



7th Floor, Frost Building South
7 Queen's Park Crescent
Toronto ON M7A 1Y7
Telephone: 416-325-0400
Facsimile: 416-327-0374

7^e étage, Édifice Frost Sud
7 Queen's Park Crescent
Toronto ON M7A 1Y7
Téléphone: 416-325-0400
Télécopieur: 416-327-0374

Ms. Connie Dejak
Chair
Ontario Cannabis Retail Corporation
4100 Yonge Street, Suite 200
Toronto, Ontario M2P 2B5

Dear Ms. Dejak:

As you begin planning for 2022-23, I am pleased to write to you in your capacity as Chair of the Ontario Cannabis Retail Corporation (OCRC). Pursuant to the requirements of the *Agencies and Appointments Directive*, this letter sets out my expectations for the OCRC Board of Directors, working with the President and Chief Executive Officer and the Senior Leadership Team, for the 2022-23 fiscal year.

Ontario's board-governed agencies are vital partners in ensuring the delivery of high-quality services to Ontarians. The work that you and your colleague board members undertake to establish the goals, objectives, and strategic direction for the OCRC ensures that the agency can continue to sell cannabis and related products through its website, wholesale cannabis to authorized private cannabis retail stores, and promote social responsibility in connection with cannabis. It is important that this direction is consistent with government priorities, your agency's mandate, key policies and directives and my directions where appropriate. I thank you for your willingness to serve.

As part of the Government of Ontario, I expect all agencies to act in the best interest of the people of Ontario by being efficient, effective, and providing value for money. As people and employers face immense challenges due to COVID-19, this expectation is more important than ever. In every action, decision, and expenditure, I expect you to consider the interests of the taxpayer and the people we serve.

This includes:

1. Competitiveness, Sustainability and Expenditure Management

- Continue identifying and pursuing opportunities for revenue generation, innovative practices and/or improved program sustainability;
- Continue identifying and pursuing efficiencies and savings;
- Complying with applicable direction related to supply chain centralization, Realty Interim Measures and Agency Office Location Criteria;
- Leveraging and meeting benchmarked outcomes for compensation strategies and directives; and

- Working with the ministry, where appropriate, to advance the *Ontario Onwards Action Plan*.

2. Transparency and Accountability

- Abiding by applicable government directives and policies and ensuring transparency and accountability in reporting;
- Adhering to requirements of the *Agencies and Appointments Directive*, accounting standards and practices and the *Public Service of Ontario Act* ethical framework, and responding to audit findings, where applicable; and
- Identifying appropriate skills, knowledge and experience needed to effectively support the board's role in agency governance and accountability.

3. Risk Management

- Continue identifying, assessing, and mitigating risks, including planning for and responding to emergency situations such as COVID-19; and
- Developing a continuity of operations plan that identifies time critical/essential services and personnel within OCRC.

4. Workforce Management

- Optimizing OCRC's workforce to enable efficient and effective fulfilment of government priorities, while enhancing customer service standards; and
- Streamlining back office functions to ensure that all available resources are redirected towards the critical front-line services that the people of Ontario depend upon.

5. Data Collection

- Continue improving how the agency uses data in decision-making, information sharing and reporting, including by leveraging available or new data solutions to inform outcome-based reporting and improve service delivery; and
- Supporting transparency and data sharing with the ministry, as appropriate.

6. Digital Delivery and Customer Service

- Exploring and implementing digitization or digital modernization strategies for the provision of services online and continuing to meet and exceed customer service standards through transition; and
- Using a variety of approaches or tools to ensure service delivery in all situations, including COVID-19.

7. Diversity and Inclusion

- Developing and encouraging diversity and inclusion initiatives that promote an equitable, inclusive, accessible, anti-racist and diverse workplace;
- Demonstrating leadership of an inclusive environment free of harassment; and
- Adopting an inclusion engagement process to ensure all voices are heard to inform policies and decision-making.

8. COVID-19 Recovery

- Identifying and pursuing service delivery methods (digital or other) that have evolved since the start of COVID-19; and
- Supporting the recovery efforts from COVID-19.

In addition to these government-wide priorities, I expect the OCRC to focus on:

- Continuing to work with the government, the Alcohol and Gaming Commission of Ontario (AGCO) and authorized cannabis retailers to support the growth of the legal cannabis market and the displacement of the illicit market;
- Continuing to deploy and manage critical wholesale infrastructure to drive cost-efficiencies and enable Ontario's private retail store network to drive sustainable economic growth across the province and to support the province's economic recovery efforts from COVID-19;
- Continuing to work with retailers and be a trusted partner to support successful, thriving, competitive and differentiated licenced retailers in Ontario;
- Continuing to work with federally-licensed producers in Ontario, and across Canada, to bring the right assortment of products – including new innovation – to market, increase choice for consumers and incentivize the purchase of cannabis through legal channels;
- Continue working with the province to support Health Canada's ongoing review of the *Cannabis Act*;
- Continue working with government to build partnerships with First Nation communities interested in enabling on-reserve retailing;
- Continue working to implement the OCRC's Social Responsibility Strategy focused on sustainability and inclusion;
- Implementing and leading inclusivity activities within the organization to ensure that diversity is celebrated and respected in all of its forms;
- Managing the operational, strategic and financial risks encountered by the OCRC, to help ensure the OCRC and government meet financial and social objectives as they relate to the sale of cannabis;
- Adhering to directives and policies regarding expenditure management and executive compensation; and
- Submitting to the ministry a business and financial plan for 2022–23 to 2025–26 and a year-end report outlining the financial and operational results for 2021–22, each of which will meet the requirements of the *Agencies and Appointment Directive* and the memorandum of understanding between the OCRC and the Ministry of Finance.

Through these measures, we can continue to ensure that the OCRC is continuing to fulfill its mandate of combatting the illegal market in Ontario by selling cannabis and related products through its website, wholesaling cannabis to authorized private cannabis retail stores, and promoting social responsibility in connection with cannabis.

I thank you and your fellow board members for your continued support, and for your valuable contributions. Should you have any questions/concerns, please feel free to contact Erin McGinn, Assistant Deputy Minister, Government Business Enterprise Division at (647) 535-2632 or erin.mcginn@ontario.ca.

Sincerely,

A handwritten signature in black ink, appearing to read "Peter Bethlenfalvy". The signature is fluid and cursive, with a prominent loop at the end.

Peter Bethlenfalvy
Minister of Finance

- c. David Lobo, President and CEO (Interim), Ontario Cannabis Retail Corporation
- Richard Clark, Chief of Staff, Minister's Office, Ministry of Finance
- Greg Orencsak, Deputy Minister, Ministry of Finance
- Nancy Mudrinic, Associate Deputy Minister, Office of Regulatory Policy and Agency Relations, Ministry of Finance
- Erin McGinn, Assistant Deputy Minister, Ministry of Finance
- Michael Waterston, Director (A), Legal Services Branch, Ministry of Finance