

ANNUAL BUSINESS PLAN

2023-2028

March 1, 2023



LETTER FROM THE BOARD CHAIR AND CEO

Invest Ontario brings value to the province through our record of securing strategic investments and jobs for the province.

Over the last year we focused on positioning Ontario as a top-tier destination for business investment by ensuring new services and business supports are in place and available to investors. We opened our offices and built a team of incredible leaders and staff, who embrace a customer-centric mentality. They joined Invest Ontario from diverse and accomplished backgrounds in industry, finance, consulting and economic development. We thank them for their hard work and commitment to building a stronger, more prosperous Ontario.

We reflect on a year punctuated by securing significant investments, such as Nokia and Magna, and successfully delivering year to date \$1.7 billion of high-valued investments with an associated 2100 new jobs. Investment attraction is a team sport, and we thank our municipal and regional partners for their support and collaboration.

With increasing uncertainty in the financial markets and a more unpredictable economy, the competition for 'winning' capital investment is more intense. We are laser focused on the actions we need to take to demonstrate value to potential investors: delivering the necessary services, when they are needed and how they are needed. These priorities have defined our actions this past year and provide the basis for the strategic priorities and associated actions outlined in this business plan. As we move onto the next phase of operations, we have a clear vision of what lies ahead, including:

- Supporting a stronger and more resilient Ontario by securing high-impact investments guided by the priorities in our Investment Attraction Plans.
- Improving and expanding our service by establishing 'one window' access to government investment programs and delivering new site selection services
- Reducing investor burden and process complexity by collaborating with municipal, regional and industry partners to offer a coordinated Team Ontario effort.

On behalf of the board of directors and staff for Invest Ontario we thank Minister Vic Fedeli for his guidance and continued support. We also appreciate and value the collaboration with and support of the Ministry of Economic Development, Job Creation and Trade. Together we will ensure that Invest Ontario successfully delivers on its ambitious mandate to target new opportunities, secure increased investment, create jobs and build economic resiliency in Ontario.

Elyse Allan
Board Chair

Trevor Dauphinee
CEO

WHO WE ARE

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

Ontario offers a stable environment for growth, with a diverse workforce, green energy sources, and a commitment to reducing administrative burdens and red tape.

Given increasing financial and market uncertainty, it has never been more important for businesses to choose the right partners for their expansion and investment projects. Invest Ontario helps make that decision easier.

To support that decision, we work to:

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

“Invest Ontario is a great example of the evolving role of economic development agencies. Ontario is already a top tier destination for investment and strategic business growth. The new agency will drive greater economic growth, support strategic domestic firms, and attract business from around the world”

Julia Stefanishina, Senior Vice President/Associate Partner, Ernst & Young;
Elizabeth Pringle, Associate Partner, Ernst & Young



OUR PROACTIVE CUSTOMER-CENTRIC APPROACH IS RESPONSIVE TO BUSINESS NEEDS.

As we build our organization, we are focused on delivering:

- A streamlined investor experience with a single point of contact and clarity throughout the process.
- Solution-oriented, sector-based staff knowledgeable of the business models, value chains and digital ecosystems in which businesses operate.
- Decisions made at the speed of business in a transparent and timely manner.
- A suite of customizable services and supports.
- Coordination with municipal, regional, provincial and federal economic development organizations.



Single point
of contact



Credible and
knowledgeable



Speed-of-
business
operations



Competitive
incentives
when
appropriate

We coordinate, customize and structure information, services, and supports to better address investor needs

ONTARIO PROVIDES AN ENVIRONMENT FOR BUSINESSES TO THRIVE.

We work with potential investors to ensure they have insights into the province's distinguishing features and offerings

SKILLED TALENT POOL

65,100



new **STEM** graduates annually



Ontario is home to 3 of the **Top 100 universities in the world**



71%

of Ontario adults possess a post-secondary education – a rate higher than any OECD country

EASY ACCESS TO MARKETS

More than 194 million consumers are within a day's drive of the GTA including New York, Chicago and Minneapolis.



International trade agreements with **50 countries**

Preferential access to **1.5 billion consumers**

300 regional airports and major highways

DYNAMIC INNOVATION ECOSYSTEM



Two of the largest start up ecosystems in the world



23

research hospitals and six medical schools

POLITICAL STABILITY



Canada ranked the **5th most free country** in the world



Canada ranked the **12th safest country** in the world

COMPETITIVE BUSINESS ENVIRONMENT



Ontario's employers can

SAVE 54%

(or US\$3,346) on healthcare related costs on average compared to peers in the US



Ontario has

ONE OF THE LOWEST

corporate tax rates (25%) for manufacturers amongst the Great Lake States

STRONG SUPPLIER NETWORKS



Your suppliers are here. Ontario's sophisticated supply chain produces high quality, innovative goods and services at competitive prices across all our major sectors.

INVEST ONTARIO LEVERAGES ONTARIO'S INDUSTRY STRENGTHS TO ATTRACT INVESTMENT INTO OUR THREE SECTORS OF FOCUS.

ADVANCED MANUFACTURING

Ontario is home to advanced manufacturing clusters in:



40+
related post-secondary programs



Recognized global leader in adjacent technologies including Industry 4.0, Artificial Intelligence, and Robotics



787,000
employed in the manufacturing sector



2ND LARGEST vehicle-producing jurisdiction in North America (by volume)

LIFE SCIENCES

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



1,900+
life sciences firms



66,000
employees

MEDICAL BREAKTHROUGHS HAPPENED IN ONTARIO IN:



Stem cells



Early on-set Alzheimer's



Cystic fibrosis



Insulin

TECHNOLOGY

One of North America's largest Information Technology hubs with:



NEARLY HALF OF
Canada's IT workforce



25,000
high tech firms
generating a GDP
of over

\$48B



LEADER IN:
artificial intelligence,
cybersecurity, microelectronics,
fintech and digital media

OUR EFFORTS THIS PAST YEAR HAVE BUILT A SOLID FOUNDATION FOR THE OPERATIONAL AND STRATEGIC PRIORITIES OUTLINED IN THIS DOCUMENT AND ALIGNED WITH THE MINISTER'S MANDATE LETTER (SEE APPENDIX)

In our first full year of operations we focused on:

- Securing impactful investments in our target sectors.
- Managing risk and improving decision-making by establishing robust financial and governance controls and processes (see Appendix for additional information).
- Offering investors strategic advice, insights and customized solutions by recruiting top-tier professionals with extensive expertise in our target sectors.
- Being data driven in our decision-making by acquiring advanced business development and analytical modeling tools.
- Identifying priority growth markets through in-depth sector, cluster and competitive market analysis

Over the next year, we will build on this foundation by implementing our investment attraction plans, building new functional capacity and working to make services and supports easier for investors to access.

We are excited about the enhanced investor services that we will soon provide and the additional organizational capacity and capability they will bring. These include:

- Site evaluation and selection;
- Concierge services; and
- Targeted marketing and communications.

This will allow us to attract more investors, offer them additional value and better facilitate business investments.

BUSINESS PLAN

INVEST ONTARIO'S PLAN FOCUSES ON
FOUR STRATEGIC PILLARS:

**Attract and
Secure High
Impact
Investments**

**Deliver a
Superior
Investor
Experience**

**Establish
Strategic
Partnerships**

**Build a High
Performing
Organization**

ATTRACT AND SECURE HIGH IMPACT INVESTMENTS

Business investment advances the government's economic development priorities by:

- Producing well-paying jobs
- Increasing business productivity
- Spreading growth across the province
- Bringing new customers to local businesses
- Generating tax revenue

We focus on the strongest and most economically beneficial investment opportunities. We prioritize sectors, value chains, and clusters to reflect this focus (see following page for list.)

In the past year, we studied the investment landscape to understand each target sector and find opportunities that help Ontario businesses grow.



ADVANCED MANUFACTURING

- Advanced Materials and Chemicals
- Automotive and Aerospace



LIFE SCIENCES

- Biopharma and Vaccines
- Digital Health and Analytics
- CDMO and Pharmaceutical Manufacturers



TECHNOLOGY

- Computer & Electronic Product Manufacturing
- Software & IT Services
- Clean Technology

KEY OBJECTIVE

By 2025-26 secure \$3.9B investments and create 3,700 new jobs per year in targeted sectors.

Key Actions

1.

Advance high growth opportunities across advanced manufacturing, life sciences and technology (2023 – ongoing)

2.

Leverage data to identify and prioritize investments that can have the greatest economic impact for the province. (2023 – ongoing)

ATTRACT AND SECURE HIGH IMPACT INVESTMENTS: PRIORITY SUB-SECTORS



ADVANCED MANUFACTURING

Advanced Materials and Chemicals

- High nickel content steel for new forging facilities, infrastructure, and the production of advanced alloys
- Modular buildings and building products, manufactured building components, and new high efficiency building materials
- Advanced recycling of plastics/ chemicals and decarbonization
- Biofuels and bio-chemicals for aviation and industrial use

Automotive and Aerospace

- High-value components for electric vehicles (EV) and automotive supply chain
- Niche manufacturers of electric buses, electric motorcycles, trucks, specialty service vehicles, construction, agriculture and mining vehicles
- Aerospace and defense component and (OEM) (original equipment manufacturer) manufacturing



LIFE SCIENCES

Biopharma and Vaccines

- Biotech and pharma research and development initiatives
- Manufacturing of vaccines, pharmaceuticals and biologics

Digital Health and Analytics

- Home-based diagnostics, on-demand care, diagnostic imaging, patient monitoring, virtual reality (VR)-based telehealth, and artificial intelligence (AI)-based research and development (R&D)
- AI technologies in drug discovery and analytics to improve clinical trial management

Contract Development Manufacturing

Organization (CDMO) and Pharmaceutical Manufacturers

- Facilities that can support the production of medicines for drug development and clinical trials



TECHNOLOGY

Computer & Electronic Product Manufacturing:

- Semiconductors & electronic product manufacturing
- Niche electronics for the auto industry
- Electronic products for construction / manufacturing
- Robotic and automation systems, sensors and devices for smart buildings

Software & IT Services

- Quantum, fintech, property technology (proptech), cyber security, digital media, AI, and e-commerce
- R&D, engineering, and design functions

Clean Technology

- Grid storage batteries and new technologies in vehicle to grid storage
- Novel recycling/circular technologies for EV batteries, solar panels, metals & chemicals
- Small Modular Reactor (SMR) production and supply chain including software, monitoring, and control systems

Key Actions

1.

Proactively generate and nurture leads in priority sub-sectors (2023-2026)

2.

Conduct detailed model costing of supply chain, input, tax, and labour in priority sub-sectors to support investor decision-making (2023-2026)

3.

Deploy digital marketing campaigns to target opinion makers and investors in priority sub-sectors. (2023-2026)

ATTRACT AND SECURE HIGH IMPACT INVESTMENTS: FUNDING SUPPORTS

..the government is committing \$400 million over four years to create the Invest Ontario Fund, which will support Invest Ontario and encourage investments in the key sectors of advanced manufacturing, technology and life sciences.

To identify investments in high value projects, the agency will rely upon a sophisticated evaluation process to inform its assessments and project selections.

Ontario Budget 2021

The provincial government created the Invest Ontario Fund to provide financial support for investments that improve regional and sectoral competitiveness and create jobs. To ensure accountability against expected outcomes, we use performance-based incentives that depend on actual results.

Our Board of Directors have endorsed a portfolio mix focused on high impact and high growth opportunities. The Investment Review Committee and Board approve all Invest Ontario Fund recommendations.

The Invest Ontario Fund has been a key tool in securing significant investments by OmniaBio, Nokia and Magna. Our goal for the upcoming year is to ensure Fund sustainability.

The provincial government also offers other funding programs to help new and existing businesses. We help assist investors in accessing these other funding programs.

Key Actions

1.

Develop and assess options to ensure the long-term sustainability of the Invest Ontario Fund (2023-2024)

2.

Publicly report on fund and investment performance (2023-ongoing)

3.

Work with provincial partners to provide prioritized and simplified access to other provincial funding programs (2023-2025)

DELIVER A SUPERIOR INVESTOR EXPERIENCE

Invest Ontario prioritizes a customer-centric approach to investment attraction, with the investor at the heart of our operating model. We simplify the investment journey by providing a single window to investor services across the government.

We will work to continuously improve and expand our customized suite of targeted services, tools, and incentives, with a focus on direct delivery of site evaluation and selection services, including the establishment of an expanded inventory of sites.

Staff at Invest Ontario are chosen for their business acumen and service orientation to ensure that we move at the speed of business. Our industry sector experts can tailor services to specific business models and requirements. Staff can support investors with priority access to talent acquisition, immigration pathways, and permitting.

KEY OBJECTIVE

Expand agency service offering through one-window access to government programs and site selection services

Key Actions

1.

Establish team for rapid investor connection to supports and services (Concierge Services). (2023-2024)

2.

Establish and implement client service standards. (2023-2024)

3.

Develop an expanded inventory of available sites and establish the necessary capabilities and services to evaluate and select suitable sites for investment (2023-2025)

4.

Identify options for digitization to improve online service delivery and customer service. (2024-2025)

5.

Undertake targeted, efficient outreach to clients in Asia, Europe and the United States by meeting investors where they are. (2023-2026)

DELIVER A SUPERIOR INVESTOR EXPERIENCE: INVESTMENT TOOLKIT

Invest Ontario supports investors with priority access to government programs like talent acquisition, immigration pathways, training partnerships, regulatory navigation, energy access, site permitting, and site preparation

We collaborated with the Ministry of Economic Development, Job Creation and Trade to create an Investment Toolkit, of the various services and programs offered across the provincial government.

We also consulted with businesses and learned about the services and support that are most important to investors in our targeted sectors like talent acquisition and site selection.

The focus going forward will be on improving access to existing supports, expanding and customizing offerings, and securing priority access for strategic investors.



Key Actions

1.

Identify existing services for priority access and customization (2023-2024)

2.

Assess gaps in Ontario's service offerings and work with partners to develop a broader suite of services to support end-to-end investor journeys (2024-2025)

3.

Create methods to value services and promote Ontario's benefits, like its college system. (2024-2025)

4.

Develop a one-window all-of-government approach that combines the skills and programs of various departments to attract significant business investments. (2024-2025)

SUPPORT AND LEVERAGE PARTNERSHIPS

Invest Ontario works in partnership with municipalities and other entities to attract investment to the province.

To streamline the investor experience, eliminate duplication of effort, and increase the likelihood of success, we aim to improve federal, provincial, and regional-municipal coordination of investment attraction functions. This includes:

- Joint planning and outreach
- Regular engagement and information sharing
- Joint impact modelling and analytical support
- Joint development of value propositions
- Linking businesses with local networks and ecosystems
- Combined incentive structuring
- Coordinated communications



KEY OBJECTIVE

Establish a “Team Ontario” coordinated approach to investment attraction across different levels of government and other partners

Key Actions

1.

Work with partners to develop regional value propositions (2023-2024)

2.

Work with partners to identify and assess opportunities to better coordinate federal, provincial, regional and municipal efforts. (2023-2024)

3.

Work with partners to develop a framework to formalize investment attraction coordination and accountability across federal, provincial, and regional-municipal partners. (2024-2025)

4.

Curate a suite of partner tools and supports to facilitate sharing of information, centralization of data, and improved analytics to help partners secure local investments. (2024-2025)

5.

Work with Venture Ontario to align investment attraction efforts to support the growth of local companies. (2024-2025)

BUILD A STRONG AND SUSTAINABLE ORGANIZATION

Over the past year, we established a strong foundation for the agency by building a highly skilled team with deep knowledge of the sectors, value chains, and the ecosystem in which we operate. To ensure a positive and inclusive work culture, we have employed blind recruitment processes, provided anti-bias and mandated anti-racism training for all staff and management.

We have also established and implemented:

- A sound framework for board and committee governance
- A fiscally responsible compensation structure (see Appendix)
- Financial and governance controls and processes, to ensure budget and directive compliance (see Appendix)
- Reliable measures for the protection of investor privacy and data.
- Sophisticated analytics and business development tools, and new comparative cost modeling services.
- Business-friendly agreements for speed of decision-making.
- Feedback mechanisms for investors, employees, and partners.

We will build on this foundation to establish new functions with accompanying strong processes and systems, including clear accountabilities and robust performance management tracking.

KEY OBJECTIVE

Establish Invest Ontario as a
centre for excellence in investment attraction

Key Actions

1.

Build enhanced capacity in business development, deal structuring, partnership, marketing, site selection and concierge services (2023-2024)

2.

Publicly report on our performance and service standards (2023-ongoing)

3.

Build the agency's profile, reputation and credibility as a trusted partner by marketing the agency, our team and our successes (2023-ongoing)

4.

Review and optimize our workforce to deploy resources to priority areas (2024-2025)

BUILD A STRONG AND SUSTAINABLE ORGANIZATION: NEW FUNCTIONAL CAPACITY

Our key focus over the next year will be growing in three significant areas:

MARKETING

Attract more investors, and ultimately become a lead generator for priority clusters through:

- Brand strategy
- Reputational analysis
- Media pitching
- Case study development
- Social media and digital content
- Customer analytics
- Stakeholder consultations

SITE SELECTION AND EVALUATION

Help investors identify suitable investment locations, and enhance the agency's value proposition to potential investors through:

- Evergreen inventory of vetted sites
- Site analytics
- Development planning timelines
- Site visits
- Ecosystem introductions

CONCIERGE SERVICES

Support investors, facilitates the investment process and identifies opportunities through:

- One-Window access
- Intake and assessment
- Referrals
- Workforce planning
- Pipeline Reporting

Key Actions:

1.

Set objectives for the new functions, this includes defining goals, targets, and timelines for implementation (2023-2024)

2.

Develop processes, procedures, workflows, and identify required resources and staff. (2023-2024)

3.

Develop new capacity by hiring staff, acquiring technology, platforms and analytics, and implementing new processes and procedures. (2023-2024)

4.

Communicate changes to partners and investors, monitor progress, and make ongoing adjustments as needed. (2023-2024)

BUILD A STRONG AND SUSTAINABLE ORGANIZATION: AGENCY CULTURE AND VALUES

SERVICE ORIENTED

SOLUTION FOCUSED

COLLABORATIVE

TRUSTWORTHY

We foster a culture that is built on our core values. These values guide our decision-making process and permeate every aspect of our work from our office layout, to how we organize our time.

We invest significant time and effort to understand and address investor needs while maintaining a forward-looking, flexible, and action-oriented mindset.

We collaborate with employees and partners to advance our shared interests.

We understand that being trustworthy is essential to our success. We strive to earn and deserve the trust of everyone. We maintain open communication, transparency, and integrity in all of our dealings.

We believe that by investing in our team and cultivating a workplace that is both challenging and rewarding, we can continue to drive growth and success for our staff, partners and the investors we serve.

Key Actions

1.

Communicate and regularly reinforcing (through words and actions) our mandate, values and operating model to all staff and partners.
(2023-ongoing)

2.

Thoughtful, inclusive recruitment of highly skilled professionals who have a passion for their work and embody our core values.
(2023-ongoing)

3.

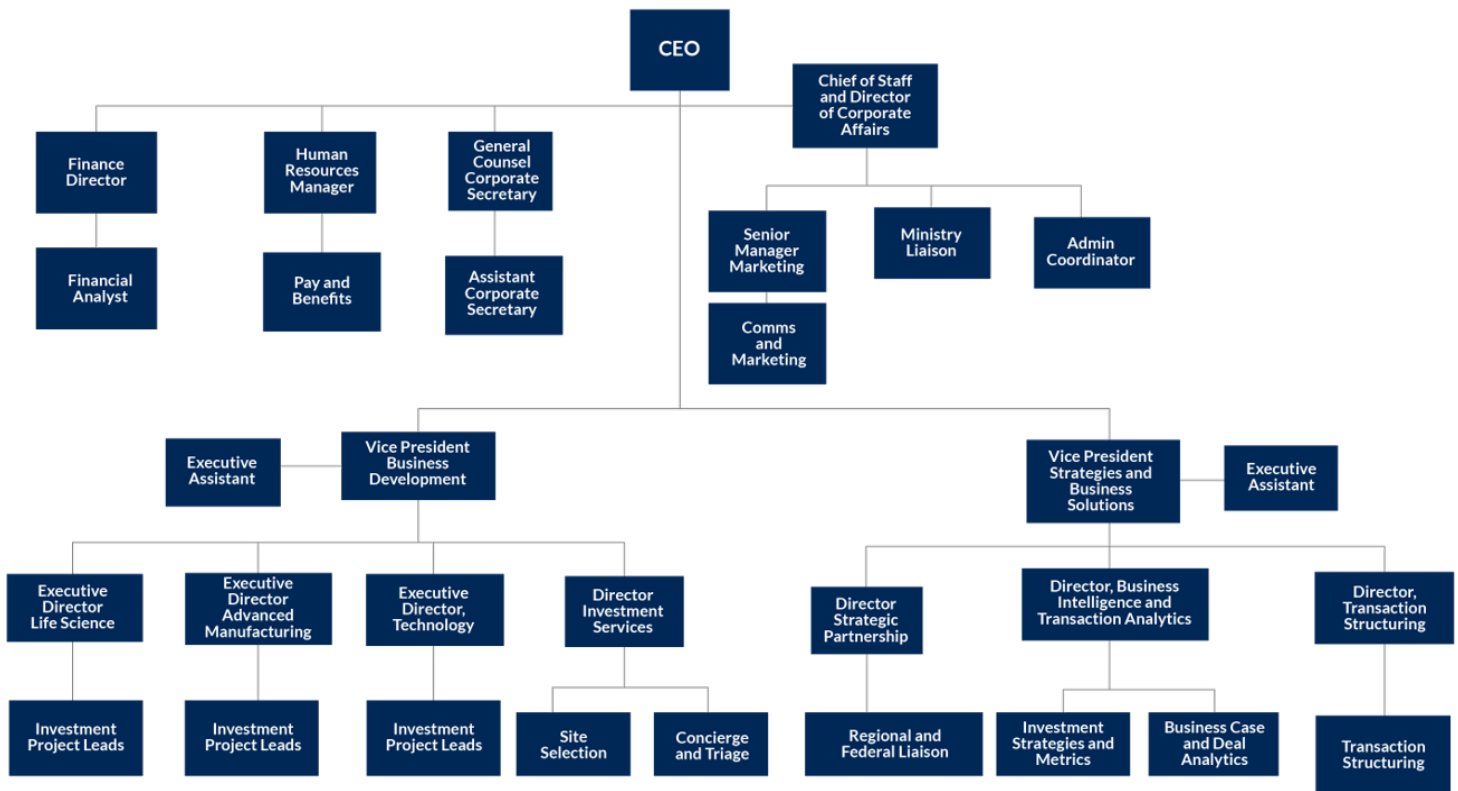
Empower, support and challenge staff to achieve their full potential by fostering a sense of ownership and providing opportunities for training, growth and development.
(2023-ongoing)

4.

Recognize and reward employees who embody our values and encourage others to do the same.
(2023-ongoing)

OUR ORGANIZATION

***SIXTY-ONE STAFF
TOTAL WHEN
FULLY STAFFED**



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.



Investment Services

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



Strategy and Business Planning

Team delivering business intelligence, opportunity analytics, prioritization, and performance management. This team also provides critical financial modeling support, oversees due diligence and structure agreements where applicable.

OUR EXECUTIVE TEAM



TREVOR DAUPHINEE
CEO

As Invest Ontario's inaugural Chief Executive Officer, Trevor Dauphinee brings 25 years of private and public sector experience to the province's investment attraction agency.

Trevor has a track record of securing numerous expansion and investment projects that advance Ontario's prosperity. Previously, he held several executive roles within the Ontario provincial government related to economic development and investment attraction. Trevor's private sector experience includes more than a decade in automotive, chemical and consulting sectors.

He received his Master's in Business Administration at Rotman School of Management and a Bachelor of Arts from McGill University.



KHAWAR NASIM, VP
Business Development

Khawar brings over 25 years of international experience in both the private and public sectors, most recently, as Canada's Acting Consul General in New York. His career with the Canadian Department of External Affairs has included postings in Rome, Barcelona, the Hague and Minneapolis. Khawar also spent four years in Toronto as Vice-President of External Affairs for Yamana Gold.

Khawar has a Bachelor's Degree in Commerce (Carleton University) and a Master's Degree in Business Administration (McGill University).



MICHAEL FEDCHYSHYN,
VP Strategies and
Business Solutions

Michael joined Invest Ontario from Infrastructure Ontario where he created and led the Transit Oriented Communities Program. He is experienced in structuring complex transactions, establishing policy frameworks for implementing large-scale programs, and determining how to maximize economic benefit to the Province from those programs. Prior to joining Infrastructure Ontario, Michael worked in private equity, renewable energy development, waste-to-energy development, project finance, and management consulting.

Michael holds a doctorate in Neuroscience from the University of Toronto.

PERFORMANCE METRICS

HOW WE MEASURE SUCCESS

* Total for investments secured

PERFORMANCE TARGETS

Indicator*	2023-2024	2024-2025	2025-2026
Value of Investments Secured	\$3.1B	\$3.6B	\$3.9B
Jobs Created	3,200	3,500	3,700
Provincial Tax Revenues Generated	\$360M	\$420M	\$450M
Investment Leveraged	Every \$1 of Invest Ontario funding leverages \$11 of capital	Every \$1 of Invest Ontario funding leverages \$12 of capital	Every \$1 of Invest Ontario funding leverages \$12 of capital
Regional Distribution		Actuals to be reported	
Median salary		Actuals to be reported	
Jobs retained		Actuals to be reported	

ORGANIZATIONAL EFFECTIVENESS

Indicator	2023-2024	2024-2025	2025-2026
Partner Satisfaction	75%	80%	85%
Investor Satisfaction	80%	85%	90%

Notes

- Targets assume available funding of \$200M per year through the Invest Ontario Fund
- Investment leverage is based upon the fiscal cost of funding supports
- Significant investments that are funded outside of the Invest Ontario Fund are not included in the performance targets

BUDGET

\$'000s	Budget Estimate 2023-2024	Budget Estimate 2024- 2025	Budget Estimate 2025-2026
Revenues			
Government Transfer Payment *	\$13,900	\$13,900	\$13,900
Other Income	\$20	\$20	\$20
	\$13,920	\$13,920	\$13,920
Expenses			
Salaries, Benefits and Pension	\$9,135	\$9,841	\$10,091
Supplies and Equipment	\$130	\$130	\$130
Transportation and communication	\$347	\$335	\$335
Services	\$3,678	\$2,983	\$2,733
Marketing	\$630	\$630	\$630
	\$13,920	\$13,920	\$13,920
Surplus/Deficit	\$0	\$0	\$0

*Government transfer payment amount subject to approval by the Ministry of Economic, Development, Job Creation and Trade.

COMMUNICATIONS

Ontario is the world's best kept secret. A strong and stable economy – despite global economic pressures – with a workforce of highly skilled talent and an exceptional ecosystem of expertise in three world-leading industries: life sciences, advanced manufacturing and technology.

Meanwhile, Invest Ontario has scaled up operations, gaining momentum in deal flow and securing high-value, strategic investments in line with our mandate. This has meant generating financial and economic returns to the province, ensuring the agency's work contributes tangible and sustainable benefits for the people of Ontario. , We are a new entity operating in a sophisticated and highly competitive environment that is filled with others that have a long-standing presence.

Initial activities to develop meaningful, accessible, inclusive and cost-effective communications that accelerate our effectiveness and meet the specific information needs of our various stakeholders are underway.

It is time for a formal introduction to the market, staking the agency's place as the face of investment attraction for Ontario. This also extends to thought leadership, the introduction of the Business Development team, and the link to the government's other strategies to support new and expanding businesses.

In this initial phase, efforts will be focused on building the Agency's reputation and brand presence with prospects and their influencers who may be familiar with Ontario and could be moved to consideration. In order to do so, all marketing activities will be grounded in the investor decision making journey.

Marketing will serve as a catalyzer, shortening the agency's journey to success and in time, ultimately becoming a lead generator.

RISK REGISTER

Risk	Likelihood	Impact	Mitigation
<p>Increased uncertainty due to global conflicts, COVID-19 variants and protectionist legislation in competing jurisdictions, results in a reduction of investment activity.</p>	Med	Med	<p>Strong messaging through web and digital marketing efforts to demonstrate Ontario's inherent strengths and stability.</p> <p>Leverage analytical abilities to 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>
<p>Limited access to capital: Financial markets retrench leading to access to capital issues, investor caution and delayed projects</p>	Med	High	<p>Improve awareness and access to available supports.</p> <p>Develop partnerships and improve access to financing through financial intermediaries.</p> <p>Closely monitor situation to inform and adjust investment attraction strategies and performance targets.</p>
<p>Additional time and effort required to navigate the multiplicity of provincial and municipal investment attraction players</p>	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 investment outside of scope which continues to track progress to ensure integrity of the brand.</p>

RISK REGISTER

Risk	Likelihood	Impact	Mitigation
<p>Impact of foreign direct investment (FDI) on domestic businesses: Perception that large FDI will cannibalize talent or market share from domestic companies.</p>	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 investments in domestic infrastructure, training, supplier productivity etc. to increase absorptive capacity of ecosystem.</p> <p>Continue to work with government on immigration policies to attract more talent.</p>
<p>Expected results not realized: Funding recipient unable to meet job creation or loan repayment commitments.</p>	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>
<p>Inequitable return to province: Company benefits from government funding and/or local R&D partnerships and the investment leaves the province.</p>	Med	Med	<p>Prioritize investments where there are innovation spillovers to the local ecosystem.</p> <p>Include contractual protections where appropriate</p> <p>Consider future ability for equity-based supports, as well as other innovative measures.</p>

APPENDIX

1. **Business Landscape**
2. **Mandate**
3. **Mandate Letter**
4. **Financial
Management**
5. **Compensation**
6. **References**

BUSINESS LANDSCAPE (ENVIRONMENTAL SCAN)

Overall, the investment business climate can be described as complex and evolving.

Many companies face disrupted supply chains, increasing costs, unpredictable interest and inflation rates, financial corporate credit uncertainty, significant technological change, and a greater emphasis on environmental, social, and governance (ESG) metrics when making long-term strategic investment decisions. However, there are also opportunities for growth and innovation, formed by changing technology, and sustainability practices.

For investment attraction agencies, the competition among different regions to attract game-changing investments is intense. This is driven by jurisdictions that have ambitious investment attraction strategies, with innovative and aggressive business support programs.

Invest Ontario has a competitive value proposition that includes:

1. Delivering a clear and compelling value proposition for investors
2. Building strong relationships with key stakeholders including businesses, industry associations, and government agencies, to gain insights into the needs of potential investors and to leverage these networks to attract new investments.
1. Leveraging data to better understand the investment landscape and to identify potential investment opportunities that align with the strengths of the region.
2. Developing targeted marketing campaigns that highlight the unique advantages of investing in Ontario and speak directly to the needs and interests of specific industries and sectors.
3. Working with all levels of government to streamline services and regulatory processes in order to create a more business-friendly environment that is conducive to investment and economic growth.
4. Offering incentives such as grants, and loans, where appropriate to help offset the costs of establishing and expanding a business in Ontario.

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.

Invest Ontario was created on July 8, 2020 by a regulation under Ontario's *Development Corporations Act*. It was then continued April 27, 2021 under the *Invest Ontario Act, 2021*.

Invest Ontario is mandated to attract private sector investments and support economic development and job creation in Ontario. This is achieved by identifying and developing relationships with potential investors, providing customized services, and offering financial assistance and incentives to promote economic competitiveness. Invest Ontario also cooperates with regional partners, the business community, and other levels of government. Additionally, it conducts activities as directed by the Minister and as prescribed by regulations, and manages its assets accordingly.

In addition to the objects set out in legislation, Invest Ontario advances the commitments and priorities outlined in the 2022 Budget, Ontario's Plan to Build: Rebuilding Ontario's Economy and in Taking Life Sciences to the Next Level: Ontario's Strategy.

The Minister of Economic Development, Job Creation and Trade outlines these and other priorities in an Annual Mandate Letter.

MANDATE LETTER

Actions outlined in our plan that specifically address the requirements in the minister's mandate letter include:

- **Continue to operationalize:** Last year we set up offices, implemented financial and customer management systems, hired executives, staffed core functions, and set performance targets. We will continue operations by establishing a governance framework for the Invest Ontario Fund and reporting on key performance indicators and service standards for accountability.
- **Implement and improve access to investor services:** Last year we improved our tools and services, such as our analytic suite and streamlined agreement templates, and surveyed the investment community for feedback. Next year, we will work with provincial partners to prioritize strategic investors' access to existing services for talent acquisition, immigration, and regulatory compliance. We will also introduce new services for concierge, site evaluation, and site selection.
- **Design and implement a Team Ontario approach to investment attraction:** We have implemented a partner portal, consulted with partners, and conducted a partner satisfaction survey. Now we will make it easier for partners to access investment services through partnerships with different organizations, including Venture Ontario, to support the growth of local companies.
- **Build the agency's reputation and credibility:** Invest Ontario is a new agency in a competitive environment. We have established a world-class team and are delivering on our commitments to investors. Marketing will help build our reputation and generate leads. We laid the groundwork for our marketing and communications functions last year, and in the next year, we will work on positioning Ontario as a top investment destination and Invest Ontario as a trusted partner. This will involve expanding our capabilities and grounding our marketing activity in the investor decision-making process.
- **Good governance and financial management:** Our priority is to act in the best interest of Ontarians by being efficient, effective, and providing value for money to taxpayers. We will comply with all applicable directives and identify savings and efficiencies through innovative practices to ensure competitiveness, sustainability, and expenditure management. We will adhere to accounting standards and provide transparent and accountable public reporting. We will identify, assess, and mitigate agency risks, including those related to COVID-19 and future emergencies. We will review and optimize our workforce to deploy resources to priority areas, promote diversity, equity, and inclusion in our workplace, and use data to inform decision-making and improve service delivery. Finally, we will explore digitization to improve online service delivery and customer service.

FINANCIAL MANAGEMENT

The agency has established and will continue to implement sound financial practices to maintain financial stability and transparency:

- Ensure that all expenses are independently tracked and reported.
- The Finance Audit and Risk Committee and Board of Directors review and monitor quarterly financial statements, actuals, forecasts and risks.
- The Ministry of Economic Development, Job Creation and Trade receive quarterly spend and forecast reports to keep them informed of the agency's financial status and any issues that arise.
- The agency follows accounting standards. It is audited annually by an independent auditor, currently the Auditor General. The Board of Directors reviews the audit findings and recommendations. All recommendations received thus far have been implemented.
- The agency's procurement policy incorporates all government interim measures prescribed by the Ontario Public Services Procurement Directive. The procurement function has been centralized to ensure that all procurement activities are conducted in compliance with the policy and relevant government directives. Centralization of procurement also enables the agency to leverage, harmonize, and optimize spend across different departments and projects. This ensures that procurement activities are aligned with the agency's annual procurement plan, budget and priorities, and that resources are used effectively.
- Effective in the 2023-24 fiscal year the Board of Directors will review the agency's annual travel plans and procurement plans at the beginning of each fiscal year and annual travel and procurement reports at the end of the fiscal year to ensure that all expenses are within budget and aligned with the agency's priorities.
- The Ministry of Economic Development, Job Creation and Trade manages the agency's office space and facilities in compliance with the realty interim measures established by the government.

THIRD PARTY INITIATIVES

Invest Ontario has a number of ongoing third party service relationships:

- Managed financial and payroll services delivered by the Ontario Centre of Innovation
- Banking and account services with the Royal Bank of Canada, pursuant to a Master Services Agreement between the bank and Government of Ontario
- Credit card services with the Bank of Montreal, pursuant to a Master Services Agreement between the bank and the Government of Ontario
- Insurance services procured through the insurance brokerage services of the Ontario Public Sector
- Independent audit services provided by the Auditor General of Ontario
- External legal services with McMillan LLP and Hicks Morley LLP, both procured on the agency's behalf by the Ministry of the Attorney General
- Customer Relationship Management system provided by Sales Force Inc. pursuant to a Master Service Licencing Agreement between Sales Force and the Government of Ontario.
- Back office service delivery by the Ontario Public Service (through the Ministry of Economic Development, Job Creation and Trade) for the following services: Management of the investontario.ca website and social media platforms, Invest Ontario fund administration, some investor services, facilities management, IT infrastructure and in-house legal services.

Invest Ontario employs a robust framework for effective management of third-party service providers that includes:

Vendor selection and due diligence: Before engaging a third-party service provider a thorough vendor selection process is employed, including due diligence to assess capabilities, reputation, financial stability, and compliance with regulations (with the exception of services directly delivered or procured through the Ontario Public Sector).

Contractual agreements: Clearly defined the roles, responsibilities, and expectations, including service level agreements (SLAs) that specify performance standards and reporting requirements.

Ongoing monitoring: Continuously monitoring of the third-party service provider's performance to ensure that they are meeting the contractual obligations and SLAs. This includes regular communication, on-site visits, and regular reviews of performance metrics.

Risk management: Potential risks associated with the use of third-party service providers are identified and appropriate risk management strategies are implemented to mitigate these risks. This may include setting up contingency plans, requiring proof of insurance, and implementing security controls to protect sensitive data.

Compliance: Confirmation that the third-party service provider complies with relevant laws, regulations, and industry standards. This includes verifying their compliance with data protection and privacy regulations, and validating appropriate certifications or accreditations.

Exit strategy: Well-defined remediation and exit strategies are in place which include processes for transitioning services to another provider or bringing them in-house.

* service level agreements with the Ministry of Economic Development, Job Creation and Trade are in the process of being finalized

COMPENSATION

For management and non-unionized positions, Invest Ontario used an approach that involved:

- Selecting comparator organizations and positions based on external talent market sources
- Determining minimum and maximum total compensation levels based on comparable positions
- Setting a base pay range with consideration for performance pay, and
- Considering market supply for qualified candidates

Ultimately, Invest Ontario's maximum compensation for designated positions should not exceed the 50th percentile of maximum compensation in its comparator group.

The independent Korn Ferry Hay Chart Profile Method ("KF Hay JE Method") was used to evaluate the benchmark positions at Invest Ontario.

The KF Hay JE Method is aligned with Ontario's legislated requirements and considered three common job components (Know How, Problem Solving and Accountability) to arrive at the KF Hay Points.

Category	Comparator Organization	Industry for Talent	Ownership	ON HQ Location	Size/Scope of Responsibility
Direct Peers	Invest Alberta	✓	✓		✓
	Invest Canada	✓	✓	✓	✓
	Toronto Global	✓	✓	✓	✓
	Waterloo EDC	✓	✓	✓	✓
Federal	Bank of Canada	✓	✓	✓	✓
	Business Development Bank of Canada	✓	✓	✓	✓
	Canada Deposit Insurance Corporation	✓	✓	✓	✓
	Canada Development Investment Corporation (CDEV)	✓	✓	✓	✓
	Federal Crown Corp (Name Withheld)	✓	✓	✓	✓
	Canada Mortgage and Housing Corporation (CMHC)	✓	✓	✓	✓
	Export Development Canada (EDC)	✓	✓	✓	✓
Farm Credit Canada	✓	✓		✓	
Other Provincial	ATB Financial	✓	✓		✓

While the comparator list is focused on Canadian comparators, investment attraction agencies in the U.S. are also competitors for both talent and business investment.

It should also be noted that while comparator analysis on peers was used to benchmark compensation, Invest Ontario has a unique operating model that goes beyond lead generation and promoting value propositions. Its functions include customized investment opportunity structuring, supported by sophisticated business development tools, analytics, models, and deep knowledge of the value chains and ecosystems of its sectors of focus.

COMPENSATION

Benefits

Management and non-unionized staff receive benefit and pension entitlements that comply with legislative requirements and government directive restrictions.

The Compensation and Benefit Program for these positions will not provide payments or benefits in lieu of perquisites, signing or retention bonuses, cash housing allowances, termination severance pay exceeding two years' base salary, termination pay in the event of termination for cause, paid administrative leave, or payments in lieu of administrative leave, subject to the Employment Standards Act, 2000.

Pay for Performance

Invest Ontario offers an annual pay-for-performance program to drive performance aligned with the agency's investment targets, priorities, and achievements.

The amount of performance pay will depend on role, predetermined criteria (achievement of both corporate targets and individual contribution) and a rigorous evaluation process, as well as the linkage between performance and payout opportunity.

The annual program is based on a formulaic plan that considers individual and corporate performance with a modifier for private sector dollars leveraged. The modifier affects all nonbusiness development employees equally to reinforce the one-organization philosophy. Corporate Key Performance Indicators (KPIs) are uniform, while individual KPIs differ based on role and responsibilities. This ensures the program is simple, transparent, and helps determine an individual's impact on corporate performance.

The Pay for Performance program aligns with the performance-based pay requirements of public sector legislation and the maximum performance payment amounts determined by Invest Ontario's Treasury Board approved Executive Compensation Framework.

REFERENCES

ONTARIO'S COMPETITIVE STRENGTHS

Skilled Talent Pool

- **STEM Graduates:** Statistics Canada, Post-secondary graduates, by International Standard Classification of Education, Institution Type, Classification of Instructional Programs, STEM and BHASE (Business, Humanities, Health, Arts, Social Science, and Education) groupings (Table 37-10-0164-01)– most recent data is for 2020 (available as of November 22, 2022) to include “post-secondary non-tertiary education” in addition to “tertiary education” classifications (Short-cycle tertiary, Bachelor's / Master's / Doctoral or equivalent), as per the Ministry of Colleges and Universities.
- **Top universities:** QS Graduate Employability Rankings
- **Post-secondary education:** OECD Statistics (2020), Statistics Canada, <https://www.investontario.ca/why-ontario#skilled>

Easy Access to Markets

- **Consumers with a day's drive:** MEDJCT calculations using data from Trade Data Online, Statistics Canada, and U.S. Census Bureau
- **Trade agreements:** World Bank Population Data (2021)
- **Consumers:** World Bank Population Data (2021)
- **Airports and highways:** World Bank Population Data (2021)

Dynamic Innovation Ecosystem

- **Startup ecosystems:** StartupBlink Ecosystem Rankings (2020)
- **Research hospital:** Ontario Hospital Association, data for fiscal year 2020-21
- **Medical schools:** <https://www.ouac.on.ca/omsas/>

Political Stability

- **Free country:** Global Freedom Scores (2021), Freedom House, <https://freedomhouse.org/countries/freedom-world/scores?sort=desc&order=Total%20Score%20and%20Status>
- **Safest country:** Global Peace Index (2022) <https://www.visionofhumanity.org/maps/#/>

Competitive Business Environment

- **Tax rates:** Ministry of Economic Development, Job Creation and Trade study (2021)
- **GDP:** Statistics Canada and US Bureau of Economic Analysis (2020)

ONTARIO'S SECTORIAL STRENGTHS

Advanced Manufacturing

- **Post-secondary programs:** MEDJCT analysis (2022)
- **Employees:** Statscan, Labour force characteristics by industry, annual (x 1000) <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1410002301&pickMembers%5B0%5D=1.7&pickMembers%5B1%5D=2.2&pickMembers%5B2%5D=4.1&pickMembers%5B3%5D=5.1&cubeTimeFrame.startYear=2018&cubeTimeFrame.endYear=2022&referencePeriods=20180101%2C20220101>
- **Vehicle-production:** IHS AutoInsight

Life Sciences

- **Life sciences firms:** Statistics Canada (customized request), Life Sciences Unit analysis
- **Employees:** Statistics Canada (Employment: 14-10-0202-01; for NAICS 3254 and 3391; values for NAICS 414510 and 417930 are weighted estimates: value for NAICS 541710 is based on 2012 determination of 'life sciences' employment within this NAICS); Payroll data derives from 'average weekly earnings (14-10-0204-01). Ontario's data is estimated from national data – data is 'frozen' at 2019 due to specific national data being withheld. Life Sciences Unit analysis

Technology

- **IT Workforce:** <https://www.investontario.ca/information-technology#by-the-numbers>
- **High tech firms:** Statistics Canada (customized request December 2021)
- **GDP:** Statistics Canada