

INVEST ONTARIO ANNUAL BUSINESS PLAN 2022–2027

April 2022



**Invest
Ontario**

Message from the Board Chair



Elyse Allan
Chairperson

As Ontario looks to recover from the impacts of COVID-19 and continue to build its position as the economic engine of Canada, it is increasingly important to attract impactful, high-quality investments that help drive our economy forward.

As the province's principal agency for new and expanding businesses and investors, Invest Ontario is uniquely positioned to attract strategic companies and capital that help build a stronger and more resilient Ontario in an increasingly sophisticated and globally competitive environment.

The founding Board of Directors welcomed the opportunity to establish and operationalize a dedicated investment attraction agency focused on delivering seamless responsive services to current and potential investors. We appreciate and thank Minister Vic Fedeli for his unwavering support. As well, we were delighted to confirm Trevor Dauphinee in the role as the agency's first Chief Executive Officer (CEO). Trevor brings over 20 years of progressive experience leading sales and investments in both the private and public sectors.

In its inaugural year, Invest Ontario simultaneously built capacity and began delivering on its ambitious mandate to secure strategic investments. The agency is adopting a targeted and phased approach to its growth, allowing the organization to focus resources and efforts where they have the greatest impact for investors in three strategic sectors – Life Sciences, Advanced Manufacturing and Technology.

The Board worked with the CEO and staff to be creative, collaborative and client-focused in these efforts. Despite the challenges of starting up a new agency during a global pandemic, we are already seeing the impact of early opportunities.

As we ramp up our efforts in 2022, Invest Ontario is committed to playing a pivotal role in the province's economic recovery and growth. Over the next year, the agency will focus on building the culture and infrastructure critical to its success, while continuing to deliver exceptional services and secure meaningful investments critical to the province's success.

By collaborating with our many stakeholders and partners, we made a tremendous amount of progress this past year. I look forward to continuing to work with our many partners and look forward to the future with confidence.

Message from the CEO



Trevor Dauphinee
CEO

I would like to extend my appreciation to the Invest Ontario Board of Directors for this opportunity to serve investors and the people of Ontario as Invest Ontario's founding CEO.

Over the past year, I have met with business leaders to garner their feedback and ensure that as an organization, we are curating meaningful and relevant services and supports that meet investor needs. I have met with partners from all levels of government, to explore best approaches for collaborating and supporting our mutual goal of economic growth. As a result of these discussions, our team has developed a suite of services that leverage the province's breadth of programs and depth of capabilities. This includes tailored intelligence on business and market opportunities, talent, business immigration, site selection, regulatory navigation and financing.

As Invest Ontario prepares for its second year, I'm encouraged by what we have already accomplished and the opportunities ahead. We are building a world class team that comprises industry insight, expertise in opportunity development and access to a full range of government services. The result will provide a premium customer experience to current and future investors. The four strategic priorities outlined in this plan provide the framework and focus to support Invest Ontario's overall success. I look forward to continuing our efforts to attract high-quality investments that create good jobs and new opportunities for Ontarians at this crucial time.

I would like to thank the Invest Ontario Board of Directors, and the Ministry of Economic Development, Job Creation and Trade for their leadership and commitment in supporting the province's economic recovery and long-term success. I appreciate the incredible effort and results achieved by our team this past year. Together with our partners, we will continue our diligent work to increase the province's competitiveness, while delivering business friendly and responsive services to investors.

Mandate

Invest Ontario is a board-governed provincial agency dedicated to securing private sector strategic business and capital investments that support economic development, resiliency, and job creation in Ontario.

The agency provides a premium investor experience through a single customer interface, seamless access to business development teams and a suite of customized tools and services to address investor needs.

The agency focuses on investments in the Life Sciences, Advanced Manufacturing and Technology where the province has global competitive advantages.

Within these sectors, Invest Ontario prioritizes:

- Substantial anchor investments, that expand supply chains, create downstream jobs, and attract new investments.
- Strategic investments that unlock value chain opportunities and build supply chain resiliency particularly for targeted sub-sectors and clusters.

Meeting the needs of strategic investors



**Single point
of contact**



**Credible and
knowledgeable
interface**



**Speed-of-
business
operations**



**Competitive
incentives when
appropriate**

Invest Ontario was established to meet the needs of strategic business investors by delivering:

- A streamlined investor experience with a single point of contact and clarity throughout the process.
- A proactive customer-centric approach to investment facilitation that is responsive to business needs and perspectives in a timely manner.
- Resourceful, solution-oriented sector-based business development teams knowledgeable of the business models, value chains and digital ecosystems in which they operate.
- Consistent, fact-based investor engagement with files progressed in a proactive manner.
- A suite of customizable services and solutions curated through a partnership approach with strategic investors.
- Coordination and partnerships with municipal, regional and federal economic development organizations.

Invest Ontario coordinates, customizes and structures information, services, and supports to better address investor needs

Positioning investors to succeed in an evolving landscape

Invest Ontario partners with investors to respond to the dynamic and evolving global investment and business landscape.

Across the globe, the COVID-19 pandemic has resulted in supply chain disruptions, increased nearshoring, labor shortages, acceleration of partnerships and increased digitalization across sectors.

Global issues expected to continue to impact investment decisions over the next three years include:

- Increasing financial corporate credit uncertainty.
- Greater integration of environmental, social and governance (ESG) factors into investment decision-making processes.
- Workforce mobility, enabling operational relocation to improve cost and quality of life.

Businesses have had to react in agile and decisive ways to reimagine their investments, expansion plans and supply chain strategies.

Invest Ontario partners with investors to proactively address evolving needs and advance investor competitiveness by:

- Linking investors with local networks and innovation ecosystems.
- Building clusters that create long-term competitiveness.
- Customizing support packages by offering resources in areas known to work best for our priority sectors.
- Reflecting the voice of business to inform government policy around competitiveness.

Leveraging Ontario's strengths for investors

Few jurisdictions can match Ontario's underlying appeal as an investment destination.

Economic powerhouse

Ontario is the 7th largest sub-national economy in North America by GDP, hosting more than 60% of foreign enterprises domiciled in Canada.¹

Ontario is also Canada's most multicultural province with 14M people from 150+ countries.²

Skilled workforce and talent pool

55,000 new STEM graduates annually.³

Ontario is home to 21 universities.⁴

With over 480 industry partners advising on curriculum, programs and courses, Ontario's colleges are leaders in technology and workforce development.⁵

Quality of life

Highly reputed quality of life paired within "2nd most politically stable" country in the world.⁶

Toronto and Ottawa rank in the "top-20" most livable cities in the world.⁷

Market access

Excellent destination for exports, with international trade agreements in place with 50 countries providing preferential access to 1.5 billion consumers.⁸

Exceptional trade infrastructure, including four international airports, 300 regional airports and major highways connecting to 12 U.S. border crossings.

Leveraging Ontario's sectoral strengths for investors

By focusing on sectors where Ontario has a global competitive advantage, Invest Ontario can facilitate value chain matchmaking, develop competitive clusters and offer tailored solutions that best meet investor needs.

Life Sciences

Ontario has a strong, innovative and collaborative life sciences ecosystem:

- 1,900+ life sciences firms ⁹
- \$53B in annual revenues ¹⁰
- 66,000 employees ¹¹
- 1300 medical device manufacturing firms ¹²
- 23 research hospitals ¹³
- Leader in digital health, regenerative medicine and clinical trials.
- At the forefront of promoting life sciences' interaction with genomics, artificial intelligence, biotechnology and automation.

Advanced Manufacturing

Ontario is home to advanced manufacturing clusters in:

- Aerospace
- Automotive
- Chemical and Biochemical
- Clean Technologies
- 40+ related post-secondary programs. ¹⁴
- Recognized global leader in adjacent technologies including Industry 4.0, Artificial Intelligence, and Robotics.

Technology

North America's second largest Information

Technology hub with:

- Over 35,000 high tech firms generating a GDP of over \$65B. ¹⁵
- Innovation corridor covering two of the largest start up ecosystems in the world. ¹⁶
- Leader in artificial intelligence, cybersecurity, microelectronics, fintech and digital media.
- Home to 49 public and private incubators and accelerators, including the Vector Institute for Artificial Intelligence, Creative Destruction Lab and the MARS Discovery District, the world's largest innovation hub. ¹⁷

strategic pillars

Business Plan

Invest Ontario's Plan focuses on four priorities:

- 1. Deliver an exceptional investor experience**
- 2. Secure investments with high strategic value and economic returns**
- 3. Establish strategic partnerships**
- 4. Build a high performing organization**

Deliver an exceptional investor experience

We serve investors in a meaningful way, that is focused and timely. Our dedicated, sector-oriented, and nimble account teams provide seamless investor care.

Key Objective:

Employ a business-centric service orientation

Key Actions:

1. Establish a single point of contact for strategic investment projects.
2. Deliver efficient, client responsive services and reduce timelines at each stage of the investment life cycle.
3. Measure the investor experience and capture the voice of the customer when designing and delivering investor services.

Investment Toolkit

Continuously evolve an approach to customized packages that address a client's needs:

- Site selection services
- Permitting and Regulatory navigation
- Recruitment and Training partnerships
- Expedited Immigration
- Innovation, research and development tax credits
- Comparative cost modelling
- Other direct business supports

Deliver an exceptional investor experience

Implementation Activities

1. Build a secure investor portal for digital document exchange
2. Develop processes and workflows with government investor service delivery partners and establish accountabilities and service level expectations
3. Implement and optimize a Customer Relationship Management system (CRM)
4. Develop inventory of existing investor services and supports
5. Assess emerging trends and best practices in the priority sectors to understand where there may be gaps in Ontario's offering and identify what Ontario might need to do to remain competitive
6. Develop and implement a continuous feedback system, including an approach to capture investor satisfaction and lessons learned from unsuccessful opportunities. Continuously improve offering and, where appropriate, share insights on public policies.

Secure investments with high strategic value and economic returns

Invest Ontario Fund

As part of the 2021 Ontario Budget, the government committed \$400 million over four years to create the Invest Ontario Fund for investments that:

- Provide sustainable positive economic, sectoral and regional impacts.
- Generate high and quantifiable return for government investment

The fund design enables customized financial incentives, modelled to offset potential cost disadvantages.

Invest Ontario targets and secures investments of high strategic importance to growing Ontario's economy and competitiveness, emphasizing investments with the potential to expand supply chains, create downstream jobs, and attract additional investments.

Key Objective:

Advance Ontario's economic resiliency and competitiveness.

Key Actions:

1. Use of rigorous, disciplined analysis and modelling to focus supports on investments that generate the highest economic and/or strategic returns.
2. Build awareness of Ontario's strengths, services and competitive advantages.

Secure investments with high strategic value and economic returns

Implementation Activities

1. Identify Ontario's investment competitiveness, value proposition and most effective business supports for each priority sector.
2. Determine which sub-sectors and elements of a sector's value chain Invest Ontario should prioritize.
3. Identify enabling investments (new anchors and those that support existing assets, regional diversification and Ontario's supply chain resiliency).
4. Assess gaps and what it will take to secure each of those targeted investments (e.g., which companies could Ontario target and what kind of business supports could Ontario leverage).

Establish strategic partnerships

Invest Ontario succeeds when our partners and investors succeed. We have positive, mutually supportive long-term relationships with all stakeholders built on trust, respect and common purpose.

Key Objective:

Work together to maximize overall value to strategic investors.

Key Actions:

1. Formalize relationships with third parties including governmental (federal, regional and municipal) and non-governmental partners to provide seamless service and reduce investor effort.
2. Increase awareness of regional value propositions in partnership with local and regional organizations.



Co-create investor value through a collaborative “Team Ontario” partnership

- Joint planning and outreach
- Regular engagement and information sharing
- Joint impact modelling and analytical support
- Joint development of value propositions
- Opportunity creation and expansion by linking businesses with local networks and ecosystems

Establish strategic partnerships

Implementation Activities

1. Establish simple, straightforward terms of engagement with municipal and regional partners that cover areas such as: joint outreach to strategic investors, information sharing, leveraging programs, combined term sheets, and coordinated communications, etc.
2. Identify opportunities to leverage federal, regional and municipal programs and assets including funding, closer relationships, and added- value services that demonstrate “win-win” results over time.
3. Develop relationships and tailored pitch materials, supports and services for key investment influencers.

Build a high performing organization

Organizational Culture

Service Oriented

We invest the time and effort to understand and address the needs and requirements of investors in the mode and at the pace of business.

Solution Focused

We are forward looking, flexible, action-oriented and empowered with the tools and expertise to monitor, understand and respond to changes and challenges.

Collaborative

We respect and work in inclusive partnership with employees, investors key stakeholders and partners in order to best advance our collective interests.

Trustworthy

We are true to our word, open and transparent in our dealings, and hold ourselves to the highest professional and ethical standards in order to earn and deserve the trust and respect of everyone we work with.

Invest Ontario is a high performing organization with:

- Strong effective leadership
- Engaged staff who are capable, inspired and empowered to deliver extraordinary results
- The right tools, analytics, resources and digital solutions

Key Objective:

Ensure ability to effectively deliver our mandate.

Key Actions:

1. Recruit talent from a diverse and wide pool.
2. Build out capabilities in investment strategy, opportunity targeting, impact modelling and opportunity structuring.

Build a high performing organization

Implementation Activities

1. Recruit candidates from a diverse and wide pool including industry, sales, finance, professional services, investment attraction specialists.
2. Expand analytical capability in strategy development, priority setting and opportunity structuring.
3. Define core agency brand elements (purpose, vision, values), brand positioning and voice.
4. Establish clear accountabilities.
5. Build controls for the protection of privacy and data.

Business Plan

- 1. Mandate Letter**
- 2. Implementation Roadmap**
- 3. Measuring Success**
- 4. Organizational Framework**
- 5. Communications**
- 6. Risk Register**

Mandate Letter

Invest Ontario was created on July 8, 2020, by a regulation under the *Development Corporations Act* (Ontario). It was then continued on April 27, 2021, under the *Invest Ontario Act, 2021*. In addition to the objects set out in legislation, the Minister issues an annual mandate letter setting out government priorities. In October 2021, the Minister issued a consolidated mandate letter for both 2021- 2022 and 2022-2023.

The agency has since finalized key governance documents including a Memorandum of Understanding and Transfer Payment Agreement with the Ministry and is in the process of building an organization within the Treasury Board Secretariat approved framework. The agency continues to collaborate with the Ministry on communications as well as processes to streamline and improve the investor experience.

Invest Ontario is committed to acting in the best interests of Ontarians by being efficient, effective and providing value for money to taxpayers. The following priorities were set out in the Minister's mandate letter:

- Competitiveness, Sustainability and Expenditure Management
- Transparency and Accountability
- Risk Management
- Workforce Management
- Data Collection
- Digital Delivery and Customer Service
- Diversity and Inclusion
- Supporting COVID-19 Recovery

Implementation Roadmap

Invest Ontario has adopted a focused and phased approach to its growth, allowing the agency to target resources and efforts where they have the greatest impact for investors.

The agency is initially focusing on the “lead identification and nurturing” and “deal securing” stages of the investment continuum for both domestic and foreign direct investment.

In 2023-2024 Invest Ontario will review options to add additional services, supports and sectors into the agency’s mandate.

The next two years will be focused on foundation building:

- organizational culture,
- the investor experience,
- curated investor services,
- customized opportunity structuring,
- building partnerships and credibility with stakeholders in the investment ecosystem, and,
- defining performance baselines, rigorous performance measurement and a commitment to continuous improvement.

Performance Metrics

Measuring success

Investment Performance

Indicator*	2022–2023 Target
Value of Investments Secured	\$2.0B
Jobs Created	2,500
Jobs Retained	Actuals to be reported
Median Salary of Jobs Created	Actuals to be reported per sector
Tax Revenues Generated	\$300M
Investment Leveraged	Every \$1 of Invest Ontario funding leverages \$10 of capital
Regional Distribution of investments	Actuals to be reported per economic region

Organizational Effectiveness

Indicator	2022–2023 Target
Partner Satisfaction	75%
Investor Satisfaction	80%

* Total for investments secured

Resourcing Organization



Trevor Dauphinee, CEO

Trevor brings over 20 years of progressive experience leading sales and investments in both the private and public sectors. As the agency's inaugural CEO, Trevor led the agency's establishment and has been overseeing all aspects of investment attraction efforts

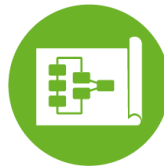
He previously served as Assistant Deputy Minister at the Ontario Ministry of Economic Development, Job Creation and Trade and has held roles at the province's Treasury Board and the Ministry of Infrastructure. Trevor's private sector experience includes more than a decade in the automotive, chemical, and consulting sectors. He holds an MBA from the Rotman School of Management and a Bachelor of Arts from McGill University.

Core Agency Functions



Business Development

Specialized, sector-oriented teams, with deep private sector expertise. Generate leads, nurture and manage strategic accounts and provide seamless investor care.



Strategy and Business Planning

Central team delivering business intelligence, opportunity analytics, prioritization, and performance management. This team also provides critical financial modeling support, oversees due diligence and structures consolidated term sheets where applicable.

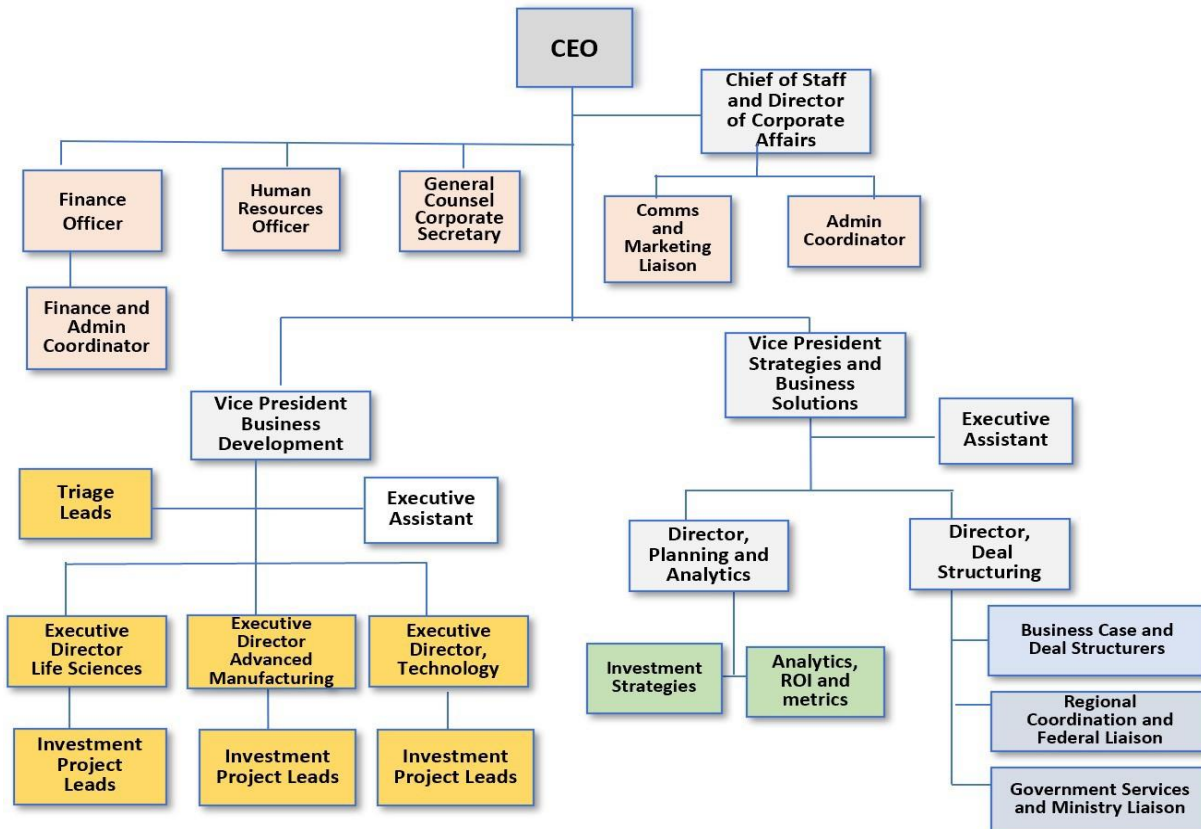


Concierge and Liaison

Team with extensive knowledge of federal, provincial and municipal programs and supports. Engages on issues concerning site selection and permitting and regulatory navigation.

Initial Organizational Framework

The following organizational framework was approved by Treasury Board of Cabinet.



Communications

Invest Ontario is committed to providing meaningful, accessible, inclusive and cost-effective communications that accelerate our effectiveness and meet the specific information needs of our various stakeholders.

Engagement with investors, industry stakeholders, site selectors, incubators, professional service firms, media and other levels of government will be important to better understand their information needs and communication priorities.

We are proud of the projects we support and are committed to supporting transparency and increasing awareness of our work, objectives and results.

Using various traditional, social and digital media as well as targeted, smart and cost-effective tailored communication, Invest Ontario will:

- Support investors in building their business cases by tailored intelligence on business and market opportunities, talent, business immigration, site selection, regulatory navigation and financing
- Provide intelligence on Ontario's sectoral strengths and economic advantages
- Support our partners in promoting the province and its regions by providing useful content that can be used immediately
- Tell our success stories
- Publicly report on our results and effectiveness

Risk Register

Risk	Likelihood	Impact	Mitigation
Results not realized: Funding recipient unable to meet job creation or loan repayment commitments.	Low	High	<p>Technical and financial due diligence of opportunity where required</p> <p>Staged disbursement of funds based upon achievement of milestones and targets with hold back provision in the contract and possibility for full claw back if investment closes</p> <p>Set informed loan-loss provisions and seek compensation for high-risk loans, including equity.</p> <p>Close out assessments to incorporate lessons learned and identify triggers for future</p>
Inequitable return to province: Company benefits from government funding and/or local R&D partnerships and the province does not share in benefits of IP developed	Med	Med	<p>Prioritize investments where there are innovation spillovers to the local ecosystem.</p> <p>Include contractual protections where appropriate and available.</p> <p>Consider future ability for equity-based supports as well as other innovative measures.</p>
Impact of FDI on domestic businesses: Perception that large foreign direct investments will cannibalize talent or market share from domestic companies.	Med	Med	<p>Include sectoral impacts on existing firms in opportunity assessment. Focus on investments that expand supply chains, create downstream jobs, unlock value chain opportunities and build supply chain resiliency.</p> <p>Encourage parallel investments in domestic infrastructure, training, supplier productivity etc. to increase absorptive capacity of ecosystem.</p>

Risk Register

Risk	Likelihood	Impact	Mitigation
Investor Confusion: Investor confusion around multiplicity of provincial and municipal investment attraction players	High	Med	<p>Single provincial investment attraction website and social media accounts branded Invest Ontario.</p> <p>No 'wrong door' policy for investors with regular formal and informal communications between provincial investment attraction entities.</p> <p>Dedicated triage lead function within Invest Ontario to ensure appropriate off ramps for investments outside of scope.</p> <p>Continue to track progress to ensure integrity of the brand.</p>
Uncertainty: Continued market uncertainty due to COVID-19 variants and U.S. trade protectionism has a chilling effect on investments.	Med	Med	<p>Strong messaging through web and digital marketing efforts to demonstrate Ontario's inherent strengths.</p> <p>Closely monitor global trends, sectoral impacts and business sentiments to inform and adjust investment attraction strategies and performance targets.</p> <p>Continue to nurture reshoring and longer-term opportunities with a focus on resilient jobs.</p>
Global market risk: Financial markets retrench leading to access to capital issues, investor caution	Med	High	<p>Closely monitor global trends, sectoral impacts and business sentiments to inform and adjust investment attraction strategies and performance targets.</p>

Sources and Notes

- ¹ Statistics Canada and US Bureau of Economic Analysis (2020)
- ² Statistics Canada (2016)
- ³ Statistics Canada, Postsecondary Student Information System (PSIS) Survey (2019/2020)
- ⁴ Ontario Universities' Info (OUInfo) (2021) and QS World University Rankings (2015/2016)
- ⁵ Ontario College Application Service (OCAS) (2022)
- ⁶ Freedom House (2018); ranking includes political rights and civil liberties.
- ⁷ According to the Mercer 2019 Quality of Living Survey, Toronto and Ottawa are ranked as the 16th and 19th cities with the highest quality of living in the world (2nd and 3rd place respectively within Canada and the US)
- ⁸ Invest in Canada (2022)
- ⁹ Statistics Canada (2020), with MEDJCT analysis
- ¹⁰ Statistics Canada (2017), with MEDJCT analysis
- ¹¹ Statistics Canada (2020), with MEDJCT analysis
- ¹² Statistics Canada (2020), with MEDJCT analysis
- ¹³ Council of Academic Hospitals of Ontario (CAHO), (2018-19)
- ¹⁴ MEDJCT analysis (2022)
- ¹⁵ BC Stats (2019)
- ¹⁶ StartupBlink Ecosystem Rankings (2020)
- ¹⁷ StartupBlink Ecosystem Rankings (2020)