2026–2029

BUSINESS PLAN

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Ce document est également publié en français sous le nom de Plan d'affaires 2026–2029 de la OCS. Il est disponible sur OCS.ca.

EXECUTIVE SUMMARY

In 2025–2026, the OCS entered the first year of its new multi-year strategy, *Enabling the Legal Advantage*. This strategy focuses on partnering with the legal industry to deliver consistently exceptional legal cannabis shopping and consumption experiences. The goal is clear: Make legal cannabis the unquestionable default and trusted choice for every consumer.

The first year of this strategy has delivered meaningful progress. Annual legal retail sales in the province totalled over $2.2 billion,[1] and Ontario is seeing continued gains in the shift of consumer spending away from the illegal market.

Key achievements over the past year include launching Ontario Grown, a designation that allows consumers and retailers to easily identify and support locally produced cannabis; advancing plans for a new order management system, a critical modernization initiative designed to improve operational efficiency and wholesale service levels; strengthening the OCS's leadership in social responsibility through partnerships aimed at enhancing research, education and awareness about responsible use; and running public awareness campaigns around cannabis use and impaired driving.

Just as notable is the continued positive momentum in supplier and retailer sentiment scores. Positive feedback, despite a challenging and hyper-competitive operating environment for suppliers and retailers, reinforces that the OCS is focused on the right priorities. Priorities include increasing ordering flexibility, reducing product lead times, improving product availability, accelerating quality issue resolution, addressing customer friction points more quickly and leveraging OCS insights and data to help industry partners make more informed decisions.

As the OCS looks ahead, the next phase of ***Enabling the Legal Advantage*** will build on the strong foundation the agency has established while adapting to the sector's evolving needs. The core objective remains clear as the OCS works to shift consumer spend from the illegal to the legal market by delivering consistently exceptional shopping and consumption experiences.

[1] Statistics Canada. Table 20-10-0056-01 Monthly retail trade sales by province and territory (x 1,000) (Annual sales as of December 2024 to November 2025. Data extracted January 2026).

Aligned with the agency's mandate from the Government of Ontario, this Business Plan includes three strategic priorities for 2026–2027.

1 **REINFORCING THE EXISTING LEGAL ADVANTAGES**	Leaning into the momentum of the legal cannabis marketplace over the past several years, the OCS will collaborate with industry partners and shift operational attention to reinforce areas where the legal market has a competitive advantage over the illegal market.
2 **OPTIMIZING THE OCS OPERATING MODEL TO REINVEST IN GROWTH**	Adapting to slowing growth rates in the legal marketplace, the OCS will continue to responsibly manage its expenditures accordingly. Ongoing efforts will be made to further deploy modern technology capabilities to enhance wholesale distribution service levels.
3 **BUILDING THE FOUNDATION FOR A LARGER LEGAL ADVANTAGE**	To retain existing consumers and incentivize greater migration of sales from the illegal market, new capabilities will need to be added to ensure ongoing value proposition for consumers to remain in the legal market. The OCS will begin work to transform its wholesale and distribution capabilities to better enable a diverse marketplace of producers and retailers, who will need to further innovate and strengthen their operational excellence to compete with the illegal market. It will also work closely with government partners to inform the evolution of the provincial legal framework to support greater illegal market capture while protecting youth and Ontario communities.

Despite ongoing economic pressures and persistent illegal market competition, the OCS remains confident in the direction of its multi-year strategy. With strong progress and deep collaboration across industry and government partners, the OCS is well-positioned to strengthen Ontario's legal cannabis marketplace — one that continues to grow its advantage year after year.

OCS

MANDATE

LEGISLATIVE MANDATE

The Ontario Cannabis Retail Corporation (OCRC), operating as the Ontario Cannabis Store (OCS), is the government's exclusive wholesaler of recreational cannabis to private retail stores, authorized by the Alcohol and Gaming Commission of Ontario (AGCO). Through OCS.ca, the agency provides online sales direct to consumers age 19 and older, filling gaps in retail access not filled by Authorized Cannabis Stores, including in rural and remote communities across Ontario.

The OCS was established as a government agency through the *Ontario Cannabis Retail Corporation Act, 2017* (the OCRC Act). As set out in the OCRC Act, the OCS is empowered to buy, possess and sell cannabis and related products, as well as promote social responsibility in connection with cannabis.

As a government business enterprise of the Government of Ontario, the OCS generates net profits that are regularly remitted to the Province to help fund its priorities, including public services and infrastructure. In 2025, the OCS surpassed $1 billion in dividends reinvested in Ontario.

GOVERNMENT MANDATE

The OCS supports the Government of Ontario's objectives for the sale of recreational cannabis, including enabling a retail system that will help combat the illegal market, keep cannabis out of the hands of children and youth, and protect communities. The OCS supports these provincial objectives by:

- sourcing and distributing quality-tested cannabis to Authorized Cannabis Stores
- providing safe and reliable adult access to legal cannabis through OCS.ca
- promoting social responsibility to facilitate a responsible approach to cannabis retail
- providing consumers with information on safe and responsible consumption

Each year, the OCS receives a letter of direction from the Minister of Finance. To fulfill its objectives and achieve the annual goals set out in this letter, the OCS has developed this comprehensive Business Plan.

PURPOSE, VISION, MISSION AND VALUES

OCS PURPOSE
(Why We Exist)

To foster a vibrant cannabis marketplace that connects all Ontarians to the benefits of legal cannabis.

OCS VISION
(The World We Are Contributing To)

Canada's largest and most vibrant cannabis marketplace.

OCS MISSION
(Our Role)

Enabling a vibrant marketplace through great customer experiences — rooted in education, selection, service and quality for price.

OCS VALUES
(How We Achieve Our Role)

Customer Focus: We strive to provide outstanding service and support to all internal and external customers.

Forward Thinking: We challenge the status quo and embrace continuous innovation.

Pride in Service: We act with the utmost integrity as proud public sector employees.

Teamwork: We work together and we win together — leveraging our diverse individual strengths.

ENVIRONMENTAL SCAN

This section outlines the key external and internal factors that influenced the development of the 2026–2029 Business Plan.

EXTERNAL ENVIRONMENT

LEGAL CANNABIS MARKETPLACE

Once characterized by significant year-over-year growth, Ontario's legal cannabis market has entered a period of stabilization. The financial forecasts included in this Business Plan reflect this shift, projecting more modest revenue increases over the next three years compared with the rapid growth seen in the early years of legalization.

Economic Impact

In 2025, the OCS partnered with Deloitte to publish an economic impact report assessing the legal cannabis industry's contributions to the Ontario and Canadian economies during the first six years of legalization. The report highlights that between 2018 and 2024, Ontario's cannabis sector contributed $23.1 billion to the province's GDP across both recreational and medical markets. During the same period, Ontario's legal recreational cannabis market recorded over $9 billion in sales, sustained an average of 31,900 industry jobs annually and generated $5 billion in tax revenue for the Province.

These figures underscore the significant and growing role of legal cannabis in Ontario's economy — surpassing several traditional sectors in economic contribution. The OCS is proud of the role it plays in supporting the legal cannabis industry and looks forward to supporting further economic growth opportunities.

Retail Network

As of Dec. 31, 2025, Ontario had over 1,700 Authorized Cannabis Stores operating across 354 municipalities. However, more than seven years into legalization, 58 municipalities across Ontario still prohibit legal cannabis retail, limiting access for over one million adult Ontarians. A recent case study of the City of Mississauga illustrates the benefits of allowing legal cannabis retail. The study shows that, since opting in, consumption patterns among Mississauga residents have remained stable, while a greater share of consumers now purchase from legal sources rather than the illegal market. In other words, allowing Authorized Cannabis Stores in the City of Mississauga has not increased overall consumption but has instead provided increased access to a tested and regulated supply. Following the successful implementation of cannabis retail in Mississauga, other municipalities that had initially opted out have followed suit, including Ingersoll, Muskoka Lakes, Powassan and, most recently, Casselman, which voted to permit cannabis retail in November 2025. This shift also supports local and provincial economic growth and generates additional tax revenue.

OCS

Cannabis Supply

As of Dec. 1, 2025, there were over 900 federal cannabis licence holders in Canada, 584 of which are licensed to process cannabis. Of these federal processors, 211 had products listed in the OCS catalogue. New federal licences issued over the past two years were predominantly for micro-cultivation and micro-processing, which now outnumber standard cultivation and processing licences across Canada. The total number of new licence applications has also declined compared to previous years.

Cannabis supply in Canada continues to outpace domestic demand, creating intense market competition and driving price compression. To navigate these domestic constraints, Canadian Licensed Producers are increasingly tapping into international medical markets, with cannabis exports rising year over year. In fact, exports more than doubled in 2024 compared to 2023 and have maintained that upward trajectory into early 2025.[2] Canadian Licensed Producers supply cannabis to medical cannabis markets in Germany, Australia and the United Kingdom, among others.

Attitudes Toward Cannabis

Public sentiment toward cannabis in Ontario has undergone a significant shift since legalization, with attitudes stabilizing in recent years. As of 2025, over 60% of Ontarians say they feel positive about cannabis consumption in the province and over 70% of Ontarians feel that legalization has been positive for Ontario.

CHALLENGES FACING THE LEGAL MARKET

Illegal Market Activity

Illegal cannabis continues to pose one of the most pressing challenges to Ontario's legal market. Despite progress in transitioning adult consumers to the legal market, unauthorized online retailers and the resurgence of illegal storefronts, particularly in Toronto and other urban centres, remain widespread. These operators function outside federal and provincial frameworks, meaning products are not tested for safety or quality, age verification is unlikely and marketing practices often target youth. They also sell products in formats and potencies that exceed legal limits, creating serious risks for consumer health and safety.

The illegal market undermines the efforts of legal businesses that have invested heavily in complying with strict regulatory standards and ensuring consumer safety, while evading taxes that fund essential public services. This is not only a matter of competition but also a public health and consumer protection issue.

Addressing the illegal market is critical to levelling the playing field, promoting responsible consumption and ensuring the long-term sustainability of Ontario's legal cannabis sector. The OCS remains committed to partnering with all levels of government, leveraging market intelligence and resources to disrupt illegal operations and safeguard the integrity of the legal marketplace.

Economic Factors Impacting the Cannabis Industry

The cannabis sector continues to feel the impacts of price compression, growing competition from illegal operators and macroeconomic pressures that have increased production and manufacturing costs. Economic challenges escalated over the past year, with the United States threatening and imposing new tariffs on Canadian goods that heightened concerns about cross-border trade and economic uncertainty. In response, consumer interest in and demand for locally produced goods surged across multiple sectors, reflecting a growing desire to support domestic businesses and reduce reliance on international supply chains. Given that all products sold through the OCS are grown, processed and packaged in Canada, aspects of the cannabis industry have been more insulated from trade volatility than other sectors of the Canadian economy. Nevertheless, broad economic impacts continue to create significant affordability challenges for consumers.

EVOLVING REGULATORY LANDSCAPE

In March 2025, the federal government introduced amendments to the *Cannabis Regulations* aimed at reducing regulatory and administrative burden for federal licence holders and supporting diversity and competition in the legal cannabis market while maintaining public health and safety objectives. Key changes include:

- allowing co-packages for dried cannabis, extracts, topicals and edibles
- removing the 1 gram limit on pre-rolled dried cannabis
- allowing transparent packaging and cut-out windows for dried flower products
- allowing accordion and peel-back labels on containers and informational inserts to be included with products
- increasing grow area limits for micro-cultivation and possession limits for micro-processing licences
- reducing the administrative burden on federal licensees reporting cannabis waste

[2] Source: Health Canada. Data on cannabis for medical purposes – Canada.ca. (Referenced in December 2025)

In summer 2025, Health Canada published a [Notice of Intent in the *Canada Gazette*] informing the public of a consultation on further amending the Cannabis Tracking System Order (CTSO) to further reduce red tape. Amendments would focus on collecting only data essential to fulfilling the objectives of the CTSO, reducing or harmonizing reporting requirements where overlap exists and improving operational efficiency. This consultation closed on Oct. 29, 2025. Any future regulatory proposal developed as a result of this consultation would be pre-published in the *Canada Gazette, Part I*, for public consultation.

In Ontario, the AGCO removed Standard 2.5 from the *Registrar's Standards for Cannabis Retail Stores*, effective May 23, 2025, which required licensed cannabis retailers to ensure cannabis and cannabis accessories were not visible from the exterior of the retail premises. This change is in line with the *2025 Ontario Budget: A Plan to Protect Ontario*, which put forward new measures to increase the comfort, security and safety of both consumers and employees of Authorized Cannabis Stores.

The OCS supports these changes and continues to advocate for federal and provincial regulators to be proactive in assessing opportunities to evolve their respective regulatory frameworks.

INTERNAL ENVIRONMENT

Over the past year, the OCS began work on a significant internal technology initiative to transform its back-end order management capabilities to support increased flexibility in the shopping and ordering experience for retailers. These upgrades are ongoing and are expected to advance in 2026–2027.

In June 2025, the OCS introduced the Ontario Grown badge program, helping adult Ontarians easily identify and learn more about locally grown dried flower and non-infused pre-roll products. To qualify for the Ontario Grown badge, at least 75% of cannabis used in a dried flower or non-infused pre-roll product must be cultivated in Ontario. As of December 2025, the OCS carried approximately 650 Ontario Grown SKUs from 55 cannabis suppliers.

In 2025, the OCS published a 2024–2025 Social Impact Report, recounting the organization's strides against its multi-year Social Responsibility Plan. The success of the OCS's Social Impact Fund is a key highlight of the report. The Social Impact Fund invests in support programs, services and research undertaken by incorporated not-for-profits, registered charitable organizations, public healthcare organizations and educational institutions.

SUPPORTING OCS EMPLOYEES

The OCS continues to take pride in being a responsible public sector agency amid evolving provincial workplace expectations, including a return to a five-day-in-office standard and a public sector hiring freeze. The OCS is making these workplace changes to align with provincial standards while also strengthening internal connectivity and development that helps employees find new ways to make meaningful contributions to the agency mandate. As the culture of the OCS evolves through 2026–2027, the emphasis will be put on balancing operational excellence and employee wellbeing.

DELIVERING PROFITS TO THE PROVINCE OF ONTARIO

As a government business enterprise of the Government of Ontario, the OCS takes pride in generating revenue that supports provincial priorities, such as public services and critical infrastructure investments. To date, the OCS has remitted over $1 billion to the Province of Ontario. Dividend remittances are ongoing and will be reported in the organization's Annual Report for this period.

STRATEGIC PLAN 2026–2029

STRATEGIC DIRECTION: *ENABLING THE LEGAL ADVANTAGE*

Building on the successful launch of its new corporate strategy, ***Enabling the Legal Advantage***, the OCS remains committed to transforming its operations and making strategic investments that strengthen the competitive legal marketplace.

In the second year of this multi-year strategy, the OCS continues to focus on capturing spending from the illegal market. Key outcomes are centred on partnering with the legal industry to deliver consistently exceptional shopping and consumption experiences — making the legal option the clear and unquestionable choice for consumers.

STRATEGIC PRIORITIES

To deliver on the OCS's direction and mandate, the agency will continue to prioritize the three strategic objectives set out in its multi-year corporate strategy.

- Reinforcing the Existing Legal Advantages
- Optimizing the OCS Operating Model to Reinvest in Growth
- Building the Foundation for a Larger Legal Advantage

KEY INITIATIVES AND PERFORMANCE INDICATORS

To measure delivery against its strategic objectives, the OCS will work toward achieving the key performance indicator (KPI) targets set out below. Progress is monitored and reported to the OCS Board of Directors on a quarterly basis and published in public-facing documents, including OCS annual reports and business plans.

The OCS will report on the following financial and operational KPIs.

FINANCIAL KPI ($ MILLIONS)	2026–27 TARGET	2027–28 TARGET	2028–29 TARGET
Revenue	1,852.0	1,870.3	1,879.6
Expenses	127.8	129.8	130.4
Net Profit to the Province	235.5	237.1	238.2

OPERATIONAL KPI	2026–27 TARGET
Inventory Turns	13.0
Wholesale Order Fill-Rate	98.5%
Perfect Order Index	97.5%
Complaints Per Million Units Sold	335
Retailer Satisfaction	6.5–7.4 (Good Range)
OCS.ca Experience Score	7.6–8.0
Producer Net Promoter Score	0–10 (Fair Range)

1 | REINFORCING THE EXISTING LEGAL ADVANTAGES

Building on the momentum of the legal cannabis marketplace established over the past several years, the OCS will collaborate with industry partners and focus operational efforts on areas where the legal market is gaining a competitive advantage over the illegal market.

STRATEGIC OBJECTIVE

Reinforcing the Existing Legal Advantages

KEY OUTCOMES

- Enhance the OCS.ca experience to augment the retailer network and support underserved consumer segments, namely in municipalities that do not permit cannabis retail
- Increase awareness of Ontario Grown products
- Expand cannabis knowledge and responsible consumption education

Enhance the OCS.ca experience to augment the retailer network and support underserved consumer segments, namely in municipalities that do not permit cannabis retail

The OCS provides safe and reliable access to legal cannabis for adult consumers through OCS.ca. This e-commerce platform plays an important role in attracting consumer spend away from the illegal market, particularly for consumers who cannot easily visit Authorized Cannabis Stores. Many Ontario communities, including 58 opt-out municipalities, lack access to legal stores, which can lead to consumers seeking illegal sources. OCS.ca serves to bridge this gap by providing a reliable and legal alternative for these underserved areas.

In order to compete with illegal operators, the OCS will continue to introduce enhancements to OCS.ca, ensuring its functionalities align with modern e-commerce customer expectations. Enhancements will focus on initiatives that elevate the customer experience. Last year, the OCS enabled a feature that allows OCS.ca customers to create an account to view their order history, easily reorder products and expedite their checkout process. This first phase has established a foundational capability that will allow for greater functionality and personalization in the future. At the same time, OCS.ca will continue to be a major hub for consumers beyond its e-commerce capabilities. Continual improvements will be made to ensure the platform serves as a trusted resource to learn about cannabis, promote social responsibility, educate consumers on legal brands and retailers, and direct consumers looking to purchase to local stores near them.

Increase awareness of Ontario Grown products

While the OCS remains committed to offering the most competitive and diverse catalogue of legal cannabis products, it recognizes that many consumers want greater transparency about where the products come from. In June 2025, the OCS worked with the Minister of Finance to launch an Ontario Grown designation for dried flower and non-infused pre-roll products containing at least 75% Ontario-grown inputs. The Ontario Grown designation helps Authorized Cannabis Stores guide consumers who may be interested in the local origins of products.

As of December 2025, the OCS carried approximately 650 Ontario Grown SKUs from 55 cannabis suppliers. In 2026–2027, the OCS will focus on monitoring and increasing awareness of Ontario Grown products, helping retailers and consumers easily identify and choose locally sourced cannabis.

Expand cannabis knowledge and responsible consumption education

The OCS is committed to ensuring all Ontarians benefit from the legal cannabis framework and consume responsibly. In the second year of its multi-year strategy, the OCS will continue to carry out initiatives that expand cannabis knowledge and health literacy in Ontario and connect Ontarians to the benefits of the legal market. The OCS will continue to publish its science-backed educational messaging on the Cannabis Made Clear website and run educational marketing campaigns and events.

2 | OPTIMIZING THE OCS OPERATING MODEL TO REINVEST IN GROWTH

Adapting to slowing growth rates in the legal marketplace, the OCS will continue to responsibly manage its expenditures accordingly. Ongoing efforts will be made to further deploy modern technology capabilities to enhance wholesale distribution service levels.

STRATEGIC OBJECTIVE

Optimizing the OCS Operating Model to Reinvest in Growth

KEY OUTCOMES

- Introduce back-end order management capabilities to add better functionality for customers and suppliers
- Reduce friction for multi-store ordering
- Focus resources to enable future market growth

Introduce back-end order management capabilities to add better functionality for customers and suppliers

In 2025–2026, the OCS started the process of introducing significant upgrades to its back-end order management technology to support a more seamless shopping and ordering experience for retailers. The enhanced order management system will streamline and optimize the entire order lifecycle — from order capture to processing to fulfillment — delivering an efficient customer experience. This multi-year project will establish a robust foundation for integrating future front-end systems that will drive greater efficiency and scalability, and a suite of new wholesale features for retailers that, over time, will support their unique needs.

Reduce friction for multi-store ordering

As the wholesale ordering platform, the OCS B2B Portal serves as a critical touchpoint between the OCS and retailers. Since this platform was adopted, the OCS has continually refined and evolved its experience to adapt to the changing needs of retailers and reduce friction in the ordering, receiving and issue resolution process. As the retail market continues to consolidate, efforts will be made in 2026–2027 to simplify ordering for operators of multiple stores, reducing the time it takes for retailers to navigate OCS processes.

Focus resources to enable future market growth

Strategic resource allocation continues to be essential for the OCS to achieve its objectives and succeed through the next chapter of the market's evolution. The OCS will continue to realign resources to support its new priorities, emphasizing prudent planning and faster execution to adapt to shifting market demands. By increasing automation, the OCS will optimize workflows, reduce manual tasks and enhance overall efficiency across operations.

3 | BUILDING THE FOUNDATION FOR A LARGER LEGAL ADVANTAGE

To retain existing consumers and incentivize greater migration of sales from the illegal market, new capabilities will need to be added to ensure ongoing value proposition for consumers to remain in the legal market.

The OCS will begin work to transform its wholesale and distribution capabilities to better enable a diverse marketplace of producers and retailers, who will need to further innovate and strengthen their operational excellence to compete with the illegal market. It will also work closely with government partners to inform the evolution of the provincial legal framework to support greater illegal market capture while protecting youth and Ontario communities.

STRATEGIC OBJECTIVE

Building the Foundation for a Larger Legal Advantage

KEY OUTCOMES

- Transform consumer-facing platforms to support consumers' discovery, shopping and engagement experience with legal cannabis
- Transform the wholesale customer ecosystem to improve retailers' ordering experience

Transform consumer-facing platforms to support consumers' discovery, shopping and engagement experience with legal cannabis

To maintain a competitive advantage over illegal operators, the OCS must ensure it provides a best-in-class shopping experience for consumers using OCS.ca today and in the future. This entails ensuring its e-commerce platform is developed to provide personalized experiences for end-consumers. This will require working with forward-thinking partners who are continually investing to improve their technology and incorporating modern capabilities that consumers value.

Transform the wholesale customer ecosystem to improve retailers' ordering experience

With over 1,700 legal cannabis retailers operating in Ontario, there is a clear imperative for retailers to differentiate themselves and, as such, retailer needs are becoming increasingly diverse. The OCS has identified significant changes its wholesale business requires to rebuild services that better support customer journeys unique to specific retailer segments. In 2026–2027, the OCS will continue to lay the foundation for a future-state wholesale model designed to deliver tailored, value-driven experiences for every retailer segment.

IMPLEMENTATION CONSIDERATIONS

To support the commitments outlined in this Business Plan, the OCS has considered the broader human resources, financial and information technology implications of its proposed activities. These considerations are outlined in more detail below.

HUMAN RESOURCES

The OCS's success continues to be driven by the dedication, talent and passion of its people. As expectations across the public sector evolve, including increased in-office requirements and a public sector hiring freeze, the OCS will continue to deliver on the expectations of the Province, while continuously strengthening its internal connectivity, collaboration and employee development.

EMPLOYEE ENGAGEMENT AND CULTURE

In 2026, the OCS will advance its People & Culture strategy, focusing on enhancing teamwork and reinforcing a culture of trust and transparency. Engagement remains a priority, with continued action on employee engagement survey feedback and open communication to ensure employees feel connected and supported. Building organizational resilience will be central to these efforts, equipping teams to adapt confidently to change while maintaining high performance and collaboration.

PERFORMANCE CULTURE AND LEADERSHIP ACCOUNTABILITY

To maintain agility and resilience, the OCS will continue to look for opportunities to empower individual contributors to meaningfully contribute to the OCS mandate. At the same time, ongoing efforts will continue to be a focus to ensure leadership accountability is clear and aligned with public sector best practices. Scorecard metrics will track key indicators such as engagement, retention and exit themes, ensuring leaders are equipped to drive performance and foster inclusive teams.

TARGETED LEARNING AND CAPABILITY BUILDING

Continuous learning remains a cornerstone of the OCS approach, now with sharper focus. Modular, targeted programs will address skill gaps and prepare employees for emerging challenges, including the integration of AI tools to enhance operational resiliency and value for suppliers and customers. Leadership development will continue through scalable programs aligned with OCS values, ensuring leaders are ready for future demands.

These initiatives will not only build capability but also strengthen resilience across the workforce, enabling employees to thrive in a dynamic environment.

TALENT AND WORKFORCE PLANNING

While the provincial hiring freeze presents challenges, the OCS will utilize succession planning and talent calibration to ensure it has the appropriate resources to deliver on its Business Plan.

RESOURCING OVERVIEW

RESOURCING CATEGORY	2025–26	2026–27	2027–28	2028–29
Executives	9	9	9	9
Management/Non-Union Employees	225	225	225	225
Unionized Employees*	71	71	71	71
Contractors**	11	11	11	11
Total	**316**	**316**	**316**	**316**

**The Ontario Public Service Employees Union (OPSEU) continues to serve as the bargaining agent for unionized staff. At the time of writing, the OCS was engaging the OPSEU on discussions related to a new collective agreement.*

***The OCS does not currently employ any temporary or part-time staff.*

WORKFORCE DEMOGRAPHICS

The OCS is committed to fostering equity and inclusion in its hiring practices. The agency workforce is composed of a diverse group of employees, with representation across age groups, genders and backgrounds. As of 2026, the average tenure is 3.4 years, and almost 50% of employees are women.

COMPENSATION STRATEGY

The OCS's compensation strategy is designed to attract and retain top talent while ensuring alignment with public sector comparators. The framework includes:

- performance-based compensation for management and non-union employees
- comprehensive employee benefits, including health, wellness and broader public sector pension plan
- regular benchmarking against other public bodies and comparable private sector commercial entities to ensure competitiveness and fairness
- remuneration justified by market data and sector standards

The OCS has a compensation framework for its executive staff that follows the *Broader Public Sector Executive Compensation Act, 2014,* as set out by the Government of Ontario. The OCS continues to administer executive compensation in alignment with all legislative requirements.

STRUCTURAL CHANGES

Since inception, the OCS has proactively evolved its operating structure to position itself to deliver on its mandate enabling a vibrant cannabis marketplace that displaces the illegal market. Rapid agency growth was required after legalization to onboard a large volume of industry participants into the marketplace. Efforts in recent years have shifted to strengthening internal capabilities by scaling technology and ensuring better alignment with industry partners. Set out below is the current organizational structure.

ONTARIO MINISTER OF FINANCE

BOARD OF DIRECTORS

PRESIDENT & CEO

Chief Customer Experience Officer	Chief Operating Officer	Vice-President, Strategic Planning & Transformation	Chief Information Officer	Chief Financial Officer	General Counsel & Corporate Secretary	Vice-President, Corporate Affairs & Social Responsibility	Vice-President, People & Culture
Customer Experience, Strategy & Planning	Category Management	Strategic Planning	Security & Risk	Finance	Legal Services	Corporate Affairs, Policy & Government Relations	Human Resource Business Partner
Digital Experience & E-Commerce	Merchandise Operations	Enterprise Project Management	Enterprise Data & Analytics	Financial Planning & Analysis	Privacy & Freedom of Information	Communications & Strategic Engagement	Human Resources Centre of Excellence
Marketing & Creative Services	Inventory Management	Organizational Change Management	Enterprise Applications	Procurement	Corporate Regulatory Compliance	Social Responsibility	Facilities
Omni-Channel Customer Support	Logistics Services		Infrastructure & IT Operations			Enterprise Risk Management	
Consumer & Market Insights	Supply Chain Services						
	Quality Assurance & Product Regulatory Compliance						

Internal Audit (Reports to Audit, Risk & Governance Committee)

The OCS will continue to look for opportunities to strengthen its operating structure to increase internal collaboration and accountability to maximize the velocity and quality by which it delivers on its mandate. These changes are intended to enable organizational resiliency — ensuring the organization can adapt to changes in the legal cannabis marketplace while meeting provincial expectations.

FINANCIAL REQUIREMENTS

To achieve the objectives set out in this Business Plan, the OCS has established a three-year financial projection. Year-over-year revenue growth for the next three years is relatively modest, growing at a slower rate than in previous years.

These forecasts reflect a stable financial outlook, prudent SG&A spending and consistent net contributions to the Province over the next three years.

($ MILLIONS)	FORECAST 2025–26	REVISED FORECAST 2025–26	2026–27	2027–28	2028–29
Revenue	1,821.0	1,810.0	1,852.0	1,870.3	1,879.6
Cost of Sales	1,473.7	1,457.5	1,490.7	1,505.4	1,512.9
Gross Margin	347.3	352.5	361.4	364.9	366.7
Expenses (SG&A)	133.5	120.4	127.8	129.8	130.4
Net Income	215.2	237.3	235.5	237.1	238.2

REALTY

The OCS does not own any realty assets but does hold two leases to facilitate its operations. The OCS holds a lease for its head office in North York, Ontario, and has a tri-party lease agreement with Domain Logistics, the agency's distribution partner, for its distribution centre in Guelph, Ontario.

INFORMATION TECHNOLOGY AND DISTRIBUTION PLAN

To deliver on the OCS's strategic objectives, the agency will invest in its information technology (IT) infrastructure as set out below.

LONG-TERM IT STRATEGY AND PLATFORM RELIABILITY

The OCS is committed to maintaining a comprehensive five-year road map of its technology needs. These efforts will remain transformational for the agency, as additional work is done to scale back-end wholesale operations and enhance data capabilities. Meanwhile, longer-term considerations will inform front-end platform decisions that are capable of rapidly and cost-effectively supporting market growth, automation and customer customization.

As the OCS is the exclusive wholesaler and distributor for the Ontario cannabis marketplace, its long-term IT strategy will also have a major focus on business continuity and resilience — including strategic investments into backup systems and infrastructure that ensure critical OCS services remain available in the event of system outages.

Additionally, through its dedicated information security team and regular employee training and awareness, the OCS is taking steps to reduce cyber security incidents. The OCS conducts regular threat risk assessments and requires its vendors to have similar internal controls, monitoring tools and business continuity programs in place to protect against and recover from any cyber threats.

FRONT-END CUSTOMER ENHANCEMENTS

In 2026–2027, the OCS will continue to advance its front-end B2B and B2C platforms to address customer feedback. Recent data migration and platform stability efforts deployed to the OCS's Shopify platform will position the OCS to begin expanding the standard e-commerce functionality available to customers who are leveraging Shopify third-party apps. Separately, the OCS will continue to work with its B2B partner to refine retailers' shopping experience to reduce friction and maximize decision support tools.

ENHANCING DISTRIBUTION CAPABILITIES

The agency works with its third-party logistics partner, Domain Logistics, to continually refine and improve its distribution and technology capabilities. Building on recent progress in this area, the OCS will identify technology enhancements to support its objective of optimizing speed and reducing lead times for Authorized Cannabis Stores across the wholesale ordering cycle. These efforts are intended to ensure Authorized Cannabis Stores and consumers receive products quickly and seamlessly.

OPERATIONAL EFFICIENCIES AND PROGRAM SUPPORT

The OCS will look to optimize efficiencies across its enterprise IT platforms while also implementing monitoring tools to proactively identify and resolve critical issues at their roots. Alongside these enhancements, greater internal cross-functional alignment between business areas and IT will be sought to develop technology solutions that better support project delivery.

INVENTORY OF ARTIFICIAL INTELLIGENCE (AI) USE CASES

While the OCS does not currently use AI technology for public-facing tools or services, it has established a strong foundation for responsible AI adoption, including implementing an AI Risk Governance Framework, forming an AI Committee and introducing AI into its operations, such as in its new call centre system, which uses AI driven support to enhance the customer experience.

To build AI readiness, the OCS has deployed Microsoft Copilot with Enterprise Data Protection and is piloting M365 Copilot to assess its value within the organization. Additionally, the organization is testing targeted proofs of concept with the potential to enhance knowledge discovery, operational efficiency and productivity across the organization. The OCS will continue to identify internal AI use cases to improve productivity, reduce manual effort, achieve cost savings and drive efficiency.

INITIATIVES INVOLVING THIRD PARTIES

The OCS works with many stakeholders to deliver on its strategic objectives and the Ontario government's policy priorities.

AUTHORIZED CANNABIS STORES

The OCS will continue to work closely with Ontario's Authorized Cannabis Store network to support the ongoing development of a vibrant cannabis marketplace in Ontario. To do this, the OCS will continue to invest in critical wholesale infrastructure upgrades to enable diverse product offerings across the network and reduce friction for retailers by continuing to develop self-service tools that provide the insights they need to support their operations.

LICENSED PRODUCERS

The OCS works closely with its suppliers — Health Canada–authorized Licensed Producers — from across Canada to source and supply quality-tested, regulated products for Authorized Cannabis Stores and adult consumers in Ontario. The relationship between the OCS and its suppliers is enabled by cannabis supply agreements issued to every Licensed Producer partner. Over the course of the current corporate strategy, the OCS will continue to improve its capacity to onboard innovative and desirable products and work with Licensed Producers to expand the assortment made available through its fulfillment channels. As the industry continues to evolve, the OCS will engage with Licensed Producers on an ongoing basis to identify opportunities to refine and enhance its operational processes.

FIRST NATIONS COMMUNITIES AND INDIGENOUS PEOPLES

At the direction of the Government of Ontario, the OCS continues to provide a First Nations Wholesale Rate Adjustment on the wholesale purchase of cannabis products for all AGCO-authorized stores located on-reserve. This adjustment supports First Nations communities and Authorized Cannabis Stores by ensuring consumer access to a quality-tested supply of legal cannabis. The OCS will continue to support the Government of Ontario in any efforts to identify and mitigate broader obstacles to First Nations participation in the legal cannabis industry.

ALCOHOL AND GAMING COMMISSION OF ONTARIO (AGCO)

The OCS has been a partner to the AGCO since private cannabis retailing was introduced in April 2019, together supporting the opening of Authorized Cannabis Stores as they are licensed and authorized to sell cannabis to adult consumers in Ontario. This means moving 1,500 kilograms of cannabis per day to more than 1,700 retailers across the province. The OCS is committed to working with the AGCO and other government partners to identify opportunities to reduce burden, support efficient retail operations and enable a vibrant legal cannabis marketplace in Ontario.

FEDERAL GOVERNMENT

The OCS works with several federal government partners, including Health Canada and Statistics Canada, to deliver on its legislated requirements, respond to regulatory proposals and consultations, and share relevant industry data. The OCS is committed to continuing to collaborate with its federal government partners and will participate in any future engagement opportunities to support the provincial industry. The OCS will continue to leverage its position as a government agency and Canada's largest cannabis wholesaler and distributor to provide advice to Health Canada that promotes the development of a vibrant legal cannabis marketplace while reinforcing the need to protect public health and safety in connection with cannabis.

JURISDICTIONAL PARTNERS

The OCS values its relationships and partnerships with all provincial and territorial governments and agencies overseeing the legal cannabis industry across Canada. Through these relationships, formalized as the Canadian Cannabis Jurisdictional Leadership, the OCS and its interjurisdictional counterparts meet regularly to share important data and insights, identify opportunities for collaboration and strategically align on key issues.

THIRD-PARTY LOGISTICS

The OCS works with its third-party logistics partner, Domain Logistics, to support timely and reliable delivery of cannabis products to Authorized Cannabis Stores and OCS.ca customers. Under a service agreement with the OCS, Domain manages warehousing and transportation for both wholesale and online channels. Looking ahead, the OCS will continue to work with Domain to maintain strong service performance, identify operational efficiencies and support OCS initiatives that further improve service for customers across Ontario.

RISK ASSESSMENT

Through its Enterprise Risk Management framework, the OCS systematically identifies, assesses, monitors and mitigates risks to support informed decision-making. The framework also ensures transparent reporting to oversight bodies, including the OCS's Board of Directors and the Minister of Finance. The following outlines key risk areas and the strategies in place to address them.

MACROECONOMIC CONDITIONS

Current macroeconomic factors, such as inflation, unemployment and U.S. tariffs, may influence consumer spending on recreational cannabis. Additionally, changes in monetary policy could increase operating costs for the OCS and its business partners, placing financial pressure on Licensed Producers and Authorized Cannabis Stores.

Mitigation Strategies

The OCS actively monitors key economic indicators, including inflation rates and employment trends, to stay informed about developments that may influence consumer behaviour and industry dynamics. By maintaining regular communication with Licensed Producers and Authorized Cannabis Stores, the agency has a better understanding of industry concerns and financial pressures. The OCS will continue raising industry concerns to government, explore collaborative solutions with industry and seek opportunities to strengthen the legal cannabis market through strategic initiatives and informed decision-making.

CYBER SECURITY AND BUSINESS DISRUPTIONS

Like all organizations, the OCS is exposed to cyber threats and other risks, such as physical incidents and extreme weather events, that could disrupt business operations.

Mitigation Strategies

The OCS has implemented several internal controls and monitoring tools, and is measuring its cyber defences against recognized standards, including Center for Internet Security and ISO frameworks. Through the OCS's dedicated information security team and regular employee training and awareness, the agency is taking steps to reduce cyber security incidents. The OCS conducts regular threat risk assessments and requires its vendors to have similar internal controls, monitoring tools and business continuity programs. Furthermore, the OCS has established business continuity and crisis management programs to effectively respond to events and minimize any potential impacts to the OCS and its customers. The agency conducts regular testing and audits to ensure the OCS and its logistics provider have appropriate protections in place to effectively manage cyber security and business disruption risks.

CONTINUED PRESENCE OF THE ILLEGAL MARKET

Despite growth in the legal cannabis market, illegal activity remains widespread, with sales occurring through unregulated storefronts and online platforms. These illegal operations are not subject to federal and provincial public health and safety controls, enabling them to promote products in ways that may appeal to youth, offer high-THC edibles and provide services such as 24-hour delivery. This creates an uneven playing field and a competitive advantage over legal operators.

Mitigation Strategies

While the OCS does not have a law enforcement mandate, it continues to collaborate with all levels of government by providing market intelligence, consumer insights and other resources to support enforcement efforts against the illegal cannabis market. Through its social responsibility activities, educational campaigns and educational platform, Cannabis Made Clear, the agency will continue to promote public awareness of the benefits of the legal cannabis market and encourage responsible consumption.

COMMUNICATIONS PLAN

The OCS must clearly and consistently communicate its strategic objectives to internal and external stakeholders to deliver on its mandate. An effective communications approach ensures all stakeholders understand the role of the OCS in enabling a vibrant legal cannabis marketplace through great customer experiences rooted in selection, service and quality. This communication will be accomplished using the following channels:

- digital and online communications (OCS.ca, doingbusinesswithocs.ca, ocswholesale.ca, OCS intranet)
- corporate publications (such as annual reports, business plans and discussion papers)
- media relations and earned media
- social media (LinkedIn, Meta, Reddit)
- OCS B2B Portal communication
- email circulars and business communications with Licensed Producers and Authorized Cannabis Stores
- participation in industry conferences, expos and other cannabis-focused events
- regional meetings hosted by the OCS across Ontario

COMMUNICATING THE STRATEGY TO EMPLOYEES

Understanding that every employee has a role in supporting the delivery of the agency's strategic objectives, the OCS has a comprehensive integrated employee communications strategy. Each year, the OCS leverages a multi-channel approach to clearly communicate its strategy that ensures employees understand the strategy at a departmental, team and individual level.

COMMUNICATING WITH EXTERNAL STAKEHOLDERS

To ensure the OCS remains transparent, the agency will continue to deliver clear, consistent communications to all external stakeholders. Meeting external stakeholders where they are, the OCS will continue to attend events throughout the province to facilitate communication with key stakeholders. In addition, the OCS will regularly host stakeholder meetings to share updates, gather feedback and strengthen collaboration.

The OCS will continue to make relevant documents, including annual business plans, annual reports and other key reports, publicly available on OCS.ca. Using all relevant channels, the OCS will continue to communicate with stakeholders, as well as respond to media inquiries in a timely and transparent manner.

RISKS TO EFFECTIVE AGENCY COMMUNICATIONS

Effectively engaging Ontarians on responsible cannabis consumption and educating individuals about legal cannabis remains a significant challenge due to restrictive advertising and communication policies imposed by major digital platforms. Social media platforms, such as Meta, maintain stringent limitations on legal cannabis information in Canada, often resulting in the removal of educational content and the shutdown of compliant accounts. While these platforms deny they limit the visibility of content (i.e., shadow-banning), even when fully compliant, OCS educational content faces disproportionate scrutiny and reduced reach. These restrictions hinder the OCS's ability to deliver factual, socially responsible information, while simultaneously creating space for misinformation and illegal market influence. Compounding this issue, mainstream media coverage of cannabis topics has declined over the past year, with fewer outlets willing to engage in educational conversations.

OCS