

Special Backgrounder
3M Canada – N95 Respirator Manufacturing in Brockville, ON
August XX, 2020

CONTEXT

On March 20, 2020, the Prime Minister put out a call to Canadian businesses and announced the creation of a plan to mobilize and support Canada's domestic manufacturing capacity to supply vital made-in-Canada protective gear and other medical equipment and devices needed to respond to the outbreak of COVID-19. Since then, over 6,000 Canadian companies have offered their expertise and capacity as we work together to mobilize the Canadian industry to overcome this extraordinary challenge.

On August XX, 2020, the Prime Minister will announce that the Government of Canada, in partnership with the Government of Ontario, has reached an agreement in principle with 3M Canada to establish an N95 respirator facility in Brockville, Ontario.

OBJECTIVES

- Inform Canadians of the latest strategic investment in the domestic supply of key personal protective equipment for health care professionals.

TAG LINES

- This facility will help ensure that we have a secure supply of Canadian-made personal protective equipment for our healthcare workers as they care for Canadians across the country.

KEY MESSAGES

- The health and safety of Canadians is our top priority.
- The Government of Canada reached an agreement-in-principle with 3M Canada to establish an N95 respirator facility in Brockville, Ontario.



- This investment will help ensure 3M can help ensure that Canada has a secure supply of Canadian-made personal protective equipment for our healthcare workers across the country as they care for Canadians.
- 3M is a recognized leader in respiratory protection products and their production of N95 respirators is in high demand worldwide.
- We will continue to engage industry and make strategic investments that contribute to Canada's pandemic preparedness.

QUESTIONS & ANSWERS

Q1. What is today's announcement? What is ISED's role in today's announcement?

Today, Minister Bains announced that the Government of Canada, in partnership with the Government of Ontario, has reached an agreement-in-principle with 3M Canada to establish an N95 respirator facility in Brockville, Ontario.

This facility will help ensure that Canada has a secure supply of Canadian-made personal protective equipment for our healthcare workers across the country as they care for Canadians.

This is an important milestone under Canada's Plan to Mobilize Industry to fight COVID-19. 3M is a recognized leader in respiratory protection products and their production of N95 respirators is in high demand worldwide.

To secure the investment, the Government of Canada will work to conclude a new long-term supply agreement and support the capital investment needed to establish the new facility.

Q2. Why did the government decide to work with 3M? What was the process for selecting 3M Canada's proposal?

The Government reviewed more than 500 N95 respirator proposals, including the proposal made by 3M Canada, through the Government's Call to Action to support Canadian manufacturers building and ramping up industrial capability needed to manufacture critical supplies in Canada.



Officials from Innovation, Science and Economic Development Canada (ISED), Health Canada, Public Health Agency of Canada (PHAC), and Public Services and Procurement Canada (PSPC), as well as an independent external consultant, reviewed the proposals.

They identified 3M Canada's proposal as the preferred approach due to its combination of value, manufacturing and supply chain strength, supply chain security, product quality, experience, certification, and sustainability.

Q3. Why is the Government not supporting homegrown Canadian companies?

The Government is committed to building industrial capacity in Canada to manufacture critical supplies needed to respond to the COVID-19 pandemic and future preparedness.

3M Canada employs approximately 2,000 people in Canada. Its manufacturing facilities are located in Ontario (Perth, Brockville, Mississauga, and London), Quebec (Saguenay) and Manitoba (Morden). In addition, 3M operates a number of research and development facilities across Canada.

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The Government has supported a number of home-grown companies producing PPE and other essential products to the COVID respond. This includes Medicom of Montreal, which is producing 20 million N95s annually for Canada.

Q4. How much will the deal with 3M cost the Government?

The details of the agreement-in-principle are subject to commercial confidentiality and cannot be disclosed at this time.

Q5. In light of the Medicom and 3M Canada projects, will the Government consider additional procurement or support for N95 respirator production?

We are confident that the procurement deals with Medicom and 3M Canada for N95 respirators help ensure that our essential workers in the healthcare and long-term care



sectors, as well as critical service providers, have access to needed supplies as they care for Canadians across the country.

Based on forecasting undertaken for the Government of Canada, there remains significant economic opportunities for additional Canadian producers to supply demand for N95 respirators, particularly in the private sector.

Q6. A number of companies have invested and retooled to make N95 respirators in response to the Government's Call to Action. What do you say to those companies now?

The Government recognizes and appreciates that thousands of Canadian companies have stepped up and taken action in response to the Call to Action. The response has been incredible, and shows how Canadians have stepped up together to fight this deadly pandemic.

The agreement-in-principle is structured in a manner that would allow the Government to meet the urgent needs of healthcare workers while preserving significant opportunities and competition in the market for other sectors, such as private sector demand.

The Government also intends to proceed with an additional procurement in areas such as surgical masks. This process would create additional opportunities for Canadian companies that have invested to produce personal protective equipment.

Many businesses shifted regular production to meet the needs for critical protective equipment. As economic activity across sectors stabilizes and recovers, these same businesses are likely to return their capacity to their regular product lines. That is why it is so important to secure ongoing capacity through agreements like this.

Q7. When will this facility become operational?

Production of N95 masks at the 3M Canada Brockville facility is targeted for 2021.

Until that time, the Government will continue its efforts to procure N95 respirators from global sources to meet Canadian needs.

Q8. What is an N95 respirator? What does this mean? How are they different from other masks?

The N95 certification is provided by the National Institute for Occupational Safety and Health (NIOSH), a federal agency in the United States. The US certification is the recognized standard for masks that are used by front line health care professionals to protect them from virus transmission. It is one of the most important pieces of personal protective equipment they can have against COVID-19.



All masks filter varying amounts of droplets and particles from the air that the wearer breathes. N95 respirators have been tested and certified as filtering out 95 percent of airborne particles and droplets.¹

3M is a recognized world leader in respiratory protection products and their production of N95 respirators is in high demand worldwide.

General

Q9. What ISED innovation programs support the Government as part of the Plan to Mobilize Industry?

The Government's innovation programs can provide immediate funding support to promising projects that can help in the fight against COVID-19. The Strategic Innovation Fund, Innovative Superclusters Initiative and Innovative Solutions Canada are among the programs made available to invest in projects aimed at critical products and services required to meet the challenges of the pandemic.

Strategic Innovation Fund

The Government is accelerating applications and the approval process so that projects can get off the ground quickly to address the most urgent issues.

The Government has made available an additional \$600 million, through the Strategic Innovation Fund, over two years to support COVID-19 vaccine and therapy clinical trials and Canadian biomanufacturing opportunities.

Innovative Solutions Canada

The Innovative Solutions Canada program will allow Canadian entrepreneurs to offer their solutions to Government and help solve the immediate and ongoing needs of the health system and economy. Challenges are now available on the ISC website. The testing stream (old BCIP) will be launched shortly.

While the challenge stream is focused on SMEs, grants or contracts could also be awarded to companies that have more than 499 employees when challenge is deemed to be critical or important in helping address a COVID-19 related challenge/areas of focus. The testing stream allows companies of all sizes to submit bids in response to a call for proposals.

¹ https://www.cdc.gov/niosh/npptl/topics/respirators/disp_part/n95list1.html



Innovation Superclusters Initiative

The Innovation Superclusters Initiative will be leveraging Canada's five superclusters and their networks of more than 2,400 members to support the government's COVID-19 efforts. Over 1,200 project proposals have been submitted to the superclusters, and the Government is ensuring that industry has the flexibility and resources needed to allow projects related to the pandemic response to get off the ground quickly.

The Next Generation Manufacturing Supercluster (NGen) has put out a call for proposals to its members, and will be investing at least \$50 million to support the production of in-demand technologies, equipment, and medical products to aid in the fight against COVID-19. The NGen callout has already resulted in the announcement of 10 projects (please note: this figure includes the projects being announced in this announcement, but the Government of Canada has not communicated on some of these projects).

The Digital Technology Supercluster has launched a COVID response program of up to \$60M for new projects that support the development, deployment, scale-up and adoption of products, services and technologies that help address needs related to the pandemic. Digital has 11 projects announced to date (please note: this figure includes the projects being announced in this announcement, but the Government of Canada has not communicated on some of these projects).

The Scale AI Supercluster has also been mobilizing their members, and have announced 8 projects to support the Government's efforts against the global pandemic (please note: this figure includes the projects being announced in this announcement, but the Government of Canada has not communicated on any of these projects).

Q10. What is Canada's capacity to manufacture a vaccine, if one was to be developed, to provide enough vaccine for everyone who needs it? How long would it take us to ramp up?

The Government of Canada supports our country's researchers as they do critical work to protect the health and safety of all Canadians, and people around the world, during the COVID-19 outbreak. On March 23, Prime Minister Justin Trudeau announced support to quickly mobilize Canadian researchers and life sciences companies to support large-scale efforts towards countermeasures to combat COVID-19, including potential vaccines and treatments. The \$275 million investment for coronavirus research and medical countermeasures is part of the Government of Canada's more than \$1 billion COVID-19 Response Fund. The funding will be used to advance projects that are already underway by university researchers and life science companies to respond to COVID-19, and ensure domestic potential vaccines can be developed and to support the related



biomanufacturing of these products. The Government is investing to position Canada to make vaccines available on a timely basis to the population.

This is part of a larger strategy the Government of Canada is implementing to protect Canadians and prevent the spread of the virus. The whole-of-government strategy will help ensure the capacity of our health care system, support international and domestic efforts, and mitigate the economic impacts on Canadians and Canadian business.

Q11. Why did Minister Bains send a letter to universities asking for assistance – and what did he ask universities to do?

On March 21, Minister Bains sent a letter to every university, college, polytechnic and CEGEP in the country asking them to help identify personal protective equipment, medical equipment and supplies in laboratories that the government might be able to purchase during the crisis. The Minister also asked for help to identify innovative manufacturing solutions such as 3D printers that could help address potential shortages of essential equipment.

It is critical that our health system, care providers, and first responders have safe, effective medical devices, supplies and equipment necessary both to protect against the virus' spread and to treat infected patients. That is why the Government of Canada has put out a call to our country's manufacturers and academic community to assist Canada in meeting the need for medical supplies.

Q12. What can businesses do to help?

If you are a Canadian manufacturer or business that can assist Canada in meeting the need for medical supplies, your help is needed.

If you can say yes to the following, the Government wants to hear from you.

- You manufacture in Canada and/or have ready access to necessary inputs through your supply chain.
- You have equipment or facilities that can rapidly be re-tooled to meet medical needs, including for personal protective equipment (PPE) such as gloves, masks and surgical gowns; sanitizers; wipes; ventilators; and other medical equipment and supplies.
- You have skilled workers who are able to respond and who could be available for work in the current circumstances.

The Plan to Mobilize Industry to fight COVID-19 directly supports businesses to rapidly scale up production or re-tool their manufacturing lines to develop products made in Canada that will help in the fight against COVID-19.



Please visit the Call to Action portal.

Q13. Where can Canadians find the most up-to-date information about COVID-19?

For the latest and most up-to-date information on COVID-19, please visit

www.canada.ca/coronavirus

