



Annual REPORT

2022
2023



**Canadian Forces Morale
and Welfare Services**

Cpl Cassidy Matetich,
3 CDSG, Operating Room
Technician and Alyssa
Matetich, PSP Community
Recreation Coordinator,
live in Edmonton with their
son, Ellis. Fitness is a huge
part of their lives. Working
out at the gym is one of
their favourite ways to
connect.

**Canadian Forces Morale
and Welfare Services**

2022-2023



ANNUAL REPORT

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CEO MESSAGE

I am pleased to present this year's CFMWS 2022-23 Annual Report – a testament to our commitment to the delivery of programs and services that support real and relevant value to Canadian Armed Forces (CAF) operations, and to the mental, social, physical and financial well-being of Canadian Armed Forces members, Veterans and their families.

We continued to focus on delivering on our three priority areas – providing an exceptional member and employee experience, achieving business maturity and innovation, and providing financial sustainability.

A few of our more notable achievements this past year include

- 23% more CAF Regular Force members completed their Force Evaluation marking a return to pre-pandemic levels
- 54% more participants in our health promotion workshops, such as stress and anger management, smoking cessation, suicide awareness and healthy eating
- \$3.1+ million direct reinvestment in Base and Wing unit funds by SISIP Financial and CANEX
- 3,508 families supported through SISIP Financial with debt counselling, budget preparation and planning, leading to greater personal financial well-being
- 39% increase in kids' summer camp registrations

We also focused many of our activities in support of the CAF's Reconstitution effort and its focus on the recruitment and retention of military personnel. Our programs and services directly enhance the CAF's employment proposition. To name a few examples:

- The Women's Wellness initiative supports expanding capacity to increase the recruitment of women
- The Military Spousal Employment and telemedicine programs facilitate life circumstances for families who are frequently relocating
- The release of a new Sports Strategy entices new recruits to join the Canadian Armed Forces

As we move into FY 2023-24, we are actively working with CAF/DND to improve what it is that we are being asked to deliver and how we deliver to our members. This will allow us to provide current programs, future programs and any changes more rapidly, and with less confusion, to meet the needs of our members. Taking advantage of the Non-Public Property framework, we will remain as agile and responsive as ever.

In the next year, I look forward to working with our members, Veterans and their families to focus on what's important to them, as they so richly deserve for serving their country. I will also strive to ensure our people are well positioned to continue delivering exceptional value as a trusted service provider to the Department of National Defence and Canadian Armed Forces community!



Ian Poulter
Managing Director, Non-Public Property
CEO, Staff of the Non-Public Funds, Canadian Forces



IMPACT STATISTICS

Trusted provider of morale and welfare services

CFMWS delivers programs that strengthen the mental, social, physical and financial wellness of Canadian Armed Forces (CAF) members, Veterans and their families. Essential programs and services strengthen the military community, promote family health and support the operational readiness of Canadian troops.

Mental



7,387 CAF members

and their families located in 46 countries received emotional, social and mental health support through the 24-hour Family Information Line



66,527 virtual

and in-person support interactions with Military and Veteran Family Services Programs



90 children and youth

obtained critical mental health support through the 24-hour CAF Kids Crisis Text Line



\$371,776

Gender-Based Violence (GBV) funding for violence prevention programs in CAF communities

Social



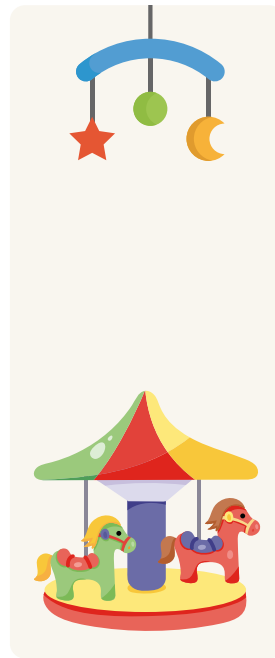
2,050 Op Santa

packages kept deployed members connected with their families



692 medically

releasing members eased their transition to civilian life through the Veteran Family Program



38% increase

in children registered for recreation programs, to 8,453 registrants



\$200,000 contributed

by SISIP Financial to Support Our Troops for loans, grants and emergency funding



59% annual increase

in national recreation programs, to 98,850 registrants

Physical



**54%
increase**

in virtual doctor consultations through Maple telemedicine



**130
Soldier On**

activities strengthened the mental and physical health of members and Veterans



**378
referrals**

to primary care through Calian's Military Family Doctor Network



**54%
increase**

in Health Promotion participants (98,172)



**23% more
FORCE**

evaluations completed to ensure the physical readiness of troops

Financial



**271
spouses**

secured a job through the Military Spousal Employment Network



**900
participants**

in new SISIP Financial education webinars on mastering credit and tax-efficient savings strategies, with an average rating of 8.7 out of ten



**\$4.2
million**

in revenue through PSP's Partnership Innovation Team to support morale and welfare programs nationally and locally



**\$38.5
million**

from SISIP Financial to support NPP programs and services



OUR STRATEGIC FRAMEWORK

OUR MISSION

We make our members stronger.

Healthier People. Stronger Communities. Better Canada.

OUR PRIORITIES

Exceptional Member & Employee Experience

Caring for our employees so that they are equipped to increase value to our members.

Business Maturity and Innovation

Improving our ability to operate within a constantly changing and complex business environment.

Financial Sustainability

Ensuring we can generate profits for reinvestment into our member offerings.

OUR APPROACH

Member-Centric Digital Transformation

Improved Employee Experience & Culture

Enterprise Data Management Program

Modernized Business Model & Delivery

Business Development & Growth Strategy

Infrastructure & Real Property Strategy

OUR VISION

Improving lives at home and around the world:

Mentally, Socially, Physically and Financially.

1

EXCEPTIONAL MEMBER AND EMPLOYEE EXPERIENCE



EXCEPTIONAL MEMBER EXPERIENCE

We are available whenever our members need us

Accelerating digital access and connections

Members can now connect with essential CFMWS programs and services easier than before. FY 2022-23 marked a huge push toward multi-year digital transformation milestones laid out in the 2020 CFMWS ten-year strategy.

CFMWS.ca

One website, all the information

We listened to our members, who asked for a single point of access online. On October 26, 2022 CFMWS.ca went live, combining CFMWS.com, CAFconnection.ca, SISIP.com, and CFAppreciation.ca

- Easy-to-find information with new search functions tailored to user experience
- Local MFRC content readily available, with built-in geo-location tools
- Metrics to monitor, adapt, continually improve and personalize the member experience
- Twice as many users on the website between October and December 2022 over the same period in the previous year

SISIP Financial

Financial advice at members' fingertips

Launched two digital insurance applications to improve the member experience when applying

for term life insurance and changing beneficiary information.

On-demand webinars support financial literacy and education due to SISIP's new partnership with Enriched Academy, a leading Canadian financial literacy provider.

PSP

Standardized golf operational software for all CAF courses now provides a seamless transition when members are posted to a new Bases and Wings. A new agreement between all CAF golf courses allows CAF golfers with a membership to book tees and play for free at any CAF course in Canada.

CANEX.ca – Shop from anywhere

1.2 million unique visits & 6.8 million page views

14,000 online orders from members in all provinces and territories

\$136,000 savings for CF One members with CANEX free shipping and Buy Online Pick-Up in Store offers

"Superb service. My first choice for online shopping in this retail category."

Outreach to our members

Our new centralized website, cfmws.ca, allows us to better understand and meet the needs of members in all our outbound communication. Connecting through social media and personalized emails based on user data and navigation metrics means members receive content that is **timely, relevant, and tailored to their military lifestyle**. As a result, open rates and content engagement saw substantial year-over-year growth and skyrocketed well above industry benchmarks.

295% growth in social media engagement over the previous year

18% annual increase in website visits

33.8% email open rate vs. industry average of 21.3%

5.2% content interaction vs. industry average of 2.6%

7.1% social media engagement vs. a comparable industry average of 0.31%

Virtual MFRC – Support whenever, wherever

Virtual MFRC is a hub of virtual services for CAF members, Veterans and their families. Embedded in the Virtual MFRC, the Family Information Line (FIL) is a key touchpoint for those in need of assistance, including families in crisis. Available 24 hours daily, seven days per week in 46 countries, the FIL was an essential point of contact for more than 8,000 CAF families in FY2022.

- 742 virtual counselling sessions
- 1,028 mental health crisis calls
- 875 family members requiring access to health care
- 175 family members needing assistance with spousal employment
- 972 people asking for relocation assistance and posting advice
- 583 warm calls
- 513 outreach calls to MFRCs and Padres to collaborate
- 4 webinars, with 69 MFRC participants, to support informal networking
- 200 OUTCAN families supported through the expansion of Veteran and Military Family Service program delivery to the Rest of World (ROW)

Education support

2023 saw the launch of the Military Family Services Education Team that provides mobile military families with the knowledge, coaching, and tools to navigate educational transitions as a result of postings. This service is delivered virtually by trained guidance counsellors, and delivered at no cost to military families.

Healthy Relationships promotional campaign

In October 2022 we reached 721,442 members through paid and organic social media, with 5,000+ clicks on the website with our focused campaign targeted at military members and families who may be struggling in their relationships.

As a result, our Virtual MFRC reported a 26% increase in referrals related to healthy relationships in October.



Member Customer Service Centre

Every time we engage with members, we have an opportunity to demonstrate our value to them. The CF One Member Customer Service Centre, available seven days per week, is a significant point of contact for our CAF community.

42% increase in members assisted by our call centre over the previous fiscal year

- 80,395 email conversations
- 64% of emails resolved with a single reply
- 16,808 phone calls
- 30,399 individual member-customers assisted

"So helpful and understanding to search for my information and then come up with a better solution to my problem. I couldn't ask for better service."

CF One member.

95% of members rated their service as "GREAT"

"Huge thank you to the team for being extremely responsive to me, working with the airline company for my issue and replying without a long wait. I am floored! The service I received from you was amazing and exceeded our expectations. Thank you! 10 stars!"

CF One member

Creating individual, community and family resilience of the CAF

Fitness and recreation programs tailored to military personnel and their families strengthen resolve, build a sense of community and offer a support network for all those who serve. Enrolments for PSP recreational programs soared in FY 2022-23, with a return to many in-person activities, including summer camps, recreation and fitness programs.

FY 2022-23



61%

Recreational program enrolments grew



99,850 Registrations
vs 62,093 in FY 2021-22

214%

Recreation club memberships doubled



35,295 Club Members
vs 11,228 in FY 2021-22

39%

INCREASE IN SUMMER CAMP



8,534 Registrations
vs 6,120 in previous year

25%

More children requiring PSP inclusion services to attend summer camp



177 Children
vs 142 in FY 2021-22



New recreation programs build resiliency

New programs for children of deployed members, teenagers and single soldiers living on Bases and Wings promote healthy lifestyle choices, create social connections, and foster healthy relationships.

S.T.A.R.

Strength Through Active Recreation (S.T.A.R.) launched at 35 locations in Canada, the U.S. and Europe. This children's program offers a standardized, research-based curriculum that engages kids in sport and play to reinforce healthy choices and build resiliency.

Gear Up

This leadership program for military teens, ages 13 to 16, is a progression from S.T.A.R and Champions. Gear Up focuses on team building, enhanced physical activity and decision-making.

SOLO

Single soldiers living on base have access to SOLO, with diverse recreational, social and community service opportunities to support their personal, professional and social growth. Engaging in meaningful activities outside of work helps them feel connected to their community and reduces the stress of military life.

Supporting military and Veteran families every step of the way

The Family and Friends Program

Families are the backbone of an ill and injured member or Veteran's physical and psychological support system through their recovery journey. Through the newly created Family and Friends Program in FY 2022-23, 71 family and friends accompanied their loved ones at the 2022 Warrior Games in Orlando, Florida.

"The journey wounded warriors walk is typically lonely, isolated, painful and difficult. Oftentimes they make that journey alone as they don't like to share their burdens. By participating as a supporter of my spouse, I was able to directly influence her and give the emotional support she needed during a physically demanding journey. Being around the families of other competitors, we shared some of our own strengths, success stories and learned we're not alone in wanting to make the journey to recovery."

Military to Civilian Transition Program

Families leaving the CAF face unique circumstances as they adjust to civilian life.

525 individuals connected with a Family Transition Advisor in Borden, Petawawa, National Capital Region and Valcartier as part of the Seamless Transition Task Force to get tailored advice and support for their voluntary move to post-service life.

"The service provided by the Family Transition Advisor helped answer my questions about my son's transition to civilian life. The personalized plan developed for me and my family was helpful because it included resources and referrals to services that we needed during this time."

CAF family member

Veteran Family Program

6,982 interactions with medically releasing or medically released members led to 2,102 individuals supported through this customized program, which helps participants navigate the medical, financial, mental and social processes to make a successful transition to life after service.

Veteran Family Telemedicine Service

1,026 Veteran family members had a virtual physician consult through the Veteran Family Telemedicine Service, with 1,100 prescriptions and 65 specialist referrals provided.



Health Promotion



98,172 participants

in 1,369 workshops

54% year-over-year increase in registrants



612 courses

completed by 5,469 participants

Preparing our troops for the physical demands of deployment

We support the CAF community at home and during operations

Ensuring the CAF is fit to serve

Overhaul of BMQ

Ramping up capacity of new recruits underpinned the reconstruction of the Basic Military Qualification (BMQ) training to be an eight-week program instead of ten. The training was offered at additional locations in FY 2022-23 to offer more opportunities for recruits to take part. A newly developed pre-physical fitness program for recruits, the Pre-BMQ Virtual Training Program, helps them prepare in advance for the rigors of the BMQ. Both programs include women's wellness-related exercises geared toward injury prevention.

Acceleration of FORCE evaluations

FORCE evaluations were accelerated in FY 2022-23, with testing held both virtually and in-person. The annual fitness test ensures troops maintain the minimum operational standards of physical fitness. More than two-thirds of Regular Force members took part, up 23% over FY 2021-22, marking a return to pre-pandemic levels.

Injury risk detection for early intervention

All PSP evaluation programs were realigned in FY 2022-23 to include injury risk detection thresholds to offer "prehabilitation" to candidates with higher likelihood of injury, based on research done by the CFMWS team.

We are on the ground with the troops

Direct deployment and operations support

PSP is a critical enabler of CAF deployed operations, offering essential civilian personnel, and aid with financial, social and physical training in whatever capacity required of us, with flexibility and agility.

PSP also administers the Home Leave Travel Assistance (HLTA) program for all Small Enduring Missions (SMEs) and oversees Operation Santa Claus (OSC).

Civilian personnel on deployed missions

PSP recruited, trained and deployed staff to provide barber services, retail operations, fitness, sports and recreation programs to operations.

Operations directly supported by PSP in FY 2022-23

Operation IMPACT in the Middle East

Operation REASSURANCE-LTF in Central and Eastern Europe

Operation PROJECTION with naval allies across the globe

Third Location Decompression supporting troops returning from deployed operations

Direct support to operations



642

Travel bookings



through the HLTA for 16 deployed missions

\$28,300 credit card rebate



distributed back to morale and welfare programming for deployed operations

59

PSP personnel



recruited, trained and deployed in support of four operations

\$963,000 profits



from PSP retail outlets redistributed to unit funds

Showcasing the CAF through sport

CAF Sports develops attributes consistent with core military competencies, esprit de corps, and boosts morale. This was a transitional year that moved back to in-person sports, with a focus on outdoor sports at the national level. Locally, training and development camps helped participants recover their skill and fitness levels to pre-pandemic levels.



8,678

Participants at CAF Sports Day



450

Members involved in Win Sports initiative



85

attended regional development camps



A return to regional, national and international sports competition pushed CAF athletes, officials and Veterans to their limits, and showcased the CAF and Canadian values at all levels.

32 participants attended

the Invictus Games in the Hague, Netherlands, among 500 athletes from 20 countries.

35 participants joined

200 athletes at the Warrior Games in Orlando, Florida.

114 athletes returned

in-person competition at the CISM World Championships

2,682 athletes competed

in CAF regional competitions

755 athletes and 58 officials attended

CAF national championships

31 CAF athletes supported

for participation in civilian sports competitions

“Sport provides a sense of belonging regardless of rank, trade, gender or religion. It can bring a group of people together in a more relaxed setting to build a sense of team.”

CAF member

“As a World Military Games Champion and now an Olympian, I feel it is my duty to spread more knowledge of the CAF to others in our country and around the world. I’ve been able to share my experiences in both military and sport to the younger generation in hopes to inspire and build more leaders in our military.”

S2 Yvette Yong, Reservist, Olympian



Protecting the financial wellness of the CAF community

\$5.3M grants & loans

delivered to 1,213 CAF families requiring financial support



29,740 client

appointments, in person and virtually

7,163 financial counselling consultations



3,508 families

supported with advice, financial assistance and education – a 50% increase over prior year

259



financial education briefings delivered to 895 members through a new partnership with Enriched Academy

5,172 new life insurance clients with coverage of \$878 million



2,470 new investment

clients with \$752M of assets under administration



\$72,000 in total savings

to clients with consolidated investment portfolios

SISIP Financial

SISIP Financial continued its journey to digitize and transform how, what, when and where programs, products and services are delivered, including continued investment in the business to meet member needs, including:

- Expanded advisory and support teams to serve more clients
- Increased operational capacity and efficiencies throughout the business
- Introduced advisory experts to ensure best practice standards applied in every client relationship
- Expanded the investment product shelf with discounted client fees
- Implemented Releasing Member Experience Program, offering more than 33K Regular and Reserve force members critical advice on the CAF pension plan and insurance to save money and plan for post-military life prior to release
- Stood-up a business intelligence team to better understand financial needs of members and inform business decisions to create more member value
- Secured \$85M and initiated CAF LTD retroactive adjustments to members' salary at release (qualifying period 1 April 2018 to 31 March 2021)
- Obtained DND/CAF approval to implement a modernized CAF LTD program by 1 April 2024
- Supported Department of Justice and Canadian Forces Legal Advisor (CFLA) in order to reach a final settlement, and coordinated efforts with Manulife to staff and train various positions required to administer Logan Class Action settlement payments starting in 2023

Financial health for members means returns to the CAF community

As our CAF families face high interest rates, inflation on goods and services and increasing energy costs, CFMWS and partner programs help them optimize every dollar, manage their money with confidence and plan successfully for their future. We negotiate on behalf of the Defence community and broker significant discounts, rebates and savings of benefit for our members.

Members' financial wellbeing means greater reinvestment into programs for the CAF community. When members participate in these savings programs, funds are reinvested into NPP programs and services, locally and nationally.

CANEX savings

Grocery inflation has been a reality for military families, as it has for all Canadians. Through the CANEX price match policy, CF One members saved \$175,000, with approximately 60% applied to consumable products.

CF One members earned more than \$1 million through their engagement with CANEX Rewards program, and redeemed points for \$832,000 worth of CANEX product.

The Personal Insurance

Tailored coverage, exclusive rates, reinvested in the CAF.

- Discounted group home and auto insurance rates for military community
- No penalties for disruption in coverage for OUTCAN families returning to Canada
- 6% increase in revenues saw additional money invested back into CFMWS programs in FY 2022-23

CANEX Home Heating Program

As Canadian military families realize the impact of higher energy costs, the CANEX Home Heating Program strategically extended its reach in the last fiscal year. The program was streamlined in July 2021, with a negotiated eight-cent-per-litre discount for all eligible CF One members. Savings are now immediately applied to customer invoices, which means additional fiscal efficiencies.

- 460% increase in uptake from members over the previous year following a support awareness campaign in November and December 2022
- 85% reduction in administration costs contributed to a boost in program revenues in FY 2022-23

Canadian Defence Community Banking with BMO

The partnership with BMO continues to provide members with no-fee daily banking, which allows individuals to save nearly \$500 annually on banking fees. Customized, flexible mortgages that move with members when they relocate is increasingly significant in a period of high interest rates.

- 25,000 CAF families are mortgage customers
- 98,000+ CAF community members saved \$16.8 million in monthly banking fees
- \$1,147 million generated in revenue for CFMWS from the BMO partnership, an increase of \$100,000 in FY 2022-23 over the previous year

CF One Member Appreciation

This year, the CF Appreciation Program was successfully rebranded as the CF One Member Appreciation Program. It continues to expand its partnerships with local Canadian businesses providing CAF members, Veterans and their families with significant savings on travel, hotel, merchandise, as well as household goods and services.

\$3.1 Million+

SISIP Financial and CANEX direct reinvestment to local Bases and Wings



SISIP Financial and CANEX maintained

their annual **\$3.1M** disbursement to Bases and Wings

CANEX partners with over 200 kit shops selling merchandise curated

specifically for CAF members. CANEX redistributes 10% of kit shop sale proceeds back to kit shops, resulting in **\$68,000** to the Unit and Regimental Fund in FY 2022-23

15%



of CANEX proceeds, totaling \$35,238

were donated to Support our Troops and Soldier On

The CANEX Gives Back Volunteer Recognition Program (VOREP)

provides **\$100,000** in annual grant funding to help recognize the generous effort and time of our volunteers who serve the CAF Community

Support Our Troops funds

Through the Support Our Troops Fund and Soldier On Fund, the CAF's official charitable cause, the CAF community received financial support targeted to individuals:

- 344 families received emergency financial assistance
- 128 families were assisted through the Holiday Hamper Program
- 98 scholarships and 32 bursaries were awarded to military spouses and dependents
- 159 families with a child with special needs received funding
- 86 CAF members were offered support while in hospital

Celebrating the generosity of our military community

Second Harvest Food Rescue

- \$57,000 in donated food at CANEX retail store outlets nationwide
- 14,496 meals served to Canadian families in need
- 25 partnerships with non-profit organizations across Canada

CANEX Give Back Campaign

- 11,800 individual donations from the CAF community at CANEX retail stores and online
- \$61,300 raised for Support our Troops and Soldier On over two campaigns

EXCEPTIONAL EMPLOYEE EXPERIENCE

Employees are the lifeblood of our organization

We are committed to providing a supportive, inclusive and engaging workplace that reflects our core values to serve our members' physical, mental, emotional and social wellbeing.

We are 4,000+ Strong

34% of CFMWS employees are part of the CAF community



12% Veterans or serving members

15% Are military spouses

7% Are children of CAF members

Better connected with CORE

Employees now have additional ways to support each other and access essential information about CFMWS. The CORE Intranet mobile app went live in FY 2022-23, as the next iteration of our internal communications platform. More than 400 employees are now using the app in lieu of the desktop version, making a difference for employees who do not routinely access a desktop computer.

"I like the mobile app, almost more than the web version! It's so easy and I get alerts on my phone. I always feel connected this way!"

Robin Ross, Chief Human Resources Officer

A great onboarding experience

In March 2023, ONBOARD/MYTALENT was released, the latest component of our Talent Management System. The digital assistant sends email notifications that outline action steps for an individualized onboarding experience. It is another step to ensure a consistent employee experience across our entire organization, with better ability to recruit and retain our employees.

Our commitment to Diversity, Equity and Inclusion (DEI)

A healthy and respectful workplace, where all employees are free from discrimination and provided with equal opportunities, is paramount for CFMWS now and in the future. We value different backgrounds, experiences and skills that result in the generation of unique ideas and solutions. Valued employees are engaged employees, who bring unique perspectives and experiences to provide the best service to our members.

We are committed to efforts that push toward annual targets to improve diversity in our employee demographics.

	Percentage of Employees	Target
Women	62.20%	56.60%
Indigenous peoples	3.55%	4.60%
Persons with Disabilities	6.98%	9.40%
Visible minorities	8.28%	15%

Actions toward a safe, inclusive and respectful workplace

Taking meaningful steps is an essential component of the CFMWS 2021-2024 Diversity and Inclusion Plan and reinforces our role as partners with the Canadian Centre for Diversity and Inclusion (CCDI).

- Launched a pilot project with local outreach organizations to find potential qualified candidates and help CFMWS understand challenges facing diverse communities
- Leaders took part in DEI training in January 2022 and recommitted to apply DEI strategies in their leadership and action plans, be DEI champions and share their knowledge across the organization
- Raised the LGBTQ2SIA+ flag at headquarters to demonstrate our commitment to observe Pride Month in June
- Created space to share personal stories to continue to learn from each other's experiences
- Continued our employee DEI training series with *Understanding DEI* and *Inclusive Language*

Return to HQ workplace

Employees based at headquarters began a move to in-person work, full or part-time in fall 2022. Throughout the pandemic, remote business operations continued without significant disruption, a credit to our people. Roof damages at HQ were incurred in August 2021. With much of the restoration completed in FY 2022-23, HQ is on its way to become a safer, healthier, more modern workspace than it was pre-pandemic.

The return to the HQ workplace offers an opportunity to assess our business requirements, including which positions are optimal for in-person, hybrid or fully remote work. Supporting flexible work options remains an important component of our competitive recruitment and retention strategy, particularly with many staff relocating for their own military family postings.



2

BUSINESS MATURITY & INNOVATION



BUSINESS MATURITY & INNOVATION

Modernizing digital infrastructure to protect data and upgrade member and employee experience

Responsible data stewardship

CFMWS has adopted a Cloud First Strategy to manage disaster recovery risk in a fiscally responsible way. Between September 2022 and January 2023, we successfully migrated more than 130 servers located at CFMWS HQ to the Microsoft Azure Cloud, with minimal business disruption.

- Built-in disaster recovery mitigates single point-of-failure risk and loss of data
- Contributes significantly to cybersecurity capabilities and more effective operations
- Cost avoidance of \$200,000 annually achieved, with no need to set up a disaster recovery facility of off-site servers

“CFMWS conducted an external penetration test against its Microsoft Azure platform in January with no advance warning to the cyber ops team. Advanced alerting made the team aware early and allowed them to take immediate actions to protect the site with success.”

Enhanced Cybersecurity

CFMWS takes the protection of client and employee data very seriously. Cybersecurity is always top of mind, ensuring state-of-the-art technology, process and procedures are implemented in a timely manner to keep up with the ever-changing threat landscape. Constant evaluations of protections are conducted to ensure we have the right protections, and that monitoring and alerting are in place at all times. GRC (Governance Risk and Compliance) methods are evaluated to ensure the appropriate maturity is in place and continuously enhanced.

- 90,000+ phishing emails blocked
- 16,000+ unique attackers at the border firewalls
- 800+ different types of attacks, identified with enhanced firewall categorization capabilities
- 4,056 cyber alerts generated and assessed

CANEX digital upgrades

A new collaboration with CANEX and Information Services (IS) has dedicated a team of 10 IS professionals to support, manage and implement retail-specific technology to make delivery more efficient and improve customer experience.

CANEX successfully updated all Jesta Vision terminals (POS and servers) in CANEX stores to the latest Windows 10 operating system to meet PCI-DDS compliance.

Toward a seamless customer experience with SISIP

SISIP kicked off a multiyear project to deploy new customer relationship management (CRM) software that integrates phone, in-person and online experiences to streamline and personalize customer interactions.

- Self-service options for users

- Integrated booking system allows clients to make appointments with advisors with flexibility on their platform of choice
- Room to add functionality to enhance customer access to financial advice, education and solutions tailored to their unique lifestyle

“These tools simplify processes, such as online document signing, and offer more ways for CAF members to connect beyond traditional channels, including mobile, call centre and the website.”

Digital Enterprise Program (DEP)

The IS division’s secondary focus is the ongoing management and implementation of IM/IT programs and projects on behalf of CFMWS to support the modernization of the NPP business process to be more efficient and relevant to the CAF community. All projects are delivered under the Digital Enterprise Plan (DEP).

26 DEP projects

- 12 completed
- 14 in progress

As with any capital expenditure plan, the Technology Investment Plan (TIP) remains core to CFMWS achieving its future goals, especially with increased demands for digital services and work environments.

21 TIP projects

- 12 completed
- 9 in progress

ServiceNow for Employees

CFMWS staff now have a single, cloud-based portal to resolve their own technical issues, request technical assistance or report outages. Users can track requests for information services assistance from progress to resolution. A searchable knowledge database of common tech challenges allows employees to find self-serve solutions and is expected to reduce over email traffic to the IS division.

Financial technology

The deployment of the CashTech High Speed Note and Coin recycler to Kingston and Gagetown in a pilot project has proven to reduce cash-handling for local NPP cashiers, allocate more time for frontline and accounting staff and reduce wait times for our military members. The machine has a safety rating of UL291, and adheres to DND security classification TL-15.



Reinforcing our commitment to CAF reconstitution

CAF Sports Strategy – A Game Changer

The CAF Sports Strategy launched in October 2022 to align the strategic direction with Strong, Secure, Engaged: Canada Defence Strategy and the Total Health and Wellness Strategy, the CAF Retention Strategy and CAF reconstitution efforts. The goal is to optimize the CAF Sports contribution to mental, social and physical wellness to be a critical enabler to the CAF. Study results and the first annual report based on the CAF Sports Strategy will be released in June 2023.

“Sport truly is one of the best teachers there is. I have learned firsthand what we gain from it – how to persevere, how to be part of a team, and how to accept losses. Both individual and team discipline provide an opportunity to demonstrate grit and strength, allowing you to be a leader and encouraging you to believe in yourself. It not only solidifies our esprit de corps, but also boosts our physical, mental and social wellbeing.”

LGen Frances Allen, Vice Chief of the Defence Staff, Athlete, Team Manager and Patron

CAF Sports Policy

The CAF Sports Policy is a foundational element of the CAF Sports Program and the Sports Strategy. Developed in FY 2022-23, it is structured to improve governance, reduce risks and foster alignment

between CAF Sports and the broader objectives of the CAF. It offers guidelines for the status and delivery of sports programs, the roles and responsibilities around program execution, structure and eligibility to participate, including duty status, travel required and injuries or disabilities.

Women’s Wellness and Women in CAF Sports

Funding was granted to support the development of Women’s Wellness services for the CAF, including the institution of pre and post-natal programs, and the expansion of women’s sport opportunities. These initiatives aim to promote women’s leadership, close the gap in investment in women’s sport in the CAF and promote women’s equal participation. Tailored sports offerings are geared toward increasing women’s interest and participation in CAF Sports and to optimize their impact on women’s physical wellness and their social and mental wellbeing. More broadly, women-specific programs support the Defence Policy objectives of increasing the proportion of women in the military, by offering customized training in a safe and supportive environment.

New strategic direction for PSP Health Promotion

The year marks the twentieth anniversary of Health Promotion to CAF members and communities across Canada.

The PSP Health Promotion Program Delivery: National Strategic Plan 2022-2027 was launched in November 2022. The plan establishes a mission and vision for Health Promotion and was developed in full consultation with CF Health Services program stakeholders and representatives from field teams across Canada. It outlines nine priority activities, in synch with CAF priorities, to empower local command teams to create healthy environments so members thrive.

“Every couple of weeks or so, someone approaches me and says, I was on the suicide awareness course with you –last week, last month, even ten years ago – and because of the skills I learned on that course, someone is alive today.”

Health Promotion specialist, Petawawa

Optimizing the physical readiness of our troops

FORMeFit kits support CAF reconstitution efforts

The PSP fitness team supplied 40 FORMeFit kits to enhance FORCE evaluations for reserves, and ultimately support better decision-making at all levels of the army, including the operational readiness of the army reserve. FORMeFit kits are currently in use by 34 and 35 Brigades. A steady rollout will continue in FY 2023-24, with all brigades scheduled to receive kits by March 31, 2024.

BMOQ assessment

CFMWS is working with CTC Gagetown to identify the training load on officers undergoing their initial phase of army training. To support this, CFMWS is seeking to staff a locally paid PSP strength and conditioning specialist focused on the existing curriculum, gather data on its impact and recognize where improvements can be made.

Generating Resilience to Injuries through Training (GRIT) trials

A new GRIT study at Borden is focused on increasing awareness of best training practices and injury reduction interventions for women. Borden has more women trade school candidates than most Army DP1 courses.

CFMWS trialed the Generating Resilience to Injuries through Training (GRIT) program at Meaford, along with an injury prevention study with the Artillery School.

Enhanced oversight of our social enterprise

New leadership roles

Two new positions created in FY2022-23 elevate the independence and improve governance of CFMWS, in response to an audit on internal governance.

- A Chief Corporate Counsel in the newly minted legal office means CFMWS receives timely legal advice for all NPP and SNPF programs independent of DND/CAF advisors.
- The Corporate Secretariat prepares and synchronizes board and committee meeting agendas and records of decisions resulting in improved internal leadership processes.

Renewing our commitment to the environment

The environmental impact of all our organizational activities continues to be an essential component of decision-making. The New Interim Guidance on Providing Environmental Support facilitates better cooperation between environmental stakeholders for NPP Programs and activities.

Supporting Women and Gender Equality (WAGE)

Military Family Services (MFS) has created a centre of expertise under Gender Based Analysis Plus (GBA+) and established a working group on Gender-Based Violence (GBV) and intimate partner violence to forge a path to new approaches and services for military families. Working with specialists within the CAF, MFS rewrote the Family Violence DAOD 5044-4 to include new Terms of Reference for the Family Violence Advisory Team.

Improved oversight of programs

MFS and Finance signed an SLA to provide financial and governance compliance and assurance reviews of MFS programs, provincially incorporated not-for-profit MFRCs and OUTCAN.

Improved governance of the NPP Oversight and Advisory Board (NPP OAB)

Acting on the October 2020 recommendations by the Assistant Deputy Minister (ADM), multiple initiatives have been defined to improve the governance structure of the NPP OAB.

- The CDS will remain as the chair and the Vice Chief of Defence Staff will be the Vice Chair of the NPP OAB
- Up to three external experts with expertise in NPP business lines will be identified to join the board as members
- The Chair of the Audit Committee is now a member of the NPP OAB
- Orientation training has been developed and delivered to all board members
- The board will meet four times annually in-person, with no substitutes or representatives

Additionally, members will receive formal training on the reading of financial statements and audit comprehension, and the Chief Human Resources

Officer will provide regular updates to the board on pay equity and labour negotiations.

Investing in staff training to better serve our members

SISIP Financial

A new Coaching for Growth program evolves and standardizes client-advisor interactions across the country. It includes monthly business planning and agenda reviews between advisors and managers, establishes processes for coaching and manager feedback, lays out standardized client meeting agendas, and supports the use of consistent tools, checklists, lead generation, and pipeline management processes.

Two new practice leaders have been appointed to focus on building advisory standards, training, coaching and the consistent use of financial planning tools. There are now practice leaders dedicated to each business line – insurance, planning/investing and financial counselling.

Military Family Services

177 staff trained in data management following the release of MFS's divisional data strategy in June 2022.

Cyber awareness

An organization-wide simulated phishing campaign was conducted in December 2022. A significantly higher number of users reported suspicious-looking emails, while a reduced percentage of recipients interacted with phishing emails. Those identified as repeatedly interacting with phishing emails will be enrolled in phishing awareness training. CFMWS phish-prone percentage is 23.9%, lower than the industry average of 26.8%.



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FINANCIAL SUSTAINABILITY



FINANCIAL SUSTAINABILITY

Financial Highlights

CANEX/NATEX

The team faced continued challenges in the retail environment, while emerging economic risks placed further strain on achieving financial targets. Overall, FY 2022-23 consolidated net loss was (\$4.9M), compared to prior year net loss of (\$2.7M). Gross margins were flat year over year at 19.8%, while operating expenses were \$3M higher than prior year, driven by increased salary & benefits.

Despite challenges, we refined product assortment, services, programs, business processes and technology, reflecting industry trends and best practices.

- CANEX retail stores processed just over 2M transactions, a 9% increase over the year before.
- CANEX Endless Aisle product sales, featuring 80 brands offered online by third-party vendors, increased by 20% in FY 2022-23, totalling \$2.9M in sales.
- CANEX vendor-owned inventory program increased partnerships by 16% over the previous year following a successful omnichannel marketing campaign. CF One members purchased 35% more than in the previous year, for a total of \$6.7 million.
- 28,000 CF One members purchased \$46M in no-interest goods through the CANEX CF One No Interest Credit Plan. Our members saved an estimated \$9.2M in interest (compared to credit card APR of 19.2%).
- An external audit by WIS shows a FYE inventory loss of \$129K for non-perpetual and perpetual merchandise, an 18% improvement over the previous year. Total sales shrinkage was 0.6%.

We remain positive and will continue to make timely course corrections needed to address economic risks to return to positive net income.

SISIP Financial

We generated \$89.6M in revenue through the insurance, investment and financial planning businesses. This represents a 30% decline from the prior fiscal year, where \$128.4M was generated.

Our net income before distributions was \$18.1M compared with \$49.9M the year before. Year-over-year investment returns and volatile markets had the most significant impact on revenue and a spike in insurance claims impacted expenses.

Revenue from insurance premiums increased by 3% to \$90.9M, from \$88.4M the previous year.

We contributed \$26.4M this fiscal year compared to \$39.7M in FY 2021-22 – in support of NPP services. Most of the year-over-year increase in contributions was attributed to a one-time additional pension solvency funding of \$10M.

Without revenue generated through SISIP Financial, our ability to fund valued CFMWS programs and services would be limited, including the many local NPP entities that receive enterprise support from CFMWS at no charge.

PSP Partnership Innovation Team

The Partner Innovation Team raises funds to support morale and welfare programs nationally and locally. We develop fundraising strategies for clients, connect projects with external investors and manage hundreds of Sponsor Support Agreements (SSAs).

- Generated \$4.2 million in revenue
- Managed 100+ corporate partners
- Delivered 10 national programs

Fraud Risk Evaluation

To ensure funds entrusted to us by members are well-used and administered, the finance division has successfully implemented the following action items to mitigate fraudulent use of funds.

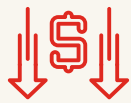
- Establishment of a fraud hotline
- Implementation of a fraud prevention policy
- Ongoing development of a fraud database

CFCF Portfolio

Assets as of March 31, 2023

\$200,874,196

Variance in the FY -\$7,349,261



Return

Last 12 months: **-3.49%**
Benchmark: **-3.13%**

August 2022
New Assets Allocation

+\$20M

invested in MAARS. (Multi-Assets Absolute Return Strategy)

Reduction of -10% exposure to Fixed Income. As of March 31, 2023

Fixed Income accounts for 26% of the total portfolio

July 2022



was the best monthly performance with a **net addition of +\$11M**

Seven months of the year showed negative performance

June 2022 was the worst, with **-\$12M value reduced**

-\$612K



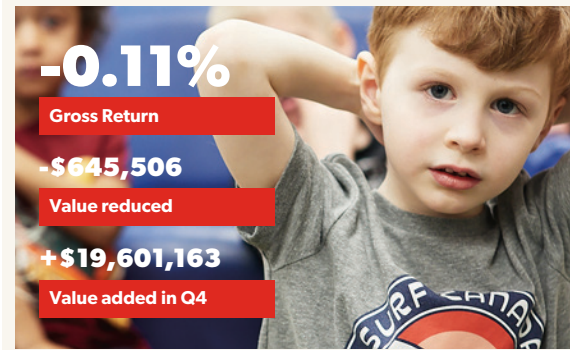
was the average monthly reduction in the fiscal year

SISIP Seg Fund

Assets as of March 31, 2023

\$518,066,487

Variance in the FY -\$645,506



Data source:
Manulife Performance Review May 12 2023

\$17M monthly additions

Jul 2022/Nov 2022/Jan 2023

June 2022 was the worst individual result with -\$19 million



The exposure to Fixed Income moved from

29% to 32%

Canadian Equity now represents 17% of the portfolio

March 2022 represented **21%**

-\$538K



was the monthly average reduction for the portfolio

INFLATION & INTEREST RATES

	Canada	US.
Inflation (last 12 Months)	5.3% as March 2023	5.0% as March 2023
Policy Interest Rate	Bank Of Canada: +4.5% (March 2022: 0.5%)	Federal Reserve US: +4.75 - 5.0% (March 2022: 0.5%)

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CONCLUSION

As a trusted service provider to the Canadian Armed Forces, we take seriously our commitment to the mental, social, physical and financial empowerment of members and their families. Our goal is to ensure our troops are operationally ready when called upon to serve Canada and Canadians.

We are here for our members, adapting programs and services to their needs, and those of the CAF at large, responding in whatever capacity we can.

We continue to push toward enhanced digital capabilities, improved governance and a sustainable funding model to continue as a crucial partner to DND and the CAF, offering steadfast dedication and agility.

** Note: All financial figures included in this report are unaudited. Where differences occur, the audited financial statements will be considered the definitive authority. When completed, audited financial statements will be posted at

<https://cfmws.ca/about-us/public-reporting/financials>



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ANNUAL REPORT

2022
2023



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Welfare Services**

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