



Irving Shipbuilding Inc.



Virtual Industry Day – CSC Program

Canadian Industrial Base Capability Exploration

April 21st 2021

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Introducing Kevin Mooney



Kevin Mooney
President, ISI

Introducing Kevin Young



Irving Shipbuilding Inc.



Kevin Young
Senior Vice President,
CSC

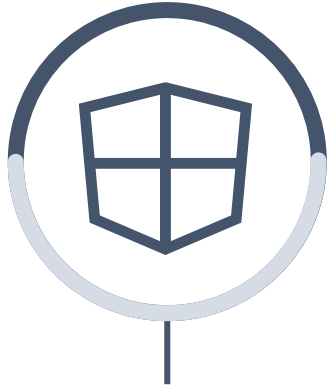
- 1. CSC Program Background / Industry Day Objectives**
2. Supply Base Exploration Approach
3. Supplier Ask

Please submit your questions via chat for potential inclusion in the moderated Q&A

Canada's National Shipbuilding Strategy sets the CSC Program Vision



Core Vision



Canada's defence policy, "**Strong, Secure, Engaged**" (SSE), has committed to investing in 15 Canadian Surface Combatant (CSC) ships



CSC project is the **largest and most complex shipbuilding initiative in Canada**



Revitalize the Canadian shipbuilding industry, sustain and create **thousands of high-skill jobs**, enable our ability to support the ships domestically

Introducing Jeremy Small



Jeremy Small
Program Director,
CSC

Irving and Lockheed Martin Canada are responsible for platform and combat system delivery, respectively

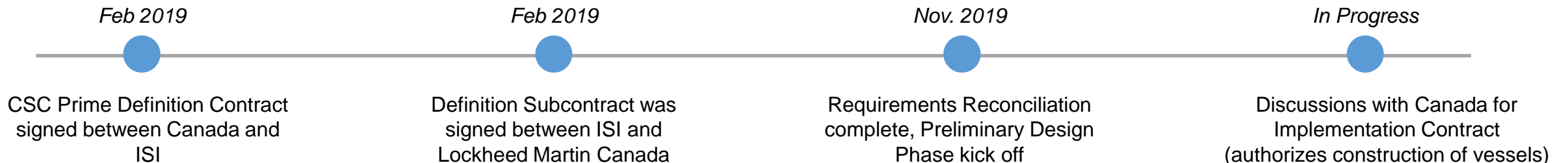


- Irving Shipbuilding (ISI) is the CSC Prime Contractor and is responsible for **all platform system procurement**, ship construction, and overall program delivery
- Lockheed Martin Canada is serving as the Combat Systems Integrator and is responsible for the **design, development, integration, and delivery** of the CSC combat systems



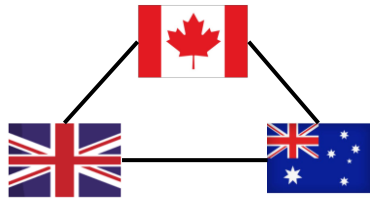
- **Lockheed Martin Canada** is responsible for the design, development, and delivery for the **combat systems**
- Lockheed Martin Canada has been selected as the Design Subcontractor and has partnered with BAE Systems to serve as the **Warship Designer**

Key Dates



The CSC strategy is centered around building on an existing design to maximize capability and limit risk

CSC Strategy Foundation



Global Combat Ship (GCS)

- Canada, Australia, and the UK have all **independently selected** the Type 26 Global Combat Ship as the base design for their next generation of warships
- **Common GCS design presents opportunities** to share knowledge and experience in design, procurement, construction, and operations



Mature Platforms / Scope

- **Float and move** – Approximately 80% of platform systems are common across the three GCS designs
- **Platform systems are mature** – Parent UK Type 26 is currently under construction resulting in up-to-date material specifications and design details



National Security

- Canada's **unique combat system requirements** will make the CSC one of the globe's most technically advanced warships
- Designed for **anti-submarine warfare, air defence, and general-purpose operations**

The CSC program represents ~1/2 of total global planned ship builds leveraging the GCS common platform

32 Ships Planned

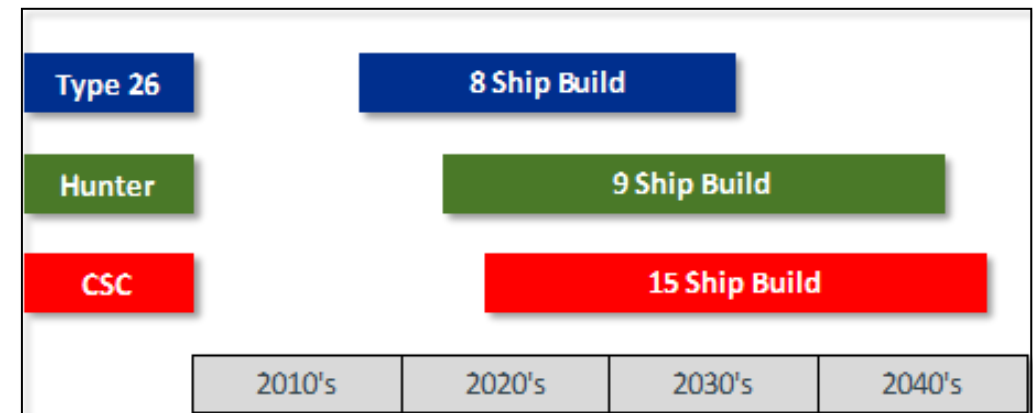
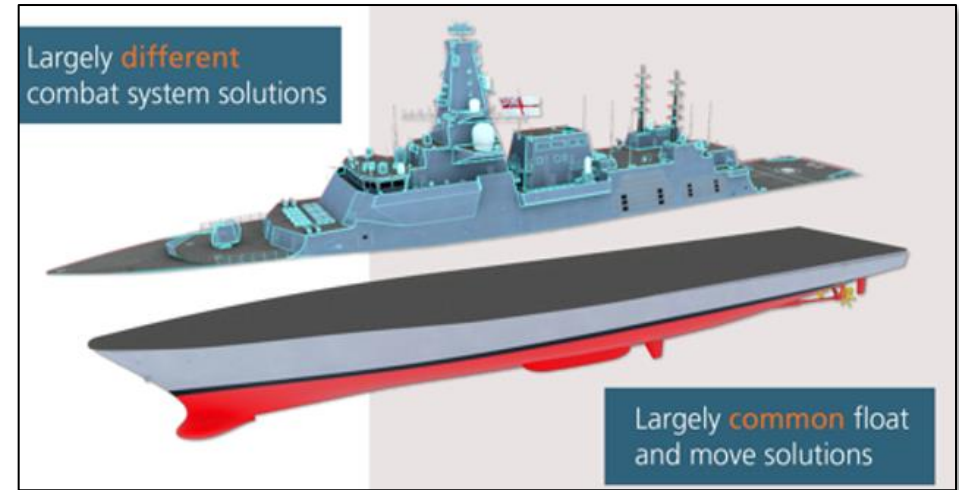
- 8 Type 26 (UK)
- 9 Hunter Class (Australia)
- 15 Canadian Surface Combatants

Common Design

Much of the design and major equipment are common, other areas differ (e.g., Combat Systems)

Synergies Maximized

Build, Entry to Service, and Sustainment phases overlap between nations



Introducing Aaron Plamondon



Irving Shipbuilding Inc.



**Aaron
Plamondon**
Director, Industrial
Participation

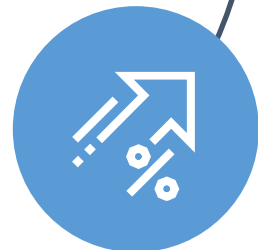
CSC program aims to increase and grow Canadian Content Value (CCV)



Irving Shipbuilding is seeking to work with Canadian companies to help undertake **new business activity in Canada** that aligns with Canada's economic goals



The **ITB Policy** is administered by the Department of Innovation, Science, and Economic Development (ISED) Canada



CCV is the percentage of a product or service that represents **Canadian labour and materials**

Introducing Michael Snow



Michael Snow
Director of Supply
Chain, CSC

Industry Day Objectives – questions to submitted prior to the event and via chat will inform a moderated Q&A session

Key Objectives



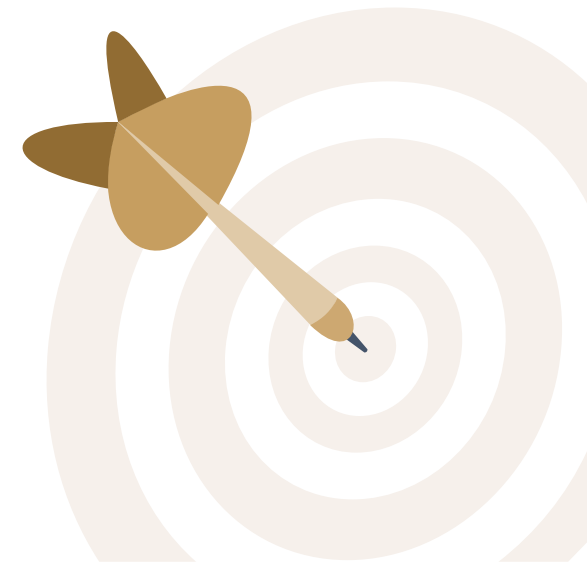
Increase awareness for opportunities which are likely coming to the Canadian industry



Share how ISI is planning to **learn more about the CA industrial base** and their respective capabilities to meet the requirements of the Royal Canadian Navy



Introduce opportunity for domestic and foreign suppliers to **maximize benefit to the CSC program and Canada**



Agenda



1. CSC Program Background / Industry Day Objectives
- 2. Supply Base Exploration Approach**
3. Supplier Ask

Significant engagement with the Canadian base has been completed to date



2,000+

Suppliers registered in the ISI supplier registry (Jaggaer)



350+

Canadian suppliers **directly engaged as a part of this effort** in the lead up to Virtual Industry Day



450+

Unique suppliers registered for Virtual Industry Day



11

All 10 Canadian provinces and one territory represented today



~200

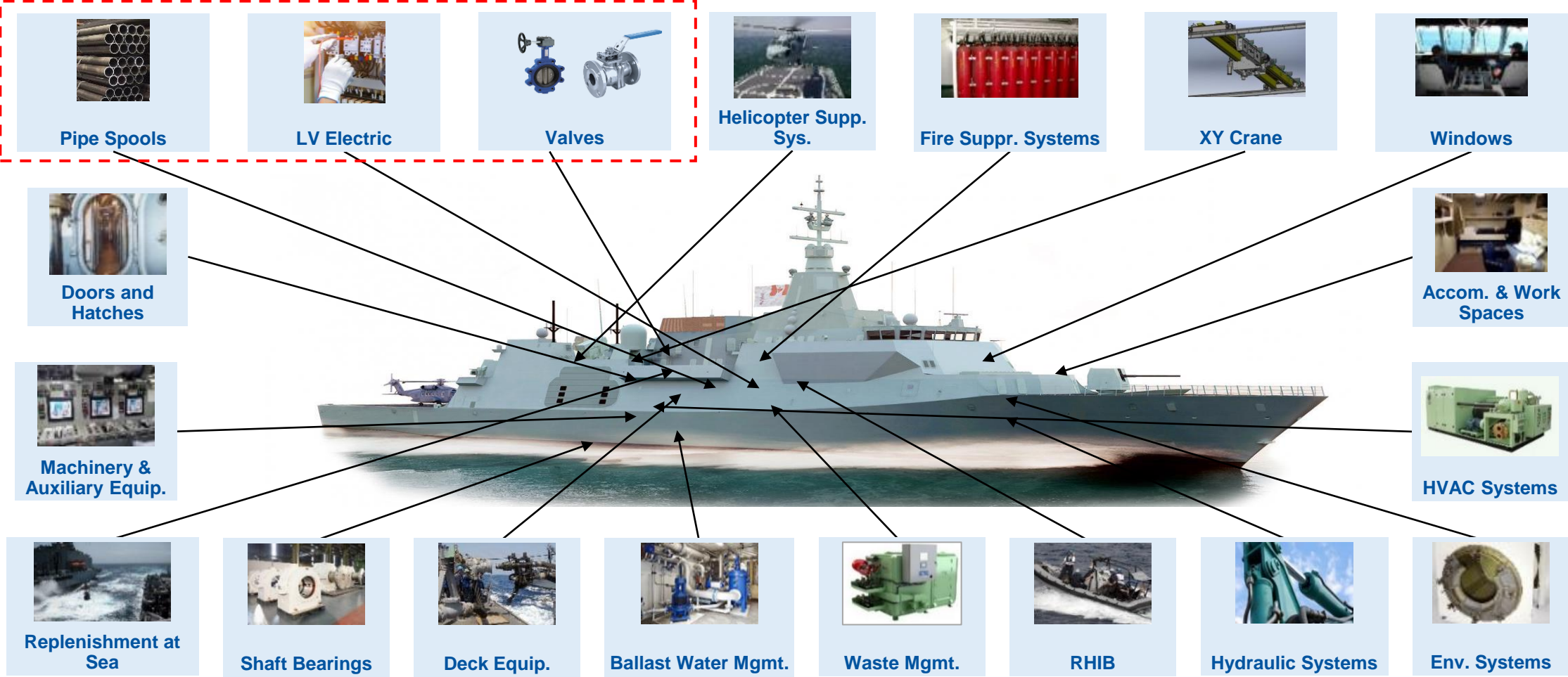
Unique categories represented in the audience

Canadian industrial base exploration is focused on ~180 platform systems over the next few years



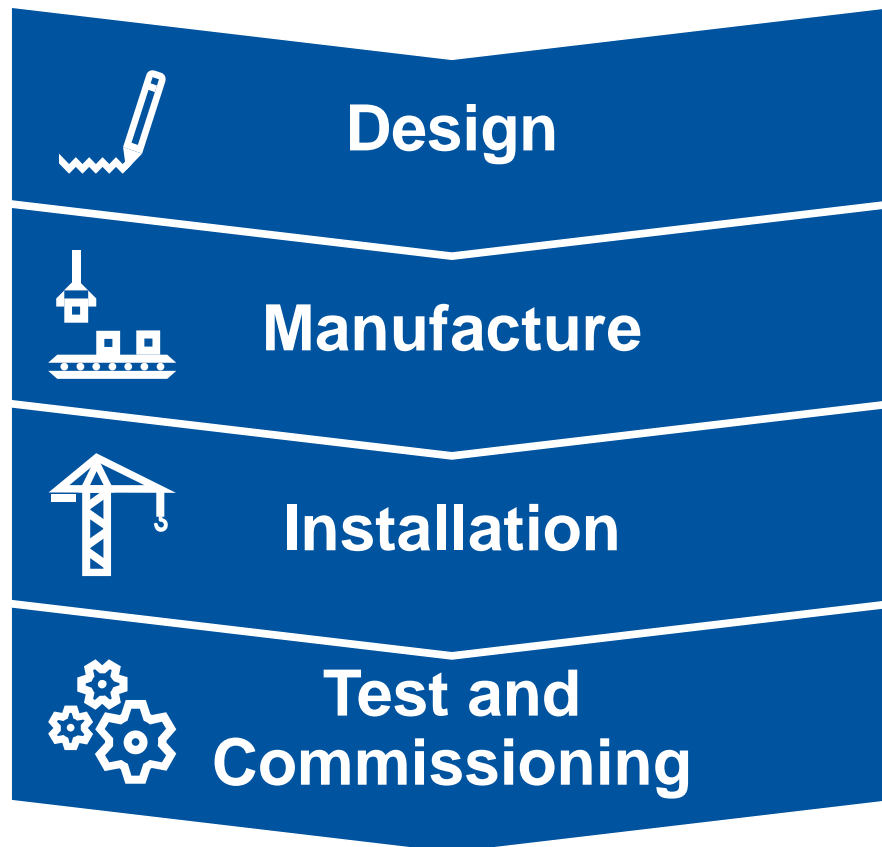
Select examples - Systems for exploration + ~165 Additional

Examples Discussed



A range of support options are available for suppliers through either direct or indirect engagement

Support Options



Contracting Approach



1. Direct Engagement: Suppliers to directly engage with Irving Shipbuilding to provide support



2. Indirect Engagement: Suppliers to engage the CSC program through major equipment OEMs as part of an integrated solution



The supplier exploration approach strikes a balance between supplier feasibility and benefit to Canada

CSC Supply Base Canadian Content Exploration Criteria

Benefit

1

- Economic
- Job creation
- Partnerships with local schools and colleges
- Co-ops / apprenticeship programs
- Intellectual property rights



Feasibility

2

- Suitability of supply base
- Schedule and cost
- Technical risk
- Integration risk
- Security requirements

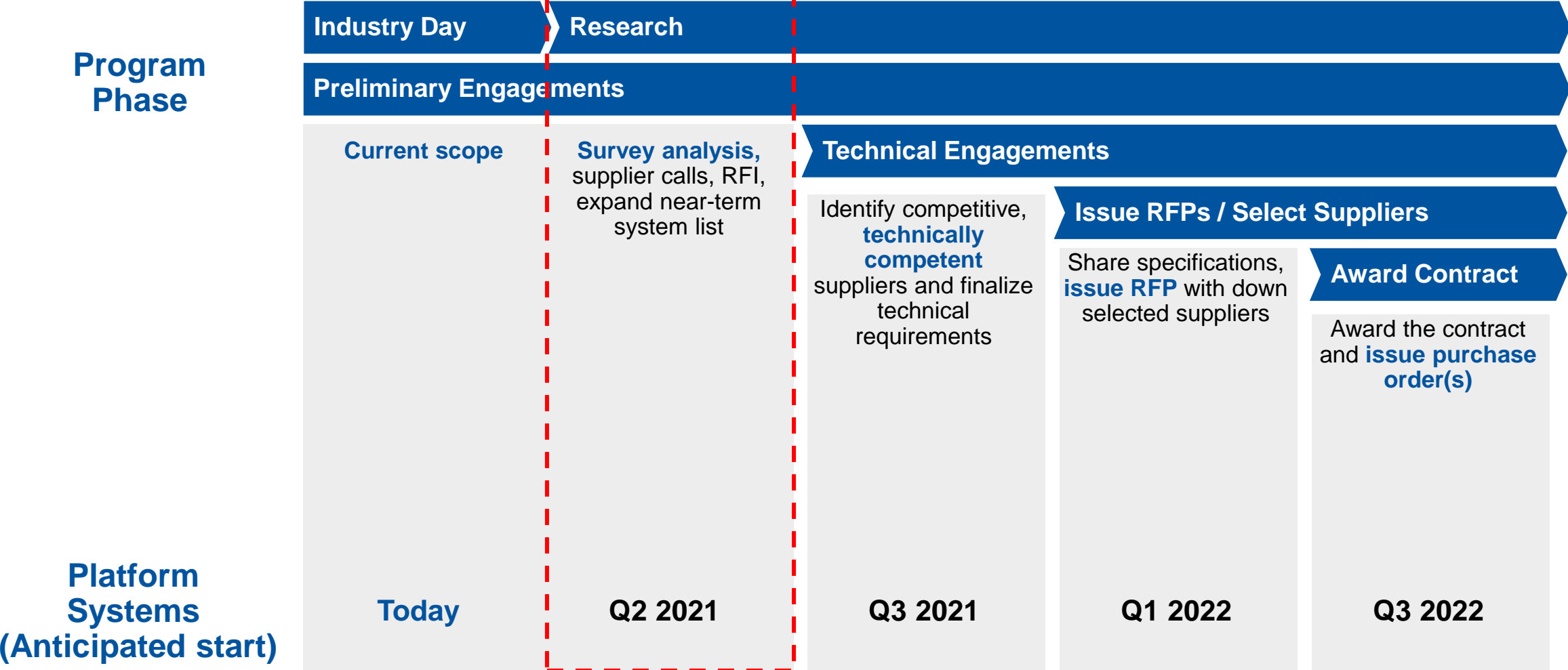


Industry day kicks off the research phase, accelerating our understanding of the CA industrial base



Preliminary Timelines – Ship 1

Immediate Next Steps



Agenda



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Supplier participation and feedback is requested to support ISI's understanding of Canadian industry capabilities



How can suppliers get involved?

Supplier participation is critical to achieve a holistic view of the supply base (e.g., survey completion, follow up calls, etc.)


Supplier Engagement Overview



1

Supplier Survey – via Qualtrics

- A request from ISI will be sent via the CA Industrial Base email to **complete the survey**
- The survey will include supplier specific questions to **understand benefit and feasibility**
- The Qualtrics survey link will likely be sorted into your **spam folder**



2

Follow Up Calls – Ad hoc with select suppliers

- Follow-up calls may be held by ISI to **further contextualize survey results**
- The objectives are to clarify information provided and **deep dive value chain risk, manufacturing processes**, and evaluate benefit to Canada
- Kearney facilitated

The CA industrial base survey is designed to be completed in ~40 minutes and provide a view of feasibility and risk

Qualtrics Survey Overview

Question Categories

Question Type	No. of Questions	Est. Completion Time
Background	19	~10 min
Feasibility	19	~15 min
Risk	14	~15 min



Please include product catalog (for current scope and relevant products) and / or value proposition attachments via Qualtrics

Key Features



Ability to upload attachments (e.g., product catalog, value proposition)



Tool tips for added guidance answering questions



Ability to save and return to survey later



Custom error messages tell respondents what they've missed and what needs to be fixed

Follow-up supplier calls to be completed on an ad-hoc basis

Example Topics for Follow-Up Calls



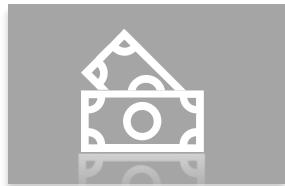
Suitability

- Product catalog / capability
- Security requirements



Risk

- Value chain risk
- Manufacturing pain points



Investment

- Investment budget
- CAPEX projects



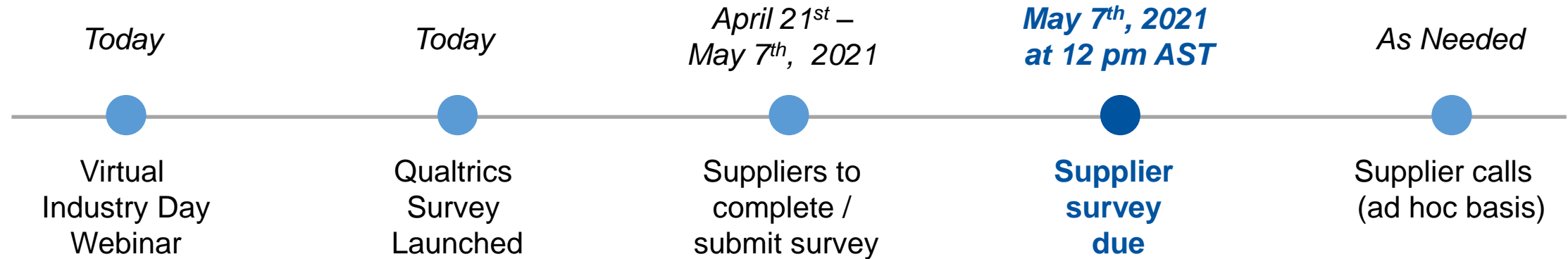
Benefit

- Canadian content value
- Local economy impact

Supplier surveys are due by May 7th at 12pm AST and supplier calls will be completed on an ad hoc basis



Key Dates



Supplier survey is due by **May 7th at 12 pm AST**

- Supplier surveys will be evaluated using a **first in, first out method**
- Any surveys submitted after the deadline will be reviewed **as time permits**
- We **plan to send surveys to all webinar attendees**; however, you can opt out by sending a message to CAIndustrialBase@Kearney.com. Any **additional questions** you have can also be sent to this email address
- Please visit <https://www.irvingshipbuilding.com/> for additional information and register on our supplier portal to **stay up-to-date on ISI communications** <https://www.irvingshipbuilding.com/irving-shipbuilding-suppliers-supplier-registry.aspx>



Thank You
Stay up to date at ShipsForCanada.Ca