	(15,698,724)
GOVERNMENT FUNDING						
Parliamentary appropriations	12,889,535	10,194,937	10,515,380	13,828,495	14,943,000	17,973,672
Annual Surplus / (Deficit)	1,017,325	(923,610)	(1,489,086)	436,320	(231,000)	2,274,948

Enterprise Risk Management Assessment

SCC's overall risks are annually determined, and regularly reviewed, as part of its corporate planning process. The organization uses the international standard ISO 31000, Risk Management, to guide its risk management process and ensure SCC has appropriate risk mitigation strategies in place.

Corporate risks are linked directly to the organization's performance. These indicators are closely monitored and updated using SCC's corporate risk report. This report is updated and regularly reviewed by both management and

SCC's Governing Council. As part of SCC's risk management plan, the organization also reviews salient quarterly financial impacts, with a view to assessing these impacts against ongoing corporate risk areas.

During fiscal year 2018-2019, SCC's key areas of focus included:



- disciplined execution against key strategic objectives in support of key Government of Canada initiatives;
- continued implementation of an integrated information management/information technology (IM-IT) modernization program; and



managing the work-plan of SCC to achieve program deliverables within financial targets

SCC experienced a surplus in funds because of a delay in anticipated spending which added to the existing accumulated surplus. This is primarily because of late-in-the-year approval of temporary program funding; however this surplus will be re-invested over the next five years as indicated in the Corporate Plan and closely monitored to ensure key financial targets are being met.

SCC remains focused on carefully monitoring the delivery of its IM-IT to upgrade essential tools needed to effectively deliver on key areas of SCC's objectives. IM-IT is also focused on an improved collaboration hub for standards development, as it continues to upgrade its IM-IT processes.

Accreditation Services' revenue results finished on plan for the year. This was achieved by managing the completion of accreditation activity, and diligent management of operating expenses. The Accreditation Services branch closely monitors its activities and adjusts as needed to achieve its bottom-line target for the year.

Management Responsibility for Financial Statements

The accompanying financial statements and all information in the Annual Report are the responsibility of SCC.

The financial statements were prepared by management in accordance with Canadian public sector accounting standards and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the financial statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements. The information included in these financial statements is based on management's best estimates and judgment.

SCC management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced. These controls and procedures are also designed to provide reasonable assurance that transactions are in accordance with SCC's mandate as stated in the Standards Council of Canada Act.

SCC's Governing Council, through its Audit Committee, is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. Comprised solely of independent Council members, the Audit Committee meets with management to review the financial statements on a quarterly basis and the audited financial statements and Annual Report annually and reports on them to the Governing Council which approves the financial statements.

The Auditor General of Canada, the external auditor of SCC, conducts an independent audit, in accordance with Canadian generally accepted auditing standards, and expresses an opinion on the financial statements. The Office of the Auditor General of Canada has full and free access to financial management of SCC and meets with SCC when required.

Chantal Guay | ing. P.Eng., Chief Executive Officer

Chartel Duay

Ottawa, Canada June 13, 2019

Greg Fyfe | CPA, CMA

Gregor Jityla

Chief Financial Officer and

Vice-President Corporate Services



Office of the Bureau du
Auditor General vérificateur général of Canada du Canada

INDEPENDENT AUDITOR'S REPORT

To the Minister of Innovation, Science and Economic Development

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Standards Council of Canada (the SCC), which comprise the statement of financial position as at 31 March 2019, and the statement of operations, statement of changes in net financial assets and statement of cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the SCC as at 31 March 2019, and the results of its operations, changes in its net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report is the Financial Performance section included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

 Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit
 procedures that are appropriate in the circumstances, but not for the purpose of
 expressing an opinion on the effectiveness of the SCC's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the SCC's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the SCC to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Compliance with Specified Authorities

Opinion

In conjunction with the audit of the financial statements, we have audited transactions of the Standards Council of Canada coming to our notice for compliance with specified authorities. The specified authorities against which compliance was audited are Part X of the *Financial Administration Act* and regulations, the *Standards Council of Canada Act* and regulations, the by-laws of the Standards Council of Canada, and the directive issued pursuant to section 89 of the *Financial Administration Act*.

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

Responsibilities of Management for Compliance with Specified Authorities

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

Auditor's Responsibilities for the Audit of Compliance with Specified Authorities

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

Nathalie Chartrand, CPA, CA

M. Chartrard

Principal

for the Interim Auditor General of Canada

Ottawa, Canada 13 June 2019

Statement of Financial Position

AS AT MARCH 31,	2019	2018
FINANCIAL ASSETS		
Cash and cash equivalents (Note 4)	\$ 6,560,363	\$ 2,207,000
Accounts receivable (Note 4)	2,410,233	2,025,311
Federal government departments and agencies receivable (Note 15)	147,803	166,527
Parlimentary appropriations receivable (Note 15)	899,672	1,043,495
	10,018,071	5,442,333
LIABILITIES		
Accounts payable and accured liabilities (Note 6)	3,451,313	2,786,909
Deferred contributions (Note 7)	15,249	14,436
Deferred revenue (Note 8)	1,691,967	1,601,603
Deferred lease inducement (Note 9)	883,516	960,341
	6,042,045	5,363,289
NET FINANCIAL ASSETS	3,976,026	79,044
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 5)	1,860,748	3,053,639
Prepaid expenses	724,312	1,153,455
	2,585,060	4,207,094
Accumulated Surplus	\$ 6,561,086	\$ 4,286,138

Contractual rights (Note 13)
Contractual commitments (Note 14)

The accompanying notes are an integral part of these financial statements.

Approved by Management:

Approved by Governing Council:

Chantal Guay, ing., P.Eng.

Chief Executive Officer

Chartel Duay

Chair

Kathy Milsom, P.Eng., ICD.D

FOR THE YEAR ENDED MARCH 31	2019 Budget (Note 16)	2019	2018
REVENUES FROM OPERATIONS			
Accreditation services fees	\$ 7,749,911	\$ 7,867,962	\$ 8,008,784
Royalties from sales of standards (Note 10)	1,400,000	2,064,385	1,578,477
Delegate support contributions	380,000	359,997	407,686
Innovation services	341,004	284,454	227,087
Other income	151,720	451,155	326,045
	10,022,635	11,027,953	10,548,079
EXPENSES (NOTE 12)			
Accreditation Service	5,775,206	5,897,870	5,770,228
Standards Solution & Strategy	10,959,209	10,280,101	9,080,271
Management & Administrative Services	8,462,220	10,548,706	9,089,755
	25,196,635	26,726,677	23,940,254
DEFICIT BEFORE PARLIAMENTARY APPROPRIATIONS	(15,174,000)	(15,698,724)	(13,392,175)
Parliamentary appropriations	14,943,000	17,973,672	13,828,495
SURPLUS / (DEFICIT)	(231,000)	2,274,948	436,320
Accumulated Surplus, beginning of the year	2,699,000	4,286,138	3,849,818
Accumulated Surplus, end of the year	\$ 2,468,000	\$ 6,561,086	\$ 4,286,138

The accompanying notes are an integral part of these financial statements.

Statement of Changes in Net Financial Assets

FOR THE YEAR ENDED MARCH 31	2019 Budget (Note 16)	2019	2018
Total (Deficit)/Surplus	\$ (231,000)	\$ 2,274,948	\$ 436,320
Acquisition of tangible capital assets	(1,186,000)	(825,659)	(690,040)
Loss on disponsal of tangible capital assets	-	636	5,822
Write-down of tangible capital assets	-	1,360,871	-
Amortization of tangible capital assets	920,000	657,043	390,360
(Increase) / Decrease in prepaid expenses	(12,000)	429,143	42,127
Increase / (Decrease) in Net Financial Assets	(509,000)	3,896,982	184,589
Net Financial Assets / (Net Debt) at the beginning of the year	(1,614,000)	79,044	(105,545)
Net Financial Assets / (Net Debt) at end of year	\$ (2,123,000)	\$ 3,976,026	\$ 79,044

The accompanying notes are an integral part of these financial statements.



Statement of Cash Flow

FOR THE YEAR ENDED MARCH 31	2019	2018
NET CASH FROM OPERATIONS:		
Total Surplus	\$ 2,274,948	\$ 436,320
Adjustments for non-cash items:		
Amortization of tangible capital assets	657,043	390,360
Loss on disposal of tangible capital assets	636	5,822
Write-down of tangible capital assets	1,360,871	0
Changes in:		
Prepaid expense	429,143	42,127
Deferred revenue	90,364	(532,156)
Deferred lease inducement	(76,825)	(76,827)
Accounts receivable	(384,922)	1,690,522
Federal government departments and agencies receivable	18,724	263,981
Parliamentary appropriations receivable	143,823	(802,115)
Accounts payable and accrued liabilities	725,971	(324,272)
Deferred contributions	813	(70,338)
Cash provided by operating transactions	5,240,589	1,023,424
CAPITAL TRANSACTIONS:		
Additions of tangible capital assets	(887,226)	(573,640)
Cash applied to capital transactions	(887,226)	(573,640)
Net increase in cash and cash equivalents	4,353,363	449,784
Cash and cash equivalents, beginning of the year	2,207,000	1,757,216
Cash and cash equivalents, end of the year	\$ 6,560,363	\$ 2,207,000

Notes to the Financial Statements

March 31, 2019

1. Authority, Mandate and Activities

Standards Council of Canada (SCC) was created by Parliament as a corporation under the *Standards Council of Canada Act* in 1970 (revised in 2006) to be the national coordinating body for voluntary standardization. SCC is a Crown corporation named in Part I of Schedule III to the *Financial Administration Act* and, for the purposes of the *Income Tax Act*, is deemed to be a registered charity.

SCC's mandate is to promote voluntary standardization activities in Canada, where standardization is not expressly provided for by law, in order to advance the national economy, support sustainable development, benefit the health, safety and welfare of workers and the public, assist and protect consumers, facilitate domestic and international trade and further international cooperation in relation to standardization.

In carrying out its mandate, SCC is engaged in the following activities:

- Foster quality, performance and technological innovation in Canadian goods and services through standards-related activities.
- Develop prioritized standards-related strategies and long-term objectives to advance Canada's
 economy; support sustainable development; benefit the health, safety and welfare of citizens; and
 assist and protect consumers.
- Accredit organizations engaged in standards development and conformity assessment.
- Represent Canada's interests internationally and regionally through membership in the International Organization for Standards (ISO), the International Electrotechnical Commission (IEC) and various regional standardization organizations.
- Approve National Standards of Canada (NSCs).
- Provide innovative services, advice and assistance to the Government of Canada in the negotiation
 of standardization-related aspects of international trade and mutual recognition agreements.
- Work with international standards bodies to develop agreements that facilitate trade.
- Foster and promote a better understanding of the benefits and usage of standards and accreditation services.
- Act as the premier source to collect and distribute information on standards activities.

In July 2015, the Council was issued a directive (P.C. 2015-1109) pursuant to section 89 of the *Financial Administration Act* to align its travel, hospitality, conference and event expenditure policies 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 obligation. Effective April 2016, SCC completed the alignment required by the section 89 directive.

2. Significant Accounting Policies

A summary of the significant accounting policies used in these financial statements follows:

a. Basis of Accounting

These financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards (PSAS) established by the Canadian Public Sector Accounting Board.

b. Cash and Cash Equivalents

Consistent with the *Standards Council of Canada Act* and associated by-laws, SCC maintains a bank account in a chartered bank of Canada in which all receipts are deposited and through which all of SCC's financial business takes place. Funds surplus to immediate operating requirements are invested in bank certificates with a chartered bank bearing the current interest rate and are cashable at any time.

c. Tangible Capital Assets

Tangible Capital Assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Amortization is recorded on a straight-line basis over the estimated useful life of the assets:

Furniture: 5 years Equipment (including software): 4 years

Leasehold improvements: Lesser of term of the lease or expected useful life

d. Prepaid Expenses

Prepaid expenses include membership dues and are charged to expenses over the periods expected to benefit from them.

e. Revenue Recognition, Deferred Revenue and Deferred Contributions

Accreditation services fees revenues are derived from application fees, annual accreditation fees and assessment fees. Application fees are recognized as revenue when the application is made.

The annual portion of accreditation fees is calculated and invoiced based on customer accreditation agreements and the fees received or receivable are recorded as deferred revenue and then amortized to revenue on a straight-line basis over the period to which the fee applies – which is one year, based on the start of SCC's fiscal year of April 1. Funds received or receivable in respect of assessment fees are recognized as revenue at the time the related services are provided.

Royalties from sales of standards are recognized as revenue in the period during which the related sales have occurred.

Innovative Services are fees that SCC collects in exchange for providing standards related strategies and expertise to other customers. The rights to collect Innovative Services fees are created via contracts and revenue is recognized as work progresses.

Delegate support contributions are received from third parties to support delegate participation on technical committees. This restricted funding is initially recorded as "Deferred Contributions" and is recognized as delegate support contributions revenue when the related expenditures are incurred.

f. Deferred Lease Inducement

SCC has received funds from its landlord to pay the cost of tenant improvements made to its office space. Additionally, SCC has received the benefit of tenant inducements related to its office space lease. The value of these items, calculated based on provisions in the lease agreement, is recorded as a deferred lease inducement. It is amortized on a straight-line basis over the duration of the lease and is recognized on the Statement of Operations as a reduction of rent expense.

g. Expenses

Expenses are reported on an accrual basis to ensure that the cost of all goods and services consumed in the year is expensed. Expenses are presented by function on the Statement of Operations. Accreditation Services expenses relate to SCC accreditation programs where SCC accredits conformity assessment bodies and standards development organizations, such as testing laboratories and product certification bodies, to internationally recognized standards. Standards Solutions & Strategy expenses relate to the development and application of standards publications to ensure the effective and coordinated operation of standardization in Canada and representation of Canada's interests on standards-related matters in foreign, regional and international forums. Management and Administrative services include the cost of general services, accommodations, insurance, network and telephone expenses, amortization and facilities maintenance.



h. Parliamentary Appropriations

The Government of Canada provides funding to SCC. Government transfers are recognized as revenues when the transfer is authorized, and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability.

i. Pension Benefits

SCC employees are covered by the Public Service Pension Plan (the "Plan"), a contributory defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required from both the employees and SCC to cover current service costs. Pursuant to legislation currently in place, SCC has no legal or constructive obligation to pay further contributions with respect to any past service or funding deficiencies of the plan. Consequently, contributions are recognized as an expense in the year when employees have rendered service and represent the total pension obligation of SCC.

j. Employee Benefit Plan

SCC sponsors an employee benefit plan for health, dental, life and long-term disability insurance through a third-party provider. SCC's contributions to the plan are recorded at cost and charged to salaries and benefit expenses in the year incurred. These contributions represent SCC's total obligation to the employee benefit plan. This plan does not require SCC to make further contributions for any future unfunded liabilities of the employee benefit plan.

k. Vacation Pay

Vacation pay is expensed as the benefit accrues to employees under their respective terms of employment. The liability for unused vacation benefit is calculated at the salary levels in effect at the end of the fiscal year.

I. Measurement Uncertainty

The preparation of financial statements in accordance with Canadian PSAS requires management to make estimates and assumptions that affect the recorded and disclosed amounts of assets, liabilities, and contingent liabilities, at the date of the financial statements and the reported amounts of the revenues and expenses during the period. Items requiring the use of significant estimates include the useful life expectancy of tangible capital assets, certain employee-related liabilities, the accrual for assessment fees as well as contingent liabilities.

Estimates are based on the best information available at the time of financial statement preparation and are reviewed quarterly to reflect new information as it becomes available. Measurement uncertainty exists in these financial statements. Actual results could differ from these estimates.

m. Related Party Transactions

SCC is related, in terms of common ownership, to all Government of Canada departments, agencies and Crown corporations. Transactions with these entities are undertaken on terms and conditions similar to those adopted as if the entities were dealing at arm's length and are measured at the exchange amount. Related party receivables are recorded at SCC's normal terms whereby invoices are due within 30 days. Related party payables are recorded at terms agreed upon with its vendors and are usually due within 30 days of invoicing or upon receipt of invoice.

Related parties also include key management personnel (KMP) having authority and responsibility for planning, directing and controlling the activities of SCC, as well as their close family members. SCC has defined its KMP to be its Vice-Presidents, its Chief Executive Officer and members of its Governing Council. Transactions with KMP are measured at the exchange amount.

3. Accumulated Surplus

SCC is subject to the *Standards Council of Canada Act* and the *Financial Administration Act* (FAA) and any directives issued pursuant to the FAA. These affect how SCC manages its capital; one of SCC's objectives is to effectively manage actual costs to budget on an annual basis and to ensure that it has adequate capital to deliver its mandate and to ensure that it continues as a going concern.

SCC targets to maintain a level of accumulated surplus that helps to minimize the impact of financial risks on the organization. SCC's goal is to maintain an accumulated surplus target of \$1.0 million. SCC has determined that this target level of accumulated surplus allows the organization to remain financially sustainable.

SCC is prohibited from issuing its own capital or its own debt to meet any financial requirements and is not subject to externally imposed minimum capital requirements. Its capital management is granted annually through the approval of its Corporate Plan and Operating and Capital Budget.

4. Financial Instruments

SCC's financial instruments consist of cash and cash equivalents, accounts receivable, federal government departments and agencies receivable, accounts payable and accrued liabilities. For the year ended March 31, 2019, SCC's cash and cash equivalents balance of \$6,560,363 consisted of \$4,527,239 term-deposits and \$2,033,124 of cash (March 31, 2018 was \$2,207,000 and was all cash). All accounts receivable, accounts payable and accrued liabilities are incurred in the normal course of business. All are generally due within 30 days. The carrying value of each financial instrument approximates its fair value because of the short maturity of the instruments. All financial assets and financial liabilities are measured at cost or amortized cost.

In the normal course of business, SCC is primarily exposed to credit risk and liquidity risk. There has been no change to the level of risk compared to the prior year and no changes to SCC's risk management practices. SCC's exposure and strategies to mitigate these risks are noted below:

Credit Risk

Credit risk is the risk that the counterparty will not meet its obligations under a financial instrument leading to a financial loss. The maximum exposure that SCC has to credit risk is in relation to its cash and cash equivalents, accounts receivable and federal government departments and agencies receivable. The carrying amount of these financial assets represents the maximum credit risk exposure at the Statement of Financial Position date.

Cash and cash equivalents are held at a reputable Canadian bank. Credit is granted to customers in accordance with existing accreditation program policies and is automatically granted to employees for travel and also to government departments, agencies, Crown corporations, and government business enterprises. There is minimal potential risk of loss related to these receivables. SCC does not hold any collateral as security. There is no concentration of credit risk with any one customer.

As at March 31, the aging of SCC's receivables is as follows:

Non-Related Party Accounts Receivable (accounts receivable):

	TOTAL	CURRENT	30-60 DAYS	60-90 DAYS	90-120 DAYS	>120 Days
2019	\$ 2,410,233	\$ 2,151,387	\$ 69,713	\$ 119,255	\$ 33,408	\$ 36,470
2018	\$ 2,025,311	\$ 1,694,178	\$ 141,245	\$ 105,690	\$ 7,874	\$ 76,324

Related Party Accounts Receivable (federal government departments and agencies and parliamentary appropriations receivable):

	TOTAL	CURRENT	30-60 Days	60-90 Days	90-120 DAYS	>120 Days
2019	\$ 1,047,475	\$ 989,861	\$ 28,687	\$ 28,927	\$ 0	\$ 0
2018	\$ 1,210,022	\$ 1,101,627	\$ 38,204	\$ 11,320	\$ 31,546	\$ 27,325

SCC assesses the requirement for an allowance for bad debts by considering the age of the outstanding receivable and the likelihood of collection.

An account receivable is considered to be impaired and is either written-off or provided for when SCC determines that collection is unlikely and appropriate approvals for the write-down have been obtained.

At March 31, 2019, the allowance for bad debts is estimated at \$36,474 (March 31, 2018 was \$75,421). The following table provides a reconciliation of the allowance for the year.

	MARCH 31, 2019	MARCH 31, 2018
Balance, beginning of year	\$ 75,421	\$ 118,942
(Reversals) / Charges for the year	(32,833)	(679)
Bad debt (write-offs)	(6,114)	(42,842)
Balance, end of year	\$ 36,474	\$ 75,421

Liquidity Risk

Liquidity risk can occur should SCC have difficulty in meeting its obligations associated with financial liabilities. SCC's financial liabilities have contractual maturities of less than 365 days. SCC's objective is to maintain sufficient cash and cash equivalents through drawdown of its voted parliamentary appropriations, collection of accreditation fees and other services, in order to meet its operating requirements. SCC manages liquidity risk through a detailed annual planning and monthly cash flow planning and billing process, which is structured to allow for sufficient liquidity from one billing period to the next. SCC's financial liabilities are not significantly exposed to liquidity risk.

Market Risk

Market risk occurs when the fair value of future cash flows of a financial instrument fluctuates due to changes in financial markets. Market risk is comprised of: interest risk, currency risk and other price risks such as equity risk. SCC's financial instruments are not significantly exposed to market risk.

5. Tangible Capital Assets

March 31, 2019

	FURNITURE	EQUIPMENT	LEASEHOLD IMPROVEMENTS	2019 TOTAL
соѕт	\$	\$	\$	\$
Opening Balance	910,233	3,959,585	954,236	5,824,054
Additions	137,943	515,205	172,511	825,659
Write-downs	-	(1,814,494)	-	(1,814,494)
Disposals	(1,127)	(50,032)	-	(51,159)
Closing Balance	1,047,049	2,610,264	1,126,747	4,784,060
ACCUMULATED AMORTIZATION				
Opening Balance	(666,933)	(1,935,617)	(167,865)	(2,770,415)
Amortization	(100,984)	(492,009)	(64,050)	(657,043)
Write-downs	-	453,623	-	453,623
Disposals	1,127	49,396	-	50,523
Closing Balance	(766,790)	(1,924,607)	(231,915)	(2,923,312)
Net Book Value	280,259	685,657	894,832	1,860,748

The Equipment category includes \$302,284 of assets under development at March 31, 2019 which were not being amortized at the time. The additions of tangible capital assets in the Statement of Cash Flow are adjusted for 2017-2018 additions paid in 2018-2019 of \$116,400 and 2018-2019 additions unpaid in 2018-2019 of (\$54,833).



March 31, 2018

	FURNITURE	EQUIPMENT	LEASEHOLD IMPROVEMENTS	2018 TOTAL
COST	\$	\$	\$	\$
Opening Balance	917,855	3,337,321	934,436	5,189,612
Additions	2,082	668,158	19,800	690,040
Write-downs	-	-	-	-
Disposals	(9,704)	(45,894)	-	(55,598)
Closing Balance	910,233	3,959,585	954,236	5,824,054
ACCUMULATED AMORTIZATION				
Opening Balance	(566,376)	(1,756,915)	(106,540)	(2,429,831)
Amortization	(104,439)	(224,596)	(61,325)	(390,360)
Write-downs	-	-	-	-
Disposals	3,882	45,894	-	49,776
Closing Balance	(666,933)	(1,935,617)	(167,865)	(2,770,415)
Net Book Value	243,300	2,023,968	786,371	3,053,639

6. Accounts Payable and Accrued Liabilities

	MARCH 31, 2019	MARCH 31, 2018
Vendor payables and accrued liabilities	\$ 1,685,982	\$ 1,542,066
Salaries and benefits payable	1,551,844	1,049,242
Accrued vacation pay	213,487	195,601
	\$ 3,451,313	\$ 2,786,909

7. Deferred Contributions

Changes made to the balance of this account are as follows:

	MARCH 31, 2019	MARCH 31, 2018
Balance, beginning of year	\$ 14,436	\$ 84,774
Add: Contributions received	360,810	326,950
Less: Contributions recognized	(359,997)	(397,288)
Net Contributions	813	(70,338)
Balance, End of Year	\$ 15,249	\$ 14,436

8. Deferred Revenue

Changes made to the balance of this account are as follows:

	MARCH 31, 2019	MARCH 31, 2018
Balance, beginning of year	\$ 1,601,603	\$ 2,133,759
Add: Annual Fees collected per customer agreements	4,281,669	3,739,858
Less: Annual Fees recognized into revenue	(4,191,305)	(4,272,014)
Net Annual Fees	90,364	(532,156)
Balance, End of Year	\$ 1,691,967	\$ 1,601,603

9. Deferred Lease Inducement

Changes made to the balance of this account are as follows:

	MARCH 31, 2019	MARCH 31, 2018
Balance, beginning of year	\$ 960,341	\$ 1,037,168
Add: Inducements received	-	-
Less: Inducements recognized	(76,825)	(76,827)
Net Inducement	(76,825)	(76,827)
Balance, End of Year	\$ 883,516	\$ 960,341

10. Royalties from Sales of Standards

Royalties related to the sale of standards are generated from ISO and the IEC since SCC is a member body. Additionally, SCC earns royalties on the sale of standards from independent distributors through National Copyright Exploitation Agreements.

Since April 1, 1998, SCC has outsourced to an independent agent the fulfillment of sales made over its StandardsStore.ca website. This agreement requires the payment of royalties to SCC based on a revenue-sharing agreement of net sales.

11. Pension and Employee Benefits

Pension Benefits:

SCC and all eligible employees contribute to the Public Service Pension Plan. Pension benefits accrue up to a maximum period of 35 years at a rate of two per cent per year of pensionable service, times the average of the best five consecutive years of earnings. The benefits are fully indexed to the increase in the Consumer Price Index.

SCC's responsibility with regard to the Plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the financial statements of the Government of Canada. SCC's and employees' contributions to the Plan for the year were as follows:

	MARCH 31, 2019	MARCH 31, 2018
SCC's contribution	\$ 1,086,624	\$ 1,127,424
Employees' contributions	\$ 1,038,050	\$ 970,174



The rates of contribution to the Plan are determined on a calendar-year basis and were as follows:

	CALENDAR YEAR	
	2019	2018
EMPLOYEES (PRE 2013) - CURRENT SERVICE:		
- On earnings up to yearly maximum pensionable earnings (YMPE)	9.56%	9.83%
- On earnings exceeding YMPE: 2019-\$57,400 2018-\$55,900	11.78%	12.13%
EMPLOYEES (POST 2013) - CURRENT SERVICE:		
- On earnings up to yearly maximum pensionable earnings	8.68%	8.77%
- On earnings exceeding YMPE: 2019-\$57,400 2018-\$55,900	10.18%	10.46%
EMPLOYER - EXPRESSED AS A MULTIPLE OF EMPLOYEE CONTRIBUTIONS:		
- For pre 2013 employee contributions on current and elective service on single-rate employee contributions	1.01	1.01
- For pre 2013 employee elective service on double-rate contributions	0.01	0.01
- For post 2013 employee contributions on current and elective service on single-rate employee contributions	1.00	1.00
- For post 2013 employee elective service on double-rate employee contributions	nil	nil
- For existing Retirement Compensation Arrangement on earnings that exceed: 2019-\$169,300 2018-\$164,700	3.79	3.20

Employee Benefits:

For the year ended March 31, 2019, SCC paid \$862,350 for its employees' benefits plan (March 31, 2018 was \$823,288).



·		
	2019	2018
Salaries and employee benefits	13,803,755	13,567,503
Professional and special services	5,726,700	4,978,706
Travel	2,321,513	1,973,326
Write-down of tangible capital assets	1,360,870	0
Memberships in international organizations	1,239,914	1,219,291
Office accommodation	700,935	661,306
Amortization of premises and equipment	657,042	390,360
Conferences & events	158,252	250,660
Publications and printing	110,301	41,150
Office supplies	140,173	117,730
Telecommunications and postage	115,863	144,361
Offsite storage & other	85,826	85,016
Insurance	94,521	90,598
Hospitality	69,989	265,674
Repair & upkeep	63,001	63,378
Bank charges	51,750	52,520
Rental of office equipment	31,750	32,497
Loss on disposal of tangible capital assets	636	5,822
Public relations	0	1,035
Bad debts expense	(6,114)	(679)
	\$ 26,726,677	\$ 23,940,254

13. Contractual Rights

SCC has signed contractual agreements with its accreditation services customers. The multi-year accreditation services contracts include an annual fee portion that is payable yearly. As at March 31, 2019 SCC had contractual rights to \$2,323,894 of uncollected annual fees pertaining to fiscal year 2019-2020 (March 31, 2018 was \$2,468,293 pertaining to fiscal year 2018-2019).

SCC also has contractual agreements to collect royalty fees from ISO, IEC and various other standards sellers like the Canadian Standards Association, Camelot Clarivate and Information Handling Services (IHS). Agreements cover the fiscal year 2019-2020 and are renewed upon expiry at similar terms. Since the revenue from these contracts is based on the volume of sales, the value of the contracts fluctuates, but is expected to approximate \$2.1 million which is SCC's average over the past three years of \$1.7 million adjusted for anticipated volume growth (March 31, 2018 expectation was \$1.4 million).

14. Contractual Commitments

SCC signed a 15-year office lease, effective July 2015, as well as a lease amendment for additional space effective December 2018 with the same term ending period.

SCC entered into agreements to lease office equipment. The future minimum annual rental payments under these agreements, exclusive of operating expense and property tax, are included in the table below. SCC has also entered into contracts with several standards development organizations (SDOs) to assist with standardization initiatives.

March 31, 2019

	OFFICE SPACE	OFFICE EQUIPMENT	STANDARDIZATION INITIATIVES	TOTAL
2019–2020	\$ 401,434	\$ 5,038	\$ 2,485,243	\$ 2,891,715
2020–2021	433,123	1,378	626,667	1,061,168
2021–2022	464,811	249	299,765	764,825
2022–2023	464,811	-	74,778	539,589
2023–2024	464,811	-	-	464,811
thereafter	3,285,403	-	-	3,285,403
Total	\$ 5,514,393	\$ 6,665	\$ 3,486,453	\$ 9,007,511

There are commitments of \$10,190 with related parties included in standardization initiatives in 2019-2020 (March 31, 2018 was \$86,819).

15. Related Party Transactions

For the year ended March 31, SCC's related party transactions are summarized as follows:

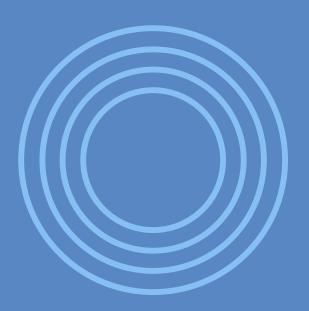
	2019	2018
Revenues	829,414	673,611
Expenses	71,100	192,149
Parliamentary appropriations	17,973,672	13,828,495
Federal government departments and agencies receivable and parliamentary appropriations receivable	1,047,475	1,210,022
Accounts payable and accrued liabilities	45,002	18,338

Related party revenues were derived primarily from Accreditation services fees while expenses were primarily related to Professional and special services, and Travel.

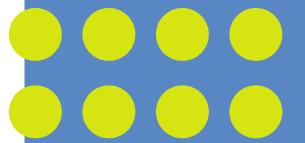
There were no significant transactions with KMP and their close family members; nor were there any transactions that have occurred at a value different from that which would have been arrived at if the parties were unrelated.

16. Budget Figures

Budget figures have been provided for comparison purposes. The 2018-2019 budget is reflected in the Statements of Operations and the Statements of Changes in Net Financial Assets. Budget data presented in these financial statements is based upon the 2018-2019 figures contained within the 2018-2019 to 2022-2023 Corporate Plan which is approved by the Governing Council. The budget data includes minor reclassifications between revenues and expenses but agrees to the Surplus or Deficit contained in the Corporate Plan.



Glossary



Al Artificial Intelligence

ANSI American National Standards Institute

APAC Asia Pacific Accreditation Cooperation

APCF Asia-Pacific Cooperation Forum

APEC Asia Pacific Economic Co-operation

ASI Analytical Service Incorporated

ASTM American Society for Testing and Materials

ATEX Explosive Atmospheres

BNQ Bureau de normalisation du Québec

BSI British Standards Institution

CABs Conformity assessment bodies

CAC (ISO & JTC1) Canadian Advisory Committee

(International Organization for Standardization & Joint Technical Committee)

CACES Canadian Advisory Council on Electrical Safety

CAC-GDPR Canadian Advisory Committee on GDPR
CANC/IEC Canadian National Committee of the IEC

CB Certification Body

CCFM&FM Council of Canadian Fire Marshals and Fire Commissioners

CEA Canadian Electricity Association

CENELEC European Committee for Electrotechnical Standardization

CEN European Committee for Standardization

CETA Canada-European Union Comprehensive Economic and Trade Agreement

CFIA Canadian Food Inspection Agency

CFTA Canadian Free Trade Agreement

CIO Chief Information Officers

CNCA Certification Accreditation Administration of China

COPANT Pan American Standards Commission

CRCP Canadian Regulatory Council on Plumbing

CRN Canadian Registration Number

CSA Group

DGN Dirección General de Normas

European Co-operation for Accreditation

Ems Environmental Management System

EU European Union

FINCA Forum of the IEC National Committees of the Americas

GAC Global Affairs Canada

GDP Gross Domestic Product

GDPR General Data Protection Regulation

GLP Good Laboratory Practice

HAZLOC Hazardous Locations

IAAC Inter-American Accreditation Cooperation

IAF International Accreditation Forum

IAPMO International Association of Plumbing and Mechanical Officials

ICT Information and Communications Technology

IEC International Electrotechnical Commission

IEC Council International Electrotechnical Commission Council

IEC Council Board International Electrotechnical Commission Council Board

IEEE Institute of Electrical and Electronics Engineers

IGAC Interprovincial Gas Advisory Council

ILAC International Laboratory Accreditation Cooperation

IM/IT Information Management/Information Technology

ISED Innovation, Science and Economic Development Canada

ISI Innovation Superclusters Initiative

ISO International Organization for Standardization

ISO/COPOLCO ISO Committee on Consumer Policy

ITAG Information Technology Advisory Group

ITSAG Information Technology Strategy Advisory Group

JIC Joint Initiative Council

JTC Joint Technical Committee (ISO/IEC)

MAGS Micro Auto Gasification System

MLA Multilateral Agreement

MOU Memorandum of Understanding

MRA Mutual Recognition Agreement

MSR Monitoring of Standards in Regulations

NAFTA North American Free Trade Agreement

NIST National Institute of Standards and Technology

NRC National Research Council of Canada

NSAI National Standards of Ireland

NSC National Standard of Canada

OECD Organization for Economic Co-operation and Development

OHS Occupational Health and Safety

ONS ORD Notification System

ORD Other Recognized Document

PASC Pacific Area Standards Congress

PCR Polymerase chain reaction

PTAC Provincial-Territorial Advisory Committee

QMS Quality Management System

RAABs Regulatory Authority Advisory Bodies

RCC Regulatory Cooperation Council

RCT Regulatory Reconciliation and Cooperation Table

RNF Réseau Normalisation et Francophonie

SCC Standards Council of Canada

SDO Standards Development Organization

SDOAC Standards Development Organizations Advisory Committee

SDTC Sustainable Development Technology Canada

SME Small and medium-sized enterprise

SIS Swedish Institute for Standards

TBT Technical barriers to trade

TC Technical Committee of ISO/IEC

UL Underwriters Laboratories

ULC Underwriters Laboratories of Canada

UNIECE United Nations Economic Commission for Europe

USMCA United States-Mexico-Canada Agreement

WTO World Trade Organization

