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Mr. Carmine
Nigro Chair
Liquor Control Board of Ontario
55 Lakeshore Boulevard
Toronto, Ontario MSE 1A4

Dear Mr. Nigro:

As you begin planning for 2021-22, I am pleased to write to you in your capacity as Chair of the Liquor Control Board of Ontario (LCBO) to provide you with a letter setting out expectations and direction for the LCBO in the year ahead. Pursuant to the requirements of the Agencies and Appointments Directive, this letter sets out my expectations for the LCBO for the 2021-22 fiscal year.

Ontario's board-governed agencies are vital partners in ensuring the delivery of high-quality services to the people of Ontario. The work that you and your fellow board members undertake to establish the goals, objectives, and strategic direction for LCBO ensures that the LCBO is able to fulfill its mandate to control, sell, authorize the sale of, and distribute alcohol responsibly; and deliver net profits to the Consolidated Revenue Fund. It is important that this direction is consistent with government priorities, your agency 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**
 - Identifying and pursuing opportunities for revenue generation, innovative practices, and/or improved program sustainability;
 - Identifying and pursuing efficiencies and savings; and
 - Complying with applicable direction related to Supply Chain Centralization, Realty Interim Measures and Agency Office Location Criteria.

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 Appointment Directive, 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**
 - Identifying, assessing and mitigating risks, including planning for and responding to emergency situations such as COVID-19.
4. **Workforce Management**
 - Optimizing your agency'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**
 - 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.

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

- Helping shape a more sustainable Ontario by promoting local Ontario products through collaborative marketing and merchandising efforts both in-store and online;
- Supporting the Beverage Alcohol Review including the implementation of any changes informed by this review;
- Developing a long-term business model that considers modernizing marketplace opportunities to ensure the LCBO remains competitive and dynamic;
- Ensuring the LCBO's labour and compensation strategy is consistent with the broader framework set out by the government;
- Pursuing cost reduction strategies associated with relocating the LCBO's head office in Toronto;
- Responding to challenges faced by consumers, employees and businesses as a result of the COVID-19 pandemic;
- Reviewing and acting on opportunities for red tape reduction;
- Helping ensure the LCBO and government meet our financial and social objectives as they relate to the control and sale of alcohol, including engaging with partners to support social

responsibility related to alcohol consumption; and

- Adhering to directives and policies regarding expenditure management and executive compensation.

Through these measures, we can ensure that LCBO is continuing to fulfill its mandate.

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, at erin.mcginn@ontario.ca.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Rod Phillips', with a large, stylized flourish at the end.

Rod Phillips Minister
of Finance

- c: George Soleas, President and CEO, Liquor Control Board of Ontario
Greg Orencsak, Deputy Minister, Ministry of Finance
Nancy Mudrinic, Associate Deputy Minister, Ministry of Finance

