

AGILE, RESILIENT AND FUTURE-READY



SUMMARY OF THE CORPORATE PLAN 2021-2025 AND 2021 CAPITAL BUDGET



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DISCLAIMER – FORWARD LOOKING STATEMENTS

This Summary of the Corporate Plan contains forward-looking statements that reflect management's expectations regarding the Mint's objectives, plans, strategies, future growth, results of operations, performance and business prospects and opportunities. Forward-looking statements are typically identified by words or phrases such as "plans", "anticipates", "expects", "believes", "estimates", "intends", and other similar expressions.

These forward-looking statements are not facts, but only estimates regarding expected growth, results of operations, performance, business prospects and opportunities (assumptions). While management considers these assumptions to be reasonable based on available information, they may prove to be incorrect. These estimates of future results are subject to a number of risks, uncertainties and other factors that could cause actual results to differ materially from what the Mint expects. These risks, uncertainties and other factors include, but are not limited to, those risks and uncertainties set forth in the Risk Overview section.

To the extent the Mint provides future-oriented financial information or a financial outlook, such as future growth and financial performance, the Mint is providing this information for the purpose of describing its expectations. Therefore, readers are cautioned that this information may not be appropriate for any other purpose. Furthermore, future-oriented financial information and financial outlooks, as with forward-looking information generally, are based on the assumptions and subject to the risks.

Readers are urged to consider these factors carefully when evaluating these forward-looking statements. In light of these assumptions and risks, the events predicted in these forward-looking statements may not occur. The Mint cannot assure that projected results or events will be achieved.

Accordingly, readers are cautioned not to place undue reliance on the forward-looking statements.

The forward-looking statements included in Summary of the Corporate Plan are made only as of September 22, 2020, and the Mint does not undertake to publicly update these statements to reflect new information, future events or changes in circumstances or for any other reason after this date.

EXECUTIVE SUMMARY

The Royal Canadian Mint is a Crown corporation owned solely by the Government of Canada. It is required by the *Royal Canadian Mint Act* to mint coins in anticipation of profit and to carry out other related activities. The Mint aims to be an agile, resilient Crown corporation focused on the future and prepared to act on opportunities to create value for Canada.

The Mint manages Canada’s circulation coin ecosystem, redistributing and recycling coins and supplementing the national pool by producing and delivering new, secure, high-quality and cost-effective coins in support of trade and commerce in Canada. It also enables the competitiveness of Canada’s mining sector through its precious metals business and offers an integrated range of precious metals storage, manufacturing and security services to financial institutions.

2020 has brought many unexpected challenges with the onset of COVID-19. During the first six months of the pandemic, the Mint prioritized the health and safety of its employees while also demonstrating agility in prioritizing activities to ensure there are no coin shortages and to support Canada’s financial and mining sectors as the country begins to enter the recovery period. The Mint continues to be in solid financial condition and, even in this highly uncertain time, is on track to exceed its financial targets for 2020. The latest market conditions and trends were key inputs for the Mint’s Board of Directors and management during the development of this 2021–25 corporate plan as well as the new long-term strategic vision. The Mint expects to generate average profits before taxes of

\$44 million per year during this planning period and to pay an average annual dividend of \$40 million to the Government of Canada through the execution of its updated strategy.

CONTEXT: LONG-TERM STRATEGIC VISION

This corporate plan aligns with the Mint’s long-term strategic vision, which aims to realign the Corporation and unifies its historically siloed business lines and operations as “One Mint” with two areas of focus: circulation coinage and precious metals.

In line with its long-term strategic vision, the Mint will realign itself in this planning period as “One Mint” with two overarching businesses: circulation coinage and precious metals.

In realizing its strategic vision, the Mint will evolve its circulation business, augmenting its world-leading domestic coin lifecycle management practices with enhanced resiliency and data analysis, and developing a scalable emergency response plan in the event of a major financial system or extended regional disruption. It will seize the best available foreign circulation opportunities, ensuring Canadian sovereign coin-making knowledge and capacity is preserved. The strategic vision also calls for the Mint to build its precious metals capacity, focus its numismatic offerings, pursue operational efficiencies, create agility and continue to add value for Canada.

THE EXTERNAL ENVIRONMENT: MARKETS IN TRANSITION

Canada's economy is shifting away from the use of cash toward electronic payment technologies. The COVID-19 pandemic accelerated this shift, prompting a surge in online shopping and electronic payments.

Despite declining usage in North America and other regions, cash remains the main form of payment worldwide. Overall global demand for circulation coinage is expected to remain robust to 2025, meaning there continue to be opportunities for the Mint as a producer of coins and blanks for other countries.

The aftershocks of the pandemic—including an expected global economic recession—will likely cause investors to avoid electronic investments such as equity markets in favour of precious metals. Low interest rates and increased government deficits could drive demand and prices even higher. At the same time, the precious metals market is transforming with the growth of virtual investment offerings such as exchange-traded receipts (ETRs).

THE MINT'S BUSINESSES: ADDING VALUE FOR CANADA

For the 2021–25 planning period, the Mint will focus its circulation business on supporting Canada's transition to a cash-light society¹ while ensuring that coins are always available when and where needed so that no Canadian is left behind. It will generate revenue through foreign circulation contracts—optimizing production capacity and ensuring that the expertise and constant readiness to meet Canadian needs first are maintained.

The bullion business will likely be highly active over the next five years, with strong, sustained global demand for gold and silver coins. On the numismatic side, the Mint competes for a share of discretionary customer spend that could be affected by the economic impact of COVID-19. The Mint will also continue to play an important role in celebrating and commemorating Canadian history, heritage, diversity and artistry through its circulation and precious metal activities as well as its unique medals business.

THE INTERNAL ENVIRONMENT: ENGAGEMENT, SAFETY AND INNOVATION

The Mint is focused on creating a vibrant, people-centric and proactive health and safety culture. Its leaders model a safety-first, zero-injury mindset, while employees participate actively in creating an environment that values safety and wellbeing—including good mental health. The Mint has a well-established reputation for research and development with a talented team and network of technology partners. It holds patents for key technologies, and vigilantly manages and protects its intellectual property portfolio. In this planning period, the Mint will also bring innovation to its business processes and technology platforms, engaging in digital transformation for greater efficiency and operational unity.

RISKS AND RESPONSES

Beyond the shift to a cash-light society, which the Mint is well positioned to manage and support through its coin pool management and forecasting capabilities, the Corporation faces additional challenges that this 2021–25 corporate plan intends to mitigate.

¹ Cash-light refers to the continuous movement away from cash as a method of payment.

The Mint will continue its efforts to diversify its key customer base. The Mint will review its businesses and develop a customer-centric portfolio of products and services.

The Mint has developed a digital strategy to mitigate the risk of aging software and systems, maintain its focus on cybersecurity, and continue to implement the recommendations from the 2019 audit on physical security. It will also prioritize corporate agility and scalability to adapt and stay competitive.

STRATEGY AND CORPORATE OBJECTIVES: ONE MINT

The Mint has 10 overarching objectives for this planning period under the headings of Canada, Customers, People, and Corporate Social Responsibility (CSR)/ Environmental and Social Governance (ESG).

The Mint has 10 overarching objectives for the planning period under the headings of Canada, Customers, People and CSR/ESG.

Together, these corporate objectives call for the Mint to ensure coins are available across Canada for trade, commerce and disaster resiliency; support the role of Canada's financial and mining industries in the global precious metal supply chain; maintain a trusted brand for Canada and customers around the world; provide a healthy, safe and caring workplace; and provide products and services that are differentiated by being socially and environmentally responsible.

Supporting its objectives is the Mint's new People Strategy—which will drive organizational engagement and enablement and foster a culture of collaboration, leadership excellence and talent development—and its new CSR strategy, *Minting with Care*, which defines CSR aspirations for each corporate objective and supports Canada's adoption of the United Nations 2030 agenda for sustainable development.

OVERVIEW

The Royal Canadian Mint produces coins for Canadian trade and commerce, manages the country's coin system for optimum efficiency and cost, and is a world-renowned manufacturer of precious metals investment products and collectibles.

CORPORATE MANDATE

The Royal Canadian Mint is a Crown corporation owned solely by the Government of Canada. It is mandated by the *Royal Canadian Mint Act* to mint coins in anticipation of profit and to carry out other related activities. In fulfilling that role, the Mint is also following the direction of its May 2019 mandate letter from the Minister of Finance to maximize efficiency and competitiveness in its core activities and maintain close communication with the Department of Finance.

The Mint reports to Parliament through the Minister of Finance by submitting annual reports on its operations. More information about the Mint and its activities can be found in the 2019 annual report.

A direct contributor to the Government of Canada and provincial governments

In 2019, the profitability of all the Mint's businesses and programs helped generate a \$40 million dividend to the Government of Canada and generate 1,100 high quality jobs. In the past five years, the Mint has paid:

- \$227 million in dividends
- \$56 million in income taxes

In that same period, the Mint has generated:

- \$9 million in HST/GST
- \$161 million in employer taxes

PUBLIC POLICY ROLE

The Mint manages Canada's circulation coin ecosystem, redistributing and recycling coins and supplementing the national pool by producing and delivering new, secure, high-quality and cost-effective coins in support of Canada's financial sector. It maintains coin and cash management expertise of strategic value to the country's financial system and serves as an expert advisor to the Government of Canada. Drawing on that knowledge and insight, the Mint will continue to play a key role in supporting Canada's transition to a cash-light society—while also ensuring that those who require cash have access to it.

Through its bullion business, it plays an important role in supporting both the domestic and international financial and mining industries. Through its circulation and numismatic activities, the Mint commemorates and celebrates Canadian history, heritage, diversity and artistry. It is a world-leading manufacturer of precious metal bullion investment products and circulation coins for customers in other countries—and is a respected maker of medals honouring Canadians and their achievements, with clients including the Governor General of Canada and the Department of National Defence.

The Mint ensures its activities align with the priorities of the Government of Canada, including those related to open and transparent government, gender equity, diversity, Indigenous issues, environmental sustainability, workplace health and safety and accessibility. See Appendix 5 for more detail.

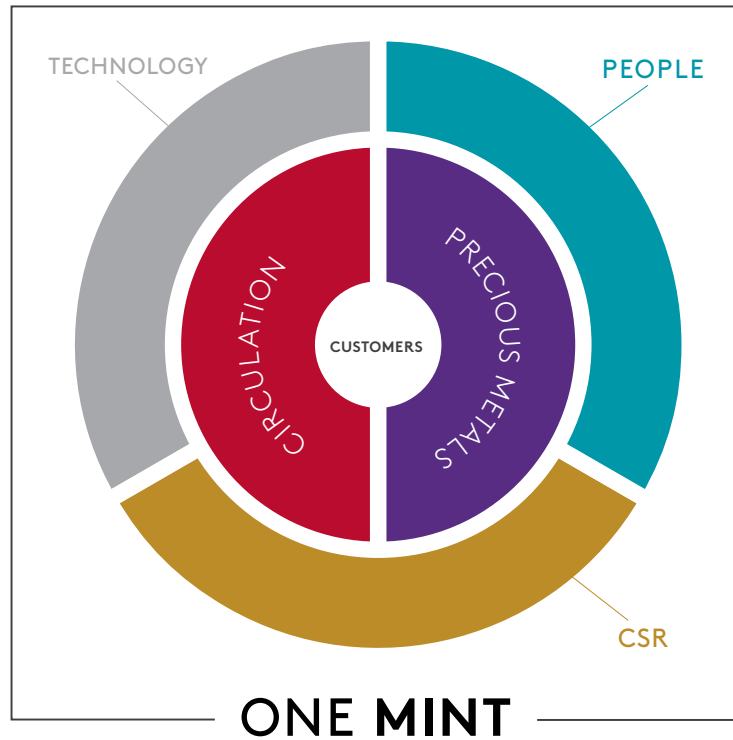
VISION, MISSION AND VALUES

VISION	MISSION
To be the best Mint in the world through our customer focus, talented people, commitment to sustainable practices and the value we add to Canada and Canadians.	The Mint leads by using its know-how to transform natural resources, creating value for Canada and customers around the world.
VALUES	
Honesty, respect, pride and passion	

MAIN ACTIVITIES AND PRINCIPAL PROGRAMS

In line with the Mint’s long-term strategic vision, this current corporate plan reflects a realignment of the Corporation’s business, unifying historically siloed business lines and operations as “One Mint” that is future-ready and with two areas of focus: circulation coinage and precious metals. The Mint operates out of integrated facilities in Ottawa and Winnipeg.

FIGURE 1. ONE MINT VISION AT A GLANCE



The Mint has **two primary businesses: Circulation and Precious Metals**—both informed and supported by the Mint’s People Strategy and corporate social responsibility and environmental, social and corporate governance (CSR/ESG) commitments.

CIRCULATION

- **Canadian Circulation** will use enhanced data analysis and resilient approaches to maintain world-leading coin lifecycle management practices so all Canadians have access to cash as the country transitions to a cash-light society—with emergency plans to ensure the country can respond to any financial system disruption.
- **Foreign Circulation** will maintain Canada’s capacity for sovereign coin production and upgrade its coin production capabilities to capitalize on global demand.

PRECIOUS METALS

- **Bullion Products & Services** will support Canada’s financial and mining sectors from a strong competitive position, with agility and resiliency to serve the global market—augmenting bullion sales with related offerings.
- **Numismatics** will concentrate on profitable products and customers, strategically explore new opportunities, and continue to celebrate Canada and produce high-value medals.

CIRCULATION

As part of its responsibility to produce and distribute secure, high-quality and cost-effective coins for use in Canadian trade and commerce, the Mint ensures the country has an adequate supply of coins in appropriate denominations and advises the Government of Canada on all matters related to coinage.

The Mint also operates a Commemorative Coin Program on behalf of the Government of Canada to celebrate the country's history, diversity, culture and values—working in collaboration with a number of federal government and community organizations.

As a source of revenue and value for Canada, and to maintain advanced domestic coin-production capabilities, the Mint manufactures circulation coins, blanks, medals, medallions and tokens for other countries.

PRECIOUS METALS

The Mint's precious metals business focuses on bullion products and services including the refining and secure storage of precious metals and the production of investment-type products such as silver and gold bullion coins, gold bars, trade bars and gold wafers. Related supporting services include assaying (assessing the content of materials) and issuing exchange-traded receipts (ETRs), which allow investors to buy and sell gold and silver on the Toronto Stock Exchange.

The precious metals business also includes the production and sale of high-quality, limited mintage collectable numismatic coins for Canadian and international consumers, and the manufacture of commemorative and celebratory medals to honour Canadian achievements.

LONG-TERM VISION

In parallel with the development of this five-year corporate plan, the Mint's Board of Directors responded to the request from the Minister of Finance to "develop a clear long-term vision and strategic direction for the Royal Canadian Mint". The Board oversaw a robust, highly consultative process that took into account the external environment, key markets and feedback from the Department of Finance, resulting in a new long-term strategic vision.

That vision, which underpins the 2021-2025 Corporate Plan, details a shift that will allow the Mint to pursue its mission: to act on opportunities and create value for Canada and customers around the world while responding to trends in coin usage and the economic realities following from the COVID-19 pandemic. The plan leverages and reconfigures the strengths of the Mint, giving it the agility to respond to changing market dynamics and external and internal operating realities. It describes how the Mint will concentrate on:

<p>Evolving the circulation business</p>	<p>As manager of Canada’s coin system, the Mint has been preparing for the shift to a cash-light society, aiming to ensure the transition is well-managed, with reduced costs and as few liabilities as possible for the Government of Canada.</p> <p>In carrying out its long-term strategic vision, the Mint will evolve its circulation business, augmenting its world-leading domestic coin lifecycle management practices with enhanced resiliency and data analysis, and developing a scalable response plan in the event of emergency situations or natural disasters that cause a major disruption to the financial system or a particular region.</p> <p>These activities will provide cash flow for the Mint and value for Canada while ensuring the country’s ability to meet the needs of citizens who do not have access to e-payment methods. It also allows the Mint to maintain minting expertise and capabilities of value to Canada in the event of disasters that could prevent the use of e-payment technologies.</p> <p>In addition to its activities focused on facilitating trade and commerce in Canada, the Mint will also continue to produce commemorative circulation coins that illuminate and celebrate the people, places and events that shape our nation.</p>
<p>Building precious metals capacity</p>	<p>The Mint will also focus on profitable products and customers in precious metals.</p>
<p>Focusing the Mint’s numismatic offerings</p>	<p>The Mint will focus on continuing to celebrate Canada and Canadians’ values.</p> <p>The Mint’s medals division will continue to produce commemorative medals for Canadian public institutions including the Governor General’s office and the Department of National Defence—to proudly recognize and celebrate the accomplishments of outstanding Canadians.</p>
<p>Pursuing operational efficiencies</p>	<p>In adopting the One Mint approach, the Mint will establish internally shared services and aligned goals, and will reallocate resources and spending according to business priorities. Assets and investments will be used to support multiple areas of the business in a socially responsible manner, and investments will be made in the resilience and agility of both the Ottawa and Winnipeg plants.</p>
<p>Adding value for Canada through CSR/ESG and its People Strategy</p>	<p>The Mint will continue to deliver economic value for Canada in a responsible way, in keeping with its corporate social responsibility (CSR)/environmental, social and governance (ESG) goals. This will include enhanced recycling of existing coins, socially and environmentally responsible products and services, and maximization of agility and innovation to ensure the Mint’s continued relevance and global business leadership.</p> <p>Through its People Strategy, the Mint will add value for Canada and for its employees by providing an exemplary, inclusive, safe and healthy place to work—both physically and mentally.</p>

OPERATING ENVIRONMENT

Canada's economy is shifting away from use of cash toward electronic payment technologies. Yet the need remains for a well-managed cash supply to facilitate trade and commerce and ensure economic equity. Supporting the transition to a cash-light society while ensuring no Canadian is left behind will be a main focus for the Mint between now and 2025.

MACRO-ECONOMIC OUTLOOK

TOWARD A CASH-LIGHT SOCIETY IN CANADA

According to Payments Canada, 2019 was the first year Canadians used more credit and debit than cash at points of sale. Several trends are furthering the shift toward e-payment technologies. New rules from Payments Canada in 2020 allow merchants to accept debit for a broader range of small purchases such as transit fares, reducing the need for people to carry cash and coins. Adoption of innovative payment tools including digital currencies is expected to increase as these become even more prevalent, secure and easy to use. Canadians' growing preference for online shopping will significantly alter purchasing patterns in the coming years, potentially reducing the number of brick-and-mortar retail locations in Canada as well as overall demand for circulation coins.

These developments are not unique to Canada. Other countries are also seeing lower use of cash—indicated in Sweden, Belgium, Ireland, the United Kingdom, Australia and New Zealand, for example, by declining values of ATM withdrawals.

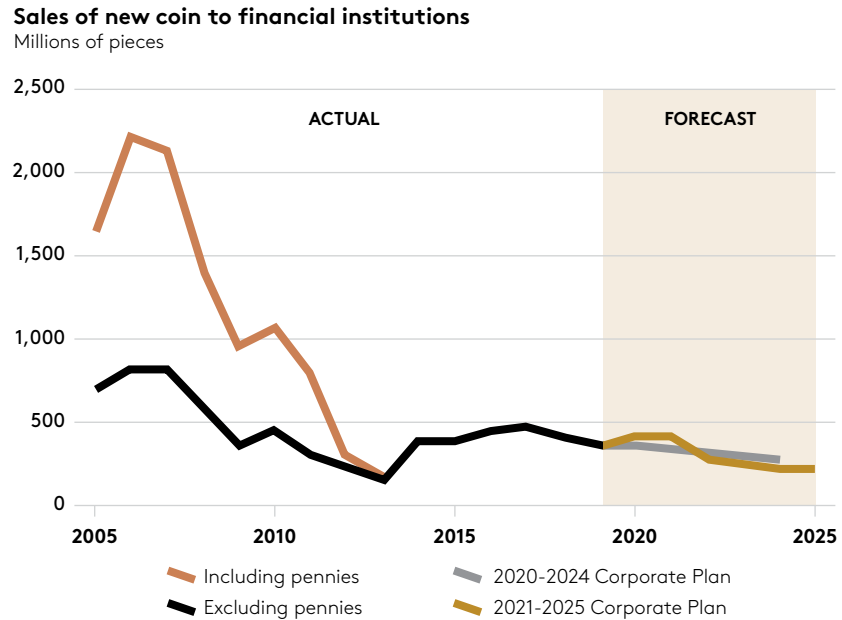
Despite these shifts, cash and coins remain a safe, private, efficient and inclusive option for all Canadians—especially those who do not have, want, or qualify for a credit or debit card. Cash and coins also provide resiliency for trade and commerce, as their supplies can be scaled up and down in targeted, agile ways to meet Canadians' needs.

The Mint will continue to use its proven coin lifecycle management expertise to ensure that Canadian consumers, businesses and financial institutions always have access to coins as overall payment habits evolve.

The Mint recognizes the importance of its role in providing coins people need for trade and commerce even as overall payment habits evolve—and that those needs may vary across populations and regions of the country. The Mint will support Canada's cash-light transition, providing insights to government for policy decisions and drawing on knowledge gained through the successful retirement of the penny.

FIGURE 2. CANADIAN CIRCULATION COIN VOLUMES 2005–2025

The majority of the Mint's production volume decrease was the result of the one cent phase out.



CONTENDING WITH THE IMPACTS OF COVID-19

The temporary closure of the discretionary retail sector caused coin demand to fall rapidly during the COVID-19 pandemic. Online shopping surged and electronic payments were encouraged at points of sale—accelerating a shift away from the use of cash. Between January and the end of July 2020, domestic coin demand and supply at Canadian financial institutions was down by approximately 40% compared to 2019 levels.²

At the end of July, the need for new circulation coins was approximately 85% of the previous year’s level, rebounding quickly in June and July as businesses began to reopen. It was driven mainly by the fact that incoming coin deposits from traditional sources such as transit, parking and vending companies were slow to return, meaning new coin was needed to meet retailer demand with the increase in consumer activity.

Given the uniqueness of the COVID-19 situation, there is no precedent for forecasting demand and deposit levels for the remainder of the year. New coin sales requirements will depend on demand and deposit rates, which could have several variable outcomes. Fortunately, the Mint is well practiced in managing the full coin lifecycle, having handled many situations in which new coin needs have been volatile: phasing out a denomination, supporting an Olympic Games hosted on Canadian soil and the influx of tourists and activities to celebrate Canada 150.

² Source: Royal Canadian Mint Canadian coin pool data

The challenges posed by the pandemic and its consequences, although unprecedented, pose a similar challenge. The Mint's ability to directly monitor the inventory of financial institutions across the nation increases its responsiveness and ability to move coins from regions in surplus to those where they are urgently needed. By developing its own production forecast, which directly influences production at its vertically integrated Winnipeg facility, the Mint reduces the layers of reviews and departmental approvals that saddle many other international mints—resulting in fast turnaround for newly minted coins if and when they are required.

While the long-term impacts of the pandemic have yet to be seen, the Mint expects the decline in demand for newly manufactured coins to accelerate between 2021 and 2025. The Mint is planning for a step-function decline in financial institution demand in 2020 and 2021 as business activity remains limited, venues are closed and sporting events curtailed, and some consumers migrate to a more cashless lifestyle. Post COVID-19, it is anticipated financial institutions demand will adjust to more normalized levels—still declining but at a slower rate than during the pandemic. Businesses and venues will resume a more regular pace, tourism will increase and some consumers will return to active cash usage routines. New coin sales will also adjust, as it is anticipated deposits will return to more traditional levels, fulfilling a large portion of financial institution demand (instead of requiring new coins).

To further enhance the management of the nation's coin supply during the pandemic, the Mint is leveraging relationships with the National Coin Committee (NCC) partners—financial institutions and armoured car carriers—to understand regional differences regarding coinage as provinces implement their phase-in plans. In addition to the NCC, the Bank of Canada and the Royal Canadian Mint continue their regular collaboration on current trends and forecasted outlooks on cash and coin.

For more on the impacts of COVID-19 and how the Mint responded, see Appendix 7.

EXTERNAL ENVIRONMENT

The Mint's external environment includes the Canadian and global currency systems, the global precious metals supply chain and investment markets, and numismatic collectible markets in Canada and abroad. Each market has its own distinct dynamics and competitive factors to consider.

CIRCULATION

MANAGING CANADA'S CASH ECOSYSTEM FOR MAXIMUM EFFICIENCY

Canada's cash ecosystem is complex and tightly interconnected. Its key players include the Royal Canadian Mint and the Bank of Canada as issuers of currency, armoured car companies, financial institutions, retailers and Canadian cash users. The Mint manages all the coin-related aspects of this system to ensure coins are available where and when needed to facilitate trade and commerce at the lowest possible cost and in the most sustainable way for the Government of Canada. In total, it costs more than \$8.8 billion each year to support Canada's cash/coin infrastructure, from production and operating costs to the physical infrastructure at banks and retailers. The Mint accounts for just 1% of that cost.³

The Mint ensures coins are available wherever they are needed, at the lowest possible cost to the Government of Canada.

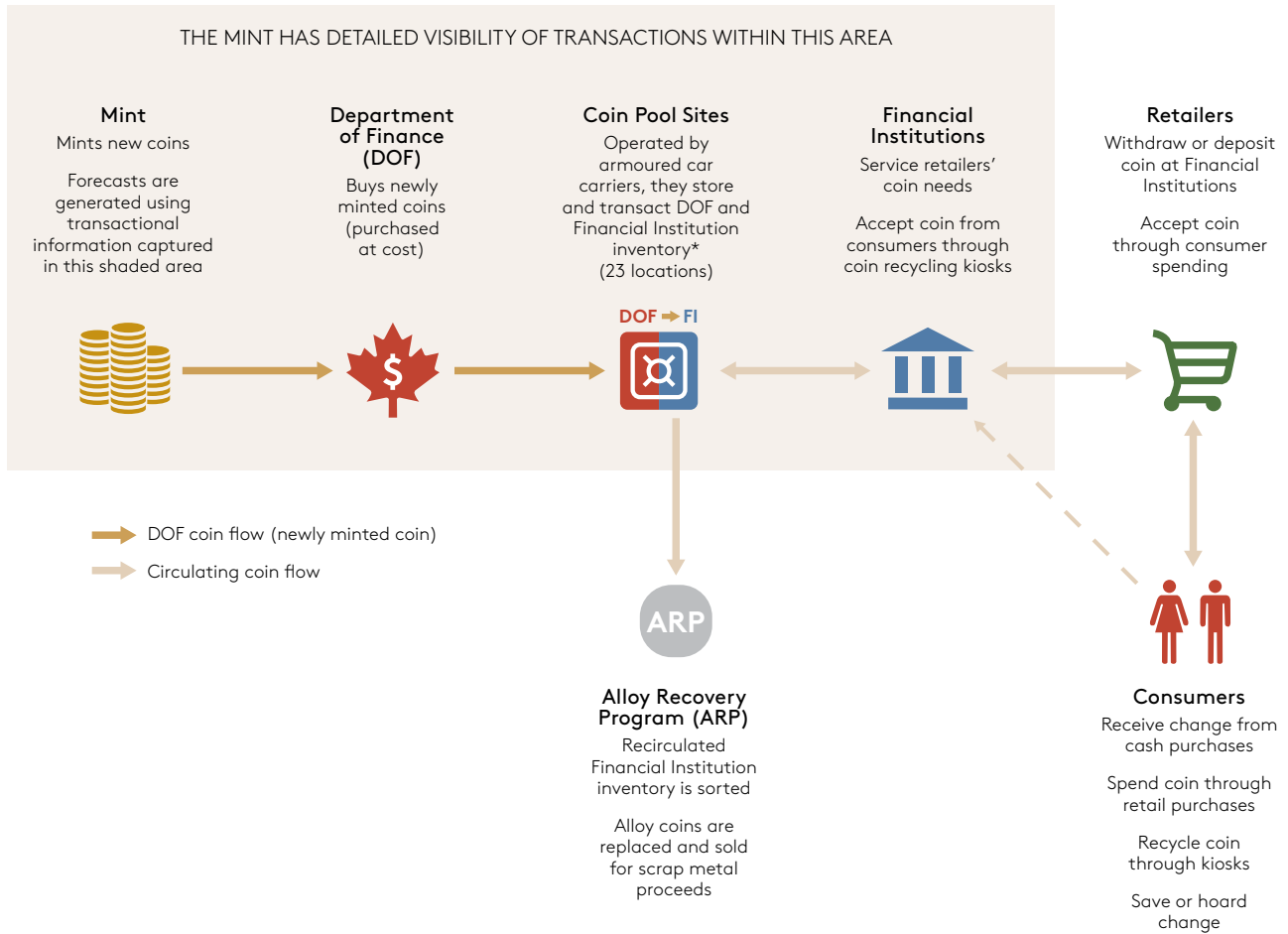
Fine-tuned coin redistribution and recycling have reduced Canada's requirement for net-new coins by approximately 300 million coins annually, and given the country has one of the lowest coin-per-capita ratios in the world. The Mint maintains that ratio with world-leading proprietary software that gives a real-time view of Canada's coin inventory, making it possible to identify trends, estimate weekly inventory requirements a full year in advance, and forecast new coin sales. Transactions are entered into the software daily by armoured car carriers. All of this reduces the overall cost to the Government of Canada for the manufacture of new coins.

The Mint facilitates the sale of coin between financial institutions to help ensure recycling and redistribution contribute to an efficiently run system. It will maintain its recognized excellence in coin management and use the insights gathered through its systems to support Canada's transition to a cash-light society and to meet the needs of the government and Canadians into the future.

To ensure the effective management of Canada's cash ecosystem, the Mint collaborates closely with the Bank of Canada—discussing current supply and demand trends, bringing ever-greater understanding to long-term forecasting, sharing information about industry and stakeholder trends, and sharing ideas and best practices on how to improve distribution and ensure Canadians' continued access to coins and cash. The Mint is also working with the Bank of Canada on research into the country's currency system and with minting industry members on a survey of global usage trends.

³ Kosse, A. (2017). *The Costs of Point-of-Sale Payments in Canada*. [Staff discussion paper]. Available at www.bank-banque-canada.ca.

FIGURE 3. FLOW OF COIN FROM PRODUCTION TO CIRCULATION



* When Financial Institution demand exceeds their inventory, they purchase DOF inventory to meet their demand (purchased at face value).

The Mint’s real-time management of the coin pool and strong relationships with all players in the ecosystem ensured a stable supply of coins across Canada throughout the COVID-19 crisis. The total cost of supporting Canada’s cash infrastructure is \$8.8 billion—of which the Mint accounts for just 1% at \$80 million.

FIGURE 4. MANAGING CANADA'S COINAGE SYSTEM

Beyond its duties of coin production, the Royal Canadian Mint manages Canada's cycle of supply, circulation and redistribution of coins to meet the nation's coinage needs.

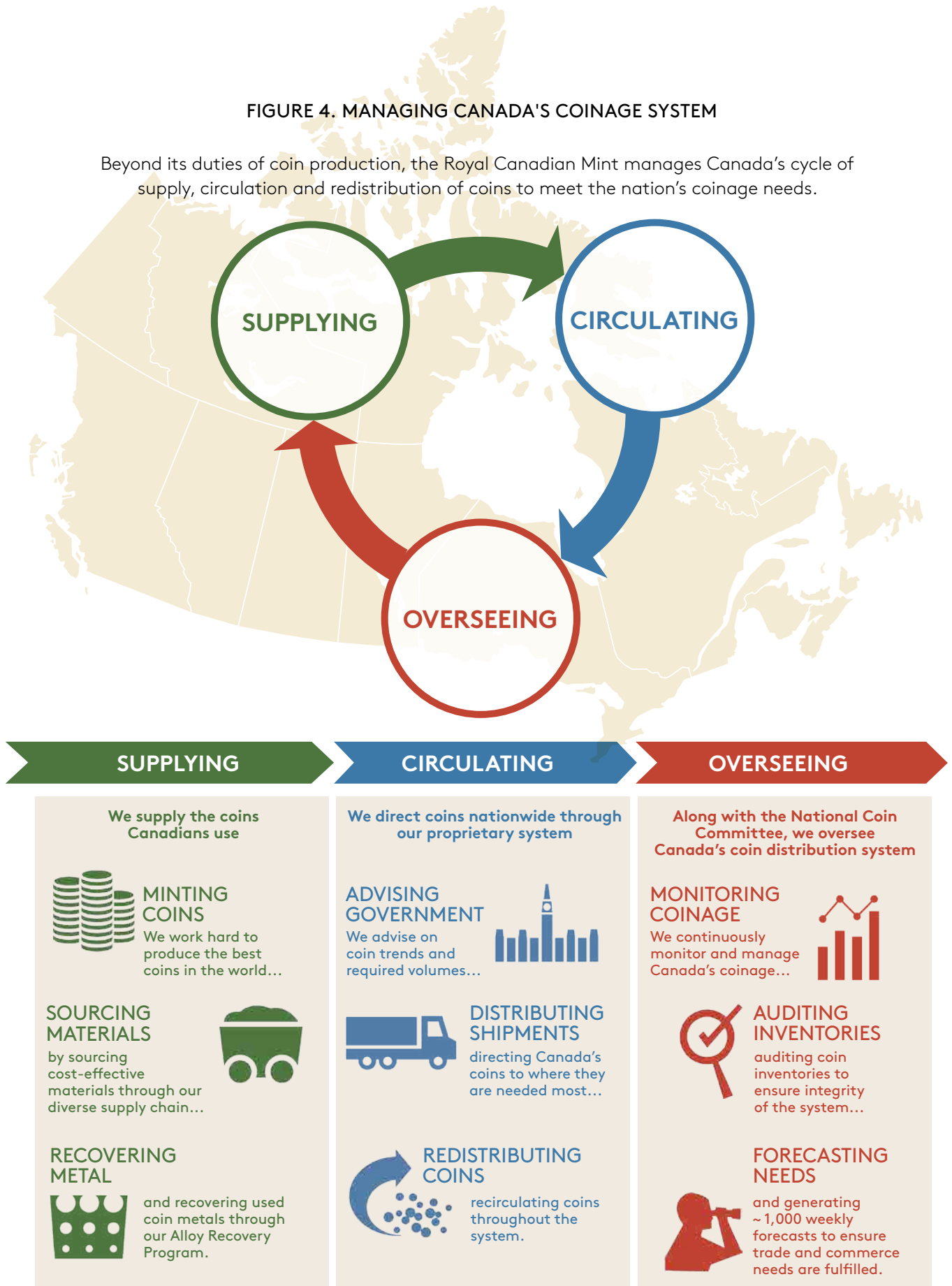
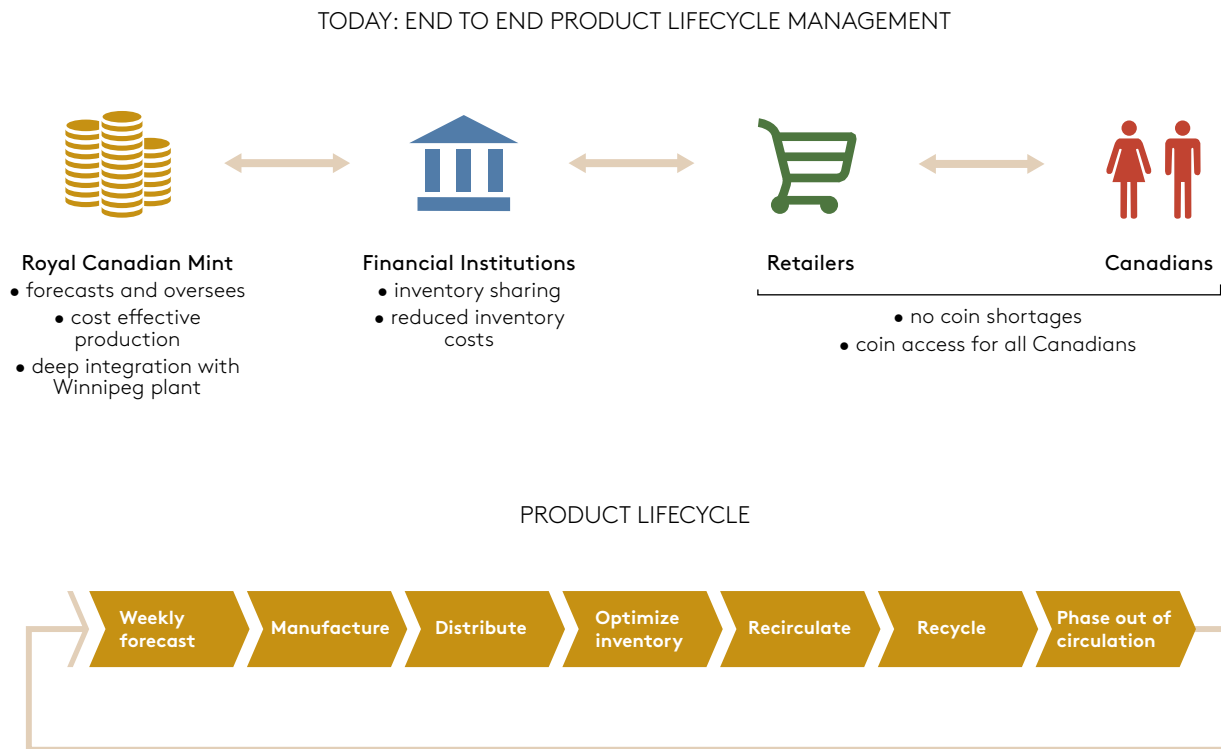


FIGURE 5. THE MINT'S ROLE IN MANAGING THE LIFECYCLE OF COINS



SYSTEM RESILIENCY

Beginning in the latter part of 2019, the Mint’s dedicated team reviewed Canada’s coin distribution system infrastructure, identified alternative distribution models, developed dashboards, collaborated with stakeholders and worked to help build their capabilities, all with an aim to ensuring the greatest possible resiliency for the system overall.

In the event that the requirement for new Canadian coin production is lower than planned, the first line of response will be to aggressively market to foreign customers and manufacture additional foreign circulation coins and plated blanks.⁴ This would increase dividends paid to offset the reduction in seigniorage generated.

⁴ The Mint would seek to avoid becoming too reactive to a downward fluctuation and would reassess its position after 24-30 months of continued suppressed demand.

KEEPING PACE WITH CUSTOMER EXPECTATIONS ACROSS ALL BUSINESS LINES

The Mint takes steps to track circulation coin customer behaviour and preferences. For the current planning period, it is: participating in an international survey spearheaded by the minting community; conducting its own surveys; and working with the Bank of Canada to better understand Canadians' attitudes and behaviours related to circulation coins.

The bullion storage and exchange-trade receipt (ETR) sectors are affected by investor sentiment for precious metals relative to other investment portfolio assets. These businesses have seen increased demand as a result of the general increase in precious metal investment.

INTERNAL ENVIRONMENT

The Mint operates an integrated corporate structure with two main lines of business sharing core services. Its corporate offices and precious metals manufacturing operations are located in Ottawa. The Winnipeg manufacturing facility is responsible primarily for the production and distribution of Canadian and foreign circulation coins.

PEOPLE AND OPERATIONS

The Mint's success depends on its ability to recruit, develop and retain a diverse, skilled and engaged workforce. Its team is known internationally for deep industry knowledge and expertise in balancing public and commercial perspectives.

The Mint uses a flexible operating model that is nimble enough to respond to market demand fluctuations for its products and services. That model includes an effective recruitment strategy and internal workforce mobility, as well as a thoughtful approach to seeking efficiencies (where possible) when attrition occurs through retirements, voluntary departures, redistribution of job duties and reconfiguration of teams. This allows the Mint to continually improve productivity and remain competitive.

The Mint's average voluntary turnover over the last four years was 6.4%. Actual headcount will fluctuate over the planning period depending on attrition opportunities and business conditions. In March 2020, the Mint temporarily suspended the majority of planned new hires given the uncertainty surrounding the short- and long-term effects of the COVID-19 pandemic. The organization prioritized replacements—on a term basis where possible—of positions critical to employee safety and business operations.

HEALTH AND SAFETY AT THE MINT

The Mint is focused on creating and sustaining a vibrant, people-centric and proactive health and safety culture. Leaders model a safety-first, zero-injury mindset, and employees participate actively in creating an environment that values safety and wellbeing. Through the People Program, a cross-functional group is building a robust health and safety framework with its own "safe score", designed as a leading indicator to better integrate the Mint's suite of health and safety programs and further enhance the effectiveness of prevention strategies. The Mint is also underway with deployment of a multi-year mental health strategy to support and enable employees.

WORKFORCE AND LABOUR RELATIONS

Labour relations with all unions are positive, with a healthy union-management relationship built on mutual respect and constructive dialogue. The collective bargaining environment is anchored in a solution-oriented mindset providing a stable industrial relations climate. See Appendix 6 for details of current collective agreements.

DIVERSITY AND INCLUSION

The Mint has been working diligently towards integrating the principles of diversity and inclusion through the programs delivered by the Human Resources team and the activities sponsored by its Diversity and Inclusion committee. The “count me in” Self-Identification campaign, training of senior leaders on unconscious bias awareness, Sign Language Lunch & Learns, celebrating multiculturalism through its internal bi-weekly communications by recognizing various cultural communities and events such as Asian Heritage Month, Black History Month, Multiculturalism Day, International Women’s Day, Women’s History Month, National Indigenous Month, and telling the stories of Mint employees from these various backgrounds are all initiatives designed to support an inclusive and diverse workplace. The Mint is also working to improve the representation of employees in the four designated employment equity groups by identifying and eliminating barriers and ensuring its current practices do not disadvantage these groups.

In the planning period, the Mint will focus more energy on increasing the representation in Indigenous People in its workforce through active outreach and targeted efforts with organizations of the Indigenous People community while continuing its ongoing efforts in the other three designated groups, women, visible minorities and people with disabilities.

ENGAGEMENT AND ENABLEMENT

Since 2017, the Mint has set out to attain the Korn Ferry/Hay Group Canadian benchmark for employee engagement and enablement. Significant improvements have been made in this area, and the Mint will continue its efforts to adopt new engagement and enablement strategies and tactics. These will include sustained focus on improving employees’ leadership capabilities, promoting effective communications, and providing opportunities for employees to develop their skills so they are better able to attain their goals and contribute to the Mint’s success.

AN INNOVATION LEADER

The Mint’s reputation for R&D in particular has been earned over many years by building a talented team and network of technology partners, with patents held for key technologies and vigilant management and protection of the Mint’s intellectual property (IP) portfolio.

Innovation touches every part of the Mint’s business.

The Mint’s investments in innovative coin technologies and manufacturing methodologies have provided the Canadian government and consumers with a secure and efficient circulation coin program.⁵ The Mint has leveraged this know-how to develop differentiating products and services for its many commercial businesses.

⁵ 2018 Mint Directors Conference Technical Committee Review.

BUSINESS PROCESSES AND SYSTEMS

After a period of constant growth, a number of key business processes and systems require investment to support the Mint's future sustainability and productivity. The past few years have seen investments in both Ottawa and Winnipeg to improve the resiliency and redundancy of the Mint's infrastructure. More will be needed going forward. The majority of the Mint's critical software will need to be replaced or upgraded to cloud-based applications within the next one to four years. The current IT ecosystem includes significant legacy applications that cannot be upgraded. Work on these systems is already underway throughout the Mint.

OPERATIONAL CONSIDERATIONS

The Mint is developing a digital strategy and governance model to protect the integrity of its data and update older applications, as well as a digital transformation roadmap. The Mint's actions over the planning period will give it more organization-wide agility to react and adapt to the evolving internal and external environments and stay competitive.

PERFORMANCE AND REVIEWS

The Mint is continuing its work on the final remaining recommendations from the 2014 Auditor General of Canada Special Examination Report.⁶ Good progress has been made in all three areas with maturity improvements scheduled to be complete by the end of 2021. The Mint continues to monitor special examination reports for key trends to maintain awareness of government expectations.

The status of each project is reviewed on a monthly basis and quarterly reports are provided to the Mint's Audit Committee.

⁶ A copy of the full report is available on the Mint's corporate website.

STRATEGY AND CORPORATE OBJECTIVES

The One Mint approach adopted for this planning period and as part of the long-term strategic vision will remove silos and increase the integration, efficiency and resilience of the Mint, and ensure business continuity throughout every aspect of its operations. The approach is rooted in the understanding that the Mint will compete and win with future-readiness, innovation and the agility gained through shared services and common approaches.



As a Crown corporation, the Mint measures its results according to three key success criteria:


1. Successful delivery on its core mandate by meeting coin demand, as outlined in its memorandum of understanding (MOU) with the Government of Canada
2. Delivery of targeted profits, dividends and taxes paid, as referenced in this corporate plan
3. Ensuring alignment with the priorities of the Government of Canada, highlighted throughout in various initiatives

CORPORATE OBJECTIVES

For this corporate planning period, the Mint will move into the first year of a five-year plan with a revised mission, vision and corporate objectives, and will shift its strategy to support Canada's transition to a cash-light society and to capitalize on new opportunities.

The Mint’s vision is to be the best Mint in the world through its customer focus, talented people, commitment to sustainable practices, and the value it adds to Canada and Canadians. Its mission is to lead by using its know-how to transform natural resources, creating value for Canada and customers around the world. In line with those goals, the Mint’s new corporate objectives are:

		
CANADA	CUSTOMERS	PEOPLE
<ul style="list-style-type: none"> ● Ensure coins are available across Canada for all Canadians’ use in trade in commerce and for disaster resiliency. ● Support Canada’s financial and mining industries’ role in the global precious metal supply chain while celebrating Canada’s culture, history and values. ● Enhance agile manufacturing capabilities and know-how to meet Canada’s needs. ● Demonstrate social responsibility while delivering strong financial performance. 	<ul style="list-style-type: none"> ● Maintain a trusted brand for Canada and customers around the world that is known for industry-leading innovations. ● Enhance the agility to deliver on customer and shareholder expectations. 	<ul style="list-style-type: none"> ● Provide a healthy, safe and caring workplace where employees can grow and achieve their goals as part of a high-performing team. ● Be an employer recognized for leadership excellence and a culture of inclusion, collaboration and innovation.



CORPORATE SOCIAL RESPONSIBILITY (CSR) & ENVIRONMENTAL AND SOCIAL GOVERNANCE (ESG)

- Provide products and services that are differentiated by being socially and environmentally responsible.
- Take actions that contribute positively to communities and minimize impact on the environment.

Risk management is always taken into account when establishing the Mint’s corporate objectives as part of the strategic planning process.

OPERATIONALIZING “ONE MINT”

The Mint will engage in comprehensive business process transformation, building agile processes for collaboration, continuous learning, planning and efficiency across its sites, regions and markets. This transformation will leverage digital technologies, simplified approaches and operational integration, with increased investment in cloud technologies and a single platform instead of maintaining multiple applications.

CORPORATE OBJECTIVE: CANADA

In 2021–2025, the Mint will:

- Ensure coins are available across Canada for all Canadians’ use in trade in commerce and for disaster resiliency.
- Support Canada’s financial and mining industries’ role in the global precious metal supply chain while celebrating Canada’s culture, history and values.
- Enhance agile manufacturing capabilities and know-how to meet Canada’s needs.
- Demonstrate social responsibility while delivering strong financial performance.

CIRCULATION

The Mint’s primary focus is to ensure the availability of coins for Canadians at all times across the country as needed. The Canadian circulation business supports this by managing the coin system with maximum efficiency; the foreign circulation business contributes by ensuring the country has strong, sovereign coin-producing capacity and capabilities.

During the planning period, the Mint aims to attract the ideal mix of foreign circulation business to complement Canadian circulation production, offset circulation coin plant operating costs, and maximize benefits for Canada and Canadians through profit generation. Opportunities will be targeted strategically, with pursuit of both “premium” opportunities that leverage innovative technologies and large-volume contracts to maximize returns and the utilization of Winnipeg resources.

PRECIOUS METALS

The Mint aims to maintain solid customer relationships, support Canada’s mining and financial sectors, and offer strong product differentiation for its bullion products and services.

The Mint will also optimize numismatic business performance by focusing its numismatic product portfolio, enhancing value for customers while driving sustainable revenue and healthy profit.

ALL BUSINESSES AND CORPORATE SERVICES

Creating value to Canada through agility, resiliency and productivity, the Mint will continue to focus on strong foundational practices while simplifying and improving all business processes.

CORPORATE OBJECTIVE: CUSTOMERS

In 2021–2025, the Mint will:

- Maintain a trusted brand for Canada and customers around the world that is known for industry-leading innovations.
- Enhance agility to deliver on customer and shareholder expectations.

Precious metals

The Mint has three key strategies for bullion products and services in this planning period:

1. Protect market share

2. Maintain high-integrity refining and storage operations

3. Sustain exchange-traded receipt (ETR) volumes

The Mint will structure its operations for stable profitability and resiliency during all bullion market conditions. Combined with ongoing dedication to strong and efficient management, this will provide increased value.

For numismatics, the Mint will focus on cost-effectiveness and higher-margin products targeting its core customer base. Sustainable and profitable growth will be delivered through fit-for-purpose investments based on foundational priorities, a new operating model and a technology platform to improve overall performance. The Mint will focus on retaining its premium customer base while identifying targeted profitable opportunities for future growth to realize long-term business prospects, enabling numismatics to be a self-sustaining, dependable profit contributor.

CORPORATE OBJECTIVE: PEOPLE

In 2021–2025, the Mint will:

- Provide a healthy, safe, and caring workplace where employees can grow, achieve their goals as part of a performing team.
- Be an employer recognized for leadership excellence and a culture of inclusion, collaboration and innovation.

To proactively support its people in fulfilling the organization’s mission, vision and values, the Mint has defined a People Strategy that will drive organizational engagement and enablement, foster a culture of collaboration, and contribute to leadership excellence and talent development. The new strategy, developed in close consultation with employees, will be launched in September 2020 and sets out goals and key initiatives for the next three years focused on an engaging employee experience, being a “future-ready” organization, and providing a positive, inclusive and healthy work environment that encourages talent development and teamwork.

The People Strategy has three pillars:

1. **A Caring Mint:** The Mint aims to ensure employees have a great workplace experience and that work is a healthy, productive part of their lives. Key initiatives will include employee journey mapping to identify key experiences for various employee populations, adopting flexible workplace practices, engaging employees in diversified work, and offering development opportunities. The Mint will also develop a holistic wellbeing program, and will continue to implement its mental health strategy, which since 2015 has given all employees the skills and knowledge to support colleagues in need and to better understand the importance of social connections. Going forward, the Mint will aim to empower colleagues with coping skills to better manage stressful situations and enhance personal resiliency.
2. **A Performing Mint:** This will enable organizational performance through innovation, agility and outstanding employee performance for strong business results. Key activities will include developing a multi-year workforce plan to assess future skills and capabilities requirements, using talent analytics to develop evidence-based people solutions, and designing performance management programs. The Mint's strategic People Program has identified initiatives to achieve its people-related goals and ensure investments made in this area align with business needs (e.g., reflect strategic choices about corporate capabilities, learning experiences, and measuring training effectiveness and outcomes). The Mint's talent development efforts will focus on cultivating inclusive leadership abilities through experiential and targeted learning, and developing a learning and development framework to reinforce customer-centric competencies at all levels as well as leadership communication skills.
3. **One Mint:** This strengthens the Mint's culture and One Mint approach through a compelling employee value proposition (EVP) and targeted learning and development. The Mint will continue to implement its zero-injury workplace action plan and focus on improving employee engagement and enablement, exploring new, timelier and more efficient ways to measure engagement. Per its corporate value of respect, the Mint will prioritize inclusion and continue to diversify its workforce, reflecting Canadian society. To meet its need for diverse talent from both industry and the public sector, the Mint will engage in targeted recruitment and will foster an inclusive mindset through educational experiences and workplace investments. Gender-based analysis, Indigenous cultural sensitivity and accessibility will be key learning and enabling platforms. The Mint is also enhancing its approach to succession planning. The Corporation will continue to ensure core programs and practices treat all employees equitably. It is working to create a shared understanding of the benefits of diversity and inclusion for an inclusive day-to-day experience for all employees. The Mint prioritizes effective and positive relationships with its unions and employees through proactive solution-oriented communication and problem-solving to support the successful operation of its business.

CORPORATE OBJECTIVE: CSR/ESG

In 2021–2025, the Mint will:

- Provide products and services that are differentiated by being socially and environmentally responsible.
- Take actions that contribute positively to communities and minimize impact on the environment.

The Mint is committed to supporting Canada’s adoption of the United Nations 2030 agenda for sustainable development. The Corporation has a solid foundation in corporate social responsibility (CSR) and environmental and social governance (ESG). It also has many opportunities to create additional business and societal value.

To pursue those opportunities, in 2020, the Mint established a corporate social responsibility strategy, *Minting with Care*, which defines CSR aspirations for each corporate objective. The Mint will go forward embedding CSR in its commercial strategies, and commercial considerations in its CSR strategy. It will develop a CSR dashboard to track and report on indicators as well as an at-a-glance index or scorecard measure.

Based on the strong environmental and health foundations established in past years, the Mint will continue to integrate CSR thinking into its people, business, and community strategies. The Mint’s strategic outcomes for CSR/ ESG are built around its overarching corporate objectives.

Strategic outcomes	Key strategies and major activities
<p>Canada</p> <p>The Mint:</p> <ul style="list-style-type: none"> • Embeds environmental responsibility into the design and delivery of products and services (e.g., having a positive carbon footprint by reducing emissions, migrating from use of chemicals to bacterial processes, continuing to reduce utilities consumption, investigating alternative types of packaging). • Invests in an innovative platform to create a community of passionate coin and bullion enthusiasts to co-create products and new channels of innovation. • Contributes to Canadian communities by involving employees in charitable corporate programs. <p>Customers</p> <p>The Mint:</p> <ul style="list-style-type: none"> • Improves its business practices to meet customer and stakeholder CSR expectations (e.g., ISO 14:001, precious metal traceability, LBMA certification). • Selects and implements three leading and recognized CSR standards for the mining, financial and governmental sectors. • Engages key suppliers in developing CSR collaborations. <p>People</p> <p>The Mint:</p> <ul style="list-style-type: none"> • Roots the next stage of its safety program in employee wellbeing. • Leverages its brand and culture of inclusion internally and externally. • Explores and adopts new working practices so employees flourish as they drive business results. 	<ul style="list-style-type: none"> • Implementation of a CSR governance and accountability framework. <i>[New]</i> • Integration of CSR into strategic and functional planning (e.g., the People Strategy, innovation roadmap, business growth and digital transformation) and into decision-making, approval criteria and performance management business processes. <i>[New]</i> • Implementation of action plans built toward the nine CSR aspirations. <i>[New]</i> • Transparent disclosure of CSR plans, certifications and performance. <i>[New]</i>

RISK OVERVIEW

The Mint relies on effective leadership, modern business tools, and engaged employees and stakeholders to ensure the disciplined execution of its programs and initiatives. In 2017, the Mint began a refresh of its enterprise risk management (ERM) framework to enhance its risk-informed decision-making process. The new ERM framework, which continues to be phased in, includes the following key components: strategic planning, risk identification and assessment, and risk monitoring and mitigation.

STRATEGIC PLANNING

The Mint's Board of Directors and senior leadership hold a strategic planning session each year, reviewing and adapting the corporate strategy to reflect changes to the external and internal operating environments. Risk is one of many factors considered when determining long-term strategic priorities and objectives. In 2020, risk appetite statements were developed during the strategic planning session to further support strong governance through risk-informed decision-making. The new risk appetite statements are as follows:

- The wellbeing of the Mint's workforce is an imperative, and uncertainty about worker safety will not be tolerated.
- The Mint wants a high level of confidence that it will be agile in adapting products and services to a cash-light society and meeting coin demand everywhere in Canada.
- The Mint has a low risk appetite to deviate from the strategic and performance expectations of the shareholder.
- A high level of confidence that the Mint provides social, environmental and economic value to Canada is needed. The Mint will not enter into or maintain relationships with other parties that do not operate consistently with its ethics and values.
- The Mint has strong commitment to ensure no physical or cyber security breaches that are unrecoverable due to insufficient resilience or due to insufficient preparedness.
- The Mint has a strong commitment to good corporate governance, ensuring its infrastructure and systems are efficient, effective and resilient in supporting the business.
- The Mint is highly determined to be innovative in its thinking, ways of operating and approach to market—but not to the extent that being so might jeopardize its reputation, security, employee safety or sustainable profitability.
- The Mint is willing to accept some customer concentration, provided it does not jeopardize the stability of future revenues.

RISK IDENTIFICATION AND ASSESSMENT

It is important for the Mint to identify future events that could affect the achievement of its corporate strategy and business performance objectives. The Mint's risk assessment considers the strategic, financial, reputational, and operational impacts of such events, as well as the likelihood that they will occur. This approach distinguishes between *risks* and *issues* (issues being known facts with a certainty of occurrence that do not need to be factored into the risk assessment).

RISK MONITORING AND MITIGATION

Risk indicators are closely monitored and updated using the Mint's corporate risk framework. Senior management reviews the Mint's risk profile on a quarterly basis. Risk exposure is discussed in the context of risk appetite and related risk tolerances. Risk mitigation actions are then selected.

The Integrated Risk Management Committee, composed of management staff, meets monthly to review operational risks and monitor the effectiveness of the risk mitigation actions. The Board's Audit Committee receives a quarterly update on the key strategic risks included in the corporate risk profile, along with information on any newly identified emerging risks.

The Mint's mitigation strategies are selected based on its ability to influence risk exposure, its capacity for risk and its capabilities to mitigate the risks.

CORPORATE RISK PROFILE

Strategic

E-Payment adoption rate

Financial

Diversification of customer base

Operational

System capability and information management

Security (cyber and physical)

Agility

FINANCIAL OVERVIEW

The Mint follows a series of key financial principles that it follows in allocating resources to achieve its corporate objectives and manage its financial performance on an ongoing basis.

Those principles are to:

- Operate as a portfolio of businesses to generate strong, sustainable financial and non-financial performance, leveraging common infrastructure and set of shared services. Each business plays an important but distinct role in the portfolio and strives to achieve financial targets established in the corporate plan.
- Focus continuously on improving productivity and agility in manufacturing and business operations.
- Demonstrate discipline in managing operating expenses including headcount.
- Target measured capital spending to deliver key business outcomes including risk management.
- Manage working capital actively.

HIGHLIGHTS OF THE 2021–25 FINANCIAL PLAN

In line with the Mint's updated strategy, the Mint's financial plan for the corporate planning period projects annual average revenues of \$2.4 billion, annual average profit before taxes of \$44 million, annual average EBITDA of \$65 million and annual average dividends paid to the Government of Canada of \$40 million.

BORROWING TO SUPPORT TARGETED CAPITAL INVESTMENTS

For this planning period, the Mint will borrow \$30 million.

CONTINUED STRONG DIVIDEND PAYMENTS

Based on a cash reserve estimated at \$60 to \$65 million per year, the Mint is planning to deliver an average dividend payment of \$40 million over the planning period. This is consistent with the dividend levels paid through 2015 to 2020.

APPENDIX 1: CORPORATE GOVERNANCE STRUCTURE

BOARD OF DIRECTORS

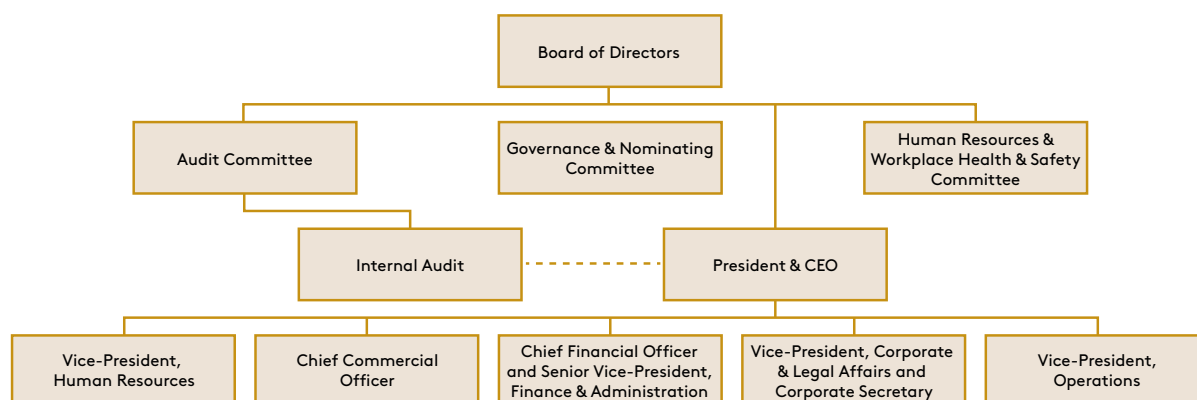
The Board of Directors is responsible for overseeing the management of the Mint’s business and affairs, including full and final responsibility for the Corporate Plan and its implementation. The Board reports to Parliament through the Minister of Finance and is composed of 11 directors including the chairperson and the president and CEO. On February 18, 2019, Ms. Marie Lemay was appointed president and CEO of the Mint for a five-year term. In 2019, the Mint welcomed two new directors: Ms. Pina Melchionna and Mr. Barry Rivelis.

New Board and committee mandates were approved at the Mint’s March 2019 Board meeting. The Mint has reviewed its by-laws and informed the Minister of Finance and the president of the Treasury Board on September 11, 2019 per the requirements of the *Financial Administration Act*. The 2020 Board and committees work plans have been approved in November 2019.

The Board exercises its duty with a view to the best interests of the Mint and the long-term interests of the sole shareholder, the Government of Canada, in accordance with the Mint’s governing by-laws and various pieces of legislation.

The Board holds management accountable for the Mint’s business performance and achievement of its objectives. To fulfill its responsibilities, the Board establishes and approves the Mint’s strategic direction through a five-year business plan, and reviews and approves major strategies and initiatives. It exercises due diligence by assessing risks and opportunities, monitoring financial corporate performance, ensuring the integrity of financial results, ensuring oversight of business risk in accordance with the Mint’s Enterprise Risk Management Framework and providing timely reports to the Government of Canada.

ORGANIZATIONAL STRUCTURE OF THE MINT’S BOARD OF DIRECTORS AND SENIOR LEADERSHIP TEAM



BOARD OF DIRECTORS MEETINGS

The Mint's vice-presidents are invited to attend all Board meetings. Their presence contributes to a more effective relationship between management and the Board by fostering open communication and a shared understanding of the Mint's activities. Other members of the Mint's management team also attend board meetings as needed. With the exception of the president and CEO, all directors are independent. At each regular meeting, the Board holds an in-camera session with the president and CEO as well as a separate Board-only in-camera session. The chairperson of the Board is an ex-officio voting member on all standing committees and does not have a casting vote. The president and CEO is invited to all standing committee meetings but without voting rights; however, the president and CEO is a Board member and can vote on Board resolutions.

STANDING BOARD COMMITTEES

Three standing committees assist the Board in discharging its responsibilities: the audit committee, the governance and nominating committee, and the human resources and workplace health and safety committee. The Board establishes special ad hoc committees when required. The Board and its committees may hire independent advisors as necessary to discharge their duties and responsibilities.

AUDIT COMMITTEE

With a view to ensuring Shareholder expectations and requirements regarding prudent use of public funds, transparency, accountability and ethical conduct are achieved, the Audit Committee plays a key oversight role, to ensure that the financial statements are reliable and financial controls are effective. The committee meets in-camera with the Mint's external and internal auditors. Working closely with Management, the Committee's key role is to take responsibility for ensuring the soundness and integrity of the financial statements are maintained and protected at all costs and that all risks, to that soundness and integrity are reviewed on a regular basis by the Committee. The committee consists of at least three directors and meets at least quarterly or as many times as needed to discharge its mandate.

GOVERNANCE AND NOMINATING COMMITTEE

The governance and nominating committee provides guidance on matters of corporate governance, including review of the profiles of desirable skills and experience required of directors; selection criteria for new appointments and re-appointments for directors, the chair and the president/CEO; and consideration of Board candidates. The committee reviews the orientation and education programs for directors, oversees the performance evaluation process of the Board and other committees, and reviews corporate policies and other policy documents. The committee consists of at least three directors and meets at least semi-annually or as many times as needed to carry out its mandate.

HUMAN RESOURCES AND WORKPLACE HEALTH AND SAFETY COMMITTEE

The human resources and workplace health and safety committee advises the Board on human resources policies and practices, including recruitment, development and retention, compensation policies, labour relations issues, and succession plans. It makes recommendations to the Board on the president and CEO's annual performance objectives and goals and evaluates his or her performance against these. The committee also monitors and reports on matters related to workplace health and safety. The committee consists of at least three directors and meets at least semi-annually or as many times as needed to carry out its mandate.

BOARD EDUCATION AND COMPOSITION

New board directors are provided with orientation to the Mint and its businesses through comprehensive briefings by senior management, as well as tours of the Ottawa and Winnipeg facilities. Regular updates on the Mint's activities are also provided at board meetings as part of ongoing education. Board members are encouraged to participate in ongoing professional development activities in alignment with an assessment of skills and competency requirements.

BOARD MEMBERSHIP⁷

Name	Position	Appointment / term expiry	Committee membership / attendance (12 months ending June 30, 2020)	Board attendance (12 months ending June 30, 2020)
Clark, Phyllis Edmonton, Alberta	Chairperson	2018-05-11/ 2023-05-10	Audit – 4/4 HR & WHS – 5/5 Governance and nominating – 3/4	8/8
Falardeau, Serge Sainte-Marie-de-Beauce, Quebec	Director	2017-10-18/ 2021-10-17	Audit – 4/4 HR & WHS – 5/5	7/8
Lalli, Sandip K. Heritage Pointe, Alberta	Director	2018-06-06/ 2022-06-05	HR & WHS – 5/5 Governance and nominating – 3/4	8/8
Macdonald, Fiona Vancouver, British Columbia	Director Chair of the HR & WHS committee	2018-06-11/ 2022-06-10	HR & WHS – 5/5	8/8
Melchionna, Pina Toronto, Ontario	Director	2019-06-02/ 2023-06-01	Audit – 3/3 HR & WHS – 5/5	8/8
Negriz, Cybele Vancouver, British Columbia	Director	2017-10-18/ 2021-10-17	Audit – 4/4 HR & WHS – 5/5	8/8
Patry, Gilles, C.M. Ottawa, Ontario	Director	2018-06-11/ 2022-06-10	Audit – 3/4 Governance and nominating – 3/4	8/8
Rivelis, Barry Vancouver, British Columbia	Director	2019-07-01/ 2023-06-30	Audit – 3/3 Governance and nominating – 4/4	8/8
Trudeau, Deborah Shannon Montréal, Quebec	Director Chair of the Governance and nominating committee	2017-10-18/ 2021-10-17	Governance and nominating – 4/4	8/8
Young, Victor L., O.C. St. John's, Newfoundland and Labrador	Director Chair of the audit committee	2017-10-18/ 2020-10-17	Audit – 4/4	7/8
Lemay, Marie Ottawa, Ontario	Master of the Mint	2019-02-18/ 2024-02-18	Audit – 4/4 HR & WHS – 5/5 Governance and nominating – 4/4	8/8

⁷ Board biographies can be found on the Mint's website (www.mint.ca/store/mint/about-the-mint/board-members--senior-officers-1400006#.W79A5GzD-JA).

COMPENSATION

BOARD OF DIRECTORS COMPENSATION

Position	Compensation
Chairperson	Annual retainer of \$12,400, per diem of \$485
Board members	Annual retainer of \$6,200, per diem of \$485

All directors also receive reasonable reimbursement for travel and other expenses, in line with Treasury Board directives on travel and hospitality.

SENIOR MANAGEMENT COMPENSATION

Position	Annual compensation	Performance-based compensation
President and CEO	\$318,000	26%

APPENDIX 2: SUMMARY OF FINANCIAL STATEMENTS AND BUDGETS⁸

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME⁹

For the year ended December 31 (in millions, CAD)

	Actual 2019	Plan 2020	Forecast 2020	Plan 2021	Plan 2022	Plan 2023	Plan 2024	Plan 2025
Revenue	\$ 1,453.4	\$ 1,379.4	\$ 2,350.6	\$ 2,797.7	\$ 2,630.6	\$ 2,421.0	\$ 2,062.9	\$ 1,938.7
Operating Cost	1,406.3	1,353.0	2,309.8	2,749.4	2,585.9	2,378.6	2,020.8	1,898.6
Profit before income tax	47.1	26.4	40.8	48.3	44.7	42.4	42.1	40.1
Income tax (expense) recovery	(12.3)	(6.6)	(10.2)	(12.1)	(11.2)	(10.6)	(10.5)	(10.0)
Profit (loss) for the period	34.8	19.8	30.6	36.2	33.5	31.8	31.6	30.1
Other comprehensive loss, net of tax	(1.0)	-	-	-	-	-	-	-
Total comprehensive income (loss)	\$ 33.8	\$ 19.8	\$ 30.6	\$ 36.2	\$ 33.5	\$ 31.8	\$ 31.6	\$ 30.1

⁸ Due to rounding, numbers presented may not add up precisely to the totals provided.

⁹ The Mint planned for 2021-2025 what it could reasonably foresee based on COVID-19 conditions at the time. In light of evolving health and business conditions the actual environment may be different from that anticipated.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31 (in millions, CAD)

	Actual 2019	Plan 2020	Forecast 2020	Plan 2021	Plan 2022	Plan 2023	Plan 2024	Plan 2025
Current Assets								
Cash and cash equivalents	\$ 65.5	\$ 58.8	\$ 62.4	\$ 69.7	\$ 66.6	\$ 63.4	\$ 63.2	\$ 63.0
Trade receivables, net and other receivables	38.3	25.1	21.1	29.1	26.4	26.5	26.8	27.5
Inventories	94.9	66.3	82.3	68.3	62.2	62.1	61.7	62.4
Other	24.2	1.4	24.4	2.3	2.3	2.3	2.3	2.3
Total current assets	223.0	151.6	190.2	169.5	157.5	154.3	154.0	155.2
Non-current assets								
Deferred income tax assets	32.0	35.1	32.3	32.3	32.0	31.6	31.3	31.0
Property, plant and equipment	159.5	157.8	154.1	168.6	173.5	168.2	163.5	152.2
Other	15.4	16.4	13.6	12.8	14.5	14.7	15.5	14.5
Total non-current assets	206.9	209.1	200.0	213.6	219.9	214.5	210.3	197.7
Total assets	429.9	360.9	390.2	383.1	377.5	368.8	364.4	352.9
Current Liabilities								
Trade payables, other payables and accrued liabilities	44.6	52.4	51.6	53.8	54.6	54.6	53.8	54.3
Contract liabilities	64.3	11.9	13.7	8.8	8.8	8.8	8.8	8.8
Other	11.6	13.2	11.4	10.4	9.0	9.1	9.1	9.1
Total current liabilities	120.5	77.5	76.7	73.0	72.5	72.5	71.7	72.2
Non-current liabilities								
Loans payable	6.0	3.0	3.0	30.0	27.0	24.0	21.0	18.0
Face Value redemptions liability	133.0	132.0	124.3	122.3	121.1	119.9	118.7	117.4
Other	20.2	16.4	17.1	15.8	15.1	14.3	13.5	12.7
Total non-current liabilities	159.2	151.4	144.3	168.1	163.2	158.2	153.1	148.1
Total liabilities	279.7	228.8	221.0	241.1	235.6	230.7	224.9	220.3
Shareholder's equity								
Share capital (authorised and issued 4,000 non-transferable shares)	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0
Retained earnings	110.2	92.0	129.2	102.0	101.9	98.2	99.5	92.6
Total shareholder's equity	150.2	132.0	169.2	142.0	141.9	138.2	139.5	132.6
Total liabilities and shareholder's equity	\$ 429.9	\$ 360.9	\$ 390.2	\$ 383.1	\$ 377.5	\$ 368.8	\$ 364.4	\$ 352.9

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

As at December 31 (in millions, CAD)

	Share capital	Retained earnings	Accumulated other comprehensive income	Total
Balance end of year 2017	\$ 40.0	\$ 88.1	\$ 0.1	\$ 128.2
Balance beginning of 2018	40.0	88.1	0.1	128.2
Impact of change in accounting policy	-	2.0	-	2.0
Adjusted balance as at January 1, 2018	40.0	90.2	0.1	130.3
Profit for the year	-	35.1	-	35.1
Other comprehensive income (loss)	-	1.1	-	1.1
Dividend	-	(10.0)	-	(10.0)
Balance end of year 2018	40.0	116.4	0.1	156.5
Balance beginning of 2019	40.0	116.4	0.1	156.5
Profit (loss) for the year	-	34.8	-	34.8
Other comprehensive income (loss)	-	(1.0)	(0.1)	(1.0)
Dividend	-	(40.0)	-	(40.0)
Balance end of year 2019	40.0	110.2	-	150.2
Balance beginning of 2020	40.0	110.2	-	150.2
Profit (loss) for the year	-	30.6	-	30.6
Dividend	-	(11.5)	-	(11.5)
Balance end of year 2020	40.0	129.2	-	169.2
Balance beginning of 2021	40.0	129.2	-	169.2
Profit (loss) for the year	-	36.2	-	36.2
Dividend	-	(63.5)	-	(63.5)
Balance end of year 2021	40.0	102.0	-	142.0
Balance beginning of 2022	40.0	102.0	-	142.0
Profit (loss) for the year	-	33.5	-	33.5
Dividend	-	(33.6)	-	(33.6)
Balance end of year 2022	40.0	101.9	-	141.9
Balance beginning of 2023	40.0	101.9	-	141.9
Profit (loss) for the year	-	31.8	-	31.8
Dividend	-	(35.5)	-	(35.5)
Balance end of year 2023	40.0	98.2	-	138.2
Balance beginning of 2024	40.0	98.2	-	138.2
Profit (loss) for the year	-	31.6	-	31.6
Dividend	-	(30.2)	-	(30.2)
Balance end of year 2024	40.0	99.5	-	139.5
Balance beginning of 2025	40.0	99.5	-	139.5
Profit (loss) for the year	-	30.1	-	30.1
Dividend	-	(37.0)	-	(37.0)
Balance end of year 2025	\$ 40.0	\$ 92.6	\$ -	\$ 132.6

CONSOLIDATED STATEMENT OF CHANGES IN CASH FLOW

For the year ended December 31 (in millions, CAD)

	Actual 2019	Plan 2020	Forecast 2020	Plan 2021	Plan 2022	Plan 2023	Plan 2024	Plan 2025
Cash flows from operating activities								
Profit (loss)	\$ 34.8	\$ 19.8	\$ 30.6	\$ 36.2	\$ 33.5	\$ 31.8	\$ 31.6	\$ 30.1
Adjustments to reconcile profit (loss) to cash flows from operating activities								
Depreciation and amortization	20.3	21.2	21.8	21.6	21.2	21.5	21.6	22.8
Tax expense (recovery)	12.3	6.6	10.2	12.1	11.2	10.6	10.5	10.0
Finance costs, net	(0.3)	(0.2)	(0.5)	0.5	0.9	0.8	0.7	0.6
Other income	(0.2)	-	-	-	-	-	-	-
Loss on foreign exchange	0.7	-	(2.0)	0.6	-	-	-	-
Adjustments to other expenses (revenues), net	(20.8)	(3.1)	8.8	7.1	7.0	7.0	6.9	6.9
Changes in Face Value redemptions liability	(7.6)	(2.3)	(6.6)	(2.6)	(1.2)	(1.2)	(1.2)	(1.2)
Net changes in operating assets and liabilities	35.7	20.1	(30.9)	18.8	1.8	(6.9)	(7.6)	(7.9)
Cash provided by operations before interest and tax	74.8	62.1	31.4	94.3	74.4	63.4	62.4	61.3
Income tax paid, net of income tax received	(17.7)	(6.0)	(2.4)	(12.0)	(10.9)	(10.3)	(10.2)	(9.7)
Interest received, net of interest paid	0.1	0.2	0.5	(0.5)	(0.9)	(0.8)	(0.7)	(0.6)
Net cash from operating activities	57.1	56.3	29.4	81.8	62.7	52.4	51.5	51.0
Cash flows used in investing activities								
Acquisition of property, plant and equipment	(9.6)	(14.9)	(10.3)	(30.4)	(21.3)	(11.4)	(12.1)	(6.5)
Acquisition of intangible assets	(1.8)	(5.0)	(4.7)	(5.3)	(6.6)	(5.0)	(5.6)	(4.0)
Net cash used in investing activities	(11.4)	(20.0)	(15.1)	(35.7)	(27.9)	(16.4)	(17.7)	(10.5)
Cash flows used in financing activities								
Dividends paid	(40.0)	(34.4)	(11.5)	(63.5)	(33.6)	(35.5)	(30.2)	(37.0)
Lease principal payments	(2.7)	(2.7)	(2.9)	(2.2)	(1.2)	(0.8)	(0.8)	(0.8)
Proceeds on new borrowings	-	-	-	30.0	-	-	-	-
Repayment of loans	(3.0)	(3.0)	(3.0)	(3.0)	(3.0)	(3.0)	(3.0)	(3.0)
Net cash used in financing activities	(45.7)	(40.2)	(17.5)	(38.8)	(37.9)	(39.2)	(34.0)	(40.8)
Effect of changes in exchange rates on cash and cash equivalents	(0.8)	-	-	-	-	-	-	-
(Decrease) increase in cash and cash equivalents	(0.9)	(3.9)	(3.1)	7.3	(3.1)	(3.3)	(0.2)	(0.2)
Cash and cash equivalents at the beginning of the period	66.4	62.7	65.5	62.4	69.7	66.6	63.4	63.2
Cash and cash equivalents at the end of the period	\$ 65.5	\$ 58.8	\$ 62.4	\$ 69.7	\$ 66.6	\$ 63.4	\$ 63.2	\$ 63.0

CAPITAL BUDGET FOR 2021 AND CAPITAL EXPENDITURE PLAN FOR 2022–25

	Actual 2019	Plan 2020	Forecast 2020	Plan 2021	Plan 2022	Plan 2023	Plan 2024	Plan 2025
Total	\$ 11.5	\$ 20.0	\$ 15.1	\$ 35.7	\$ 27.9	\$ 16.4	\$ 17.7	\$ 10.5

- **Building** includes plant and office modernization and improvements in Ottawa and Winnipeg, to facilitate efficient use while meeting health and safety standards.
- **Equipment** includes investments for reliability, flexibility and capability improvements, as well as safety, security and environment. These projects are dedicated to optimizing processes, equipment and layout to ensure a high level of manufacturing efficiency and responsiveness. They also ensure the health and safety of employees, the security of the Mint's assets, and compliance with environmental requirements including carbon emissions monitoring.
- **Information technology** includes computer hardware and software for the ongoing support and development of the computing and communications infrastructure and business applications and customer-facing systems.
- Other than the right of use assets transitioned into capital upon the adoption of IFRS 16, no other leases are included in the capital plan.

The capital budget for 2021 and the capital expenditure plan for 2022–25 represent the major investments planned in equipment and technology to enhance the Mint's productivity, customer service and profitable growth opportunities. Investments required to maintain reliability, flexibility and capability of the Mint's equipment as well as to protect employee health and safety and the environment are also included.

The Mint's capital budget is managed in aggregate with adjustments made as required by in-year prioritization. As a result of this practice and the multi-year nature of some projects, the actual spend by asset category may vary from that presented in the 2021 capital budget and 2022–25 capital expenditure plan. While the projects below are planned for 2021, capital spending at the Mint goes through a rigorous procurement process that can lead to project launches shifting out to future years. Return on investment on capital projects is developed for all spending over \$250,000, excluding foundational investments, and occurs during business case development. It is reviewed as part of the approval process.

KEY PLANNING ASSUMPTION

Planning assumptions	2021
Inflation	0-2%

SIGNIFICANT ACCOUNTING POLICIES

BASIS OF REPORTING

The Mint's consolidated financial statements are prepared in accordance with International Financial Reporting Standard (IFRS) that came into effect on January 1, 2020.

QUARTERLY FINANCIAL REPORTING

The *Financial Administration Act* requires that all departments and parent Crown corporations prepare and make public a quarterly financial report within 60 days of the end of each fiscal quarter. The Treasury Board Secretariat issues this standard.

NEW AND REVISED IFRS AFFECTING AMOUNTS REPORTED IN CONSOLIDATED FINANCIAL STATEMENTS

As described in note 4 of the condensed consolidated financial statements for the 13 weeks ended March 28, 2020, the Mint adopted the following revised IFRS pronouncements issued by the International Accounting Standards Board (IASB):

- The *Revised Conceptual Framework for Financial Reporting*, which helps preparers consistently apply accounting policies where specific accounting standards do not exist
- The amendments to IAS 1 *Presentation of financial statements* and IAS 8 *Accounting policies, changes in estimates and errors*, which clarify the definition of material and align the definition between both standards

Both of these pronouncements had a mandatory effective date of annual periods beginning on or after January 1, 2020. Neither had a material impact on the Mint's consolidated financial statements.

NEW AND REVISED IFRS PRONOUNCEMENTS ISSUED BUT NOT YET EFFECTIVE

There were no new or revised accounting pronouncements issued but not yet effective as of March 28, 2020, as outlined in note 4 of the Mint's condensed consolidated financial statements for the 13 weeks ended March 28, 2020.

APPENDIX 3: BORROWING PLAN

For 2021 the Mint requests approval of

- short-term borrowings outstanding at any time not to exceed CAD \$25 million (or equivalent in US dollars), and
- CAD \$30 million in additional new long-term borrowing.

Funding activities are governed by section 20 of the *Royal Canadian Mint Act* and section 127 of the *Financial Administration Act*. Under subsection 20(1) of the *Royal Canadian Mint Act*, the Mint is subject to a statutory borrowing authority constraint, which limits total amount outstanding at any time at \$75 million, or such greater amount as may be specified in an appropriation Act. In accordance with subsections 20(3) of the *Royal Canadian Mint Act* and 127(3) of the *Financial Administration Act*, the Mint requires the approval of the Minister of Finance to enter into any particular transaction to borrow money, including the time and the terms and conditions of the transaction.

APPENDIX 4: COMPLIANCE WITH LEGISLATIVE AND POLICY REQUIREMENTS

This appendix contains information about the Mint's compliance with legislation, Treasury Board policies, Governor in Council and ministerial directives.

ACCESS TO INFORMATION AND PRIVACY (ATIP)

The Mint is subject to the *Access to Information Act* and the *Privacy Act* (the Acts). The Mint authenticates requesters' identity as appropriate, follows the principles for assisting requesters for requests made under the Acts.

CONFLICT OF INTEREST ACT

The Mint provides conflict of interest letters to members to ensure that directors follow a formal process to annually review and affirm their commitment to and compliance with the *Conflict of Interest Act*, the Guidelines for Public Office Holders, the *Royal Canadian Mint Act* and the Mint's Code of Conduct policy.

CANADIAN HUMAN RIGHTS ACT

The Mint conducts itself and provides experiences to its employees in a manner consistent with the expectations set out in the *Canadian Human Rights Act*.

CORRUPTION OF FOREIGN PUBLIC OFFICIALS ACT (CFPOA)

The Mint's Code of Conduct and Ethics and the CFPOA prohibit employees and Mint agents operating abroad from accepting bribes or knowingly supporting a transaction that involves the offer or giving of a bribe. As a means of ensuring demonstrated compliance with the CFPOA, the Mint has an Anti-Bribery and Anti-Corruption Compliance Program.

PROCEEDS OF CRIME (MONEY LAUNDERING) AND TERRORIST FINANCING ACT (PCMLTFA)

The Mint has obligations under the PCMLTFA and associated regulations respecting transactions involving the sale of precious metals, including specific reporting, record keeping, customer identification and know-your-customer requirements. The Mint implemented an Anti-Money Laundering/Anti-Terrorist Financing (AML/ATF) Compliance Program, which includes appointment of an AML/ATF Compliance Officer, implementation of policies and procedures, regular assessment of risk mitigation measures, a compliance training program, and external reviews of the effectiveness of the program every two years.

CANADA'S ANTI-SPAM LEGISLATION (CASL)

The Mint ensures that appropriate consents and protocols are in place for email use with customers in compliance with CASL. The Mint maintains an email consent database and provides customized CASL online training to sales and marketing staff.

EMPLOYMENT EQUITY ACT

The Mint maintains and administers policies to ensure it provides equitable employment opportunities for all job applicants. The Mint reports annually to Parliament on its employment equity representation against the Canadian workforce availability and on its programs and activities in support of achieving that representation.

OFFICIAL LANGUAGES

The Mint balances its mandate of operating “in anticipation of profit” with spending requirements for bilingualism and compliance with Parts IV, V, VI and VII of the federal *Official Languages Act (OLA)*. The Mint is also subject to the three consolidated Treasury Board official languages directives, except Appendix 2 of the Directive on official languages for people management.

DIRECTIVES ON TRAVEL AND HOSPITALITY, CONFERENCE AND EVENT EXPENDITURES (DTHCEE)

The Mint complies with the current DTHCEE and ensures compliance with Bill C-58 requirements, including the proactive disclosure on Open Government of appropriate travel and hospitality expenses on a monthly basis. Controls include guidance and focused training, as well as oversight activities during the processing of claims.

PENSION PLAN REFORM DIRECTIVES

The Mint has necessary processes and systems in place to ensure employees who meet the prescribed eligibility criteria are members of the federal public service pension plan.

CANADA LABOUR CODE PART II AND THE CANADA OCCUPATIONAL HEALTH AND SAFETY REGULATIONS

The Mint is committed to providing a safe and healthy work environment as a fundamental right of its employees, contractors and business visitors. The Mint has a corporate health and safety policy and a suite of comprehensive, proactive and practical health and safety programs designed to ensure legislative compliance and to identify, assess and control workplace hazards, including those impacting psychological health and safety.

GOVERNMENT PROCUREMENT OBLIGATIONS UNDER TRADE AGREEMENTS

The Mint maintains a corporate procurement policy to provide the Mint with a flexible management framework that promotes the efficient, effective, open, fair, ethical and transparent acquisition of goods and services while supporting the commercial mandate and operational requirements of the Mint.

APPENDIX 5: GOVERNMENT PRIORITIES AND DIRECTION

This appendix describes how the Mint's priorities and activities align with government-wide priorities and highlights any notable activities in the following key areas. Government-wide priorities are outlined in the Speech from the Throne and the Budget Plan.

OPEN AND TRANSPARENT GOVERNMENT

In alignment with this priority, the Mint is:

- Refreshing systems and processes to enable timely and accurate disclosure to shareholders and the people of Canada.
- Publishing on its website all annual and quarterly financial reports, as well as proactively disclosing the travel and hospitality expenses of its board members and officers

GENDER-BASED ANALYSIS PLUS (GBA+)

The Mint has been implementing its diversity and inclusion strategy, including a rollout of GBA+ online learning initiatives in support of conducting its business activities.

DIVERSITY AND INCLUSION

The Mint is proud to promote diversity through coin designs featuring Indigenous art and creating a link with many of Canada's communities by celebrating culture on numismatic coins. The Mint will continue to look for opportunities to commemorate diversity in recommending future coin designs and to leverage its brand and culture of inclusion.

CONSULTATIONS ON INDIGENOUS ISSUES

To date, there have been no instances where the duty to consult Indigenous peoples has been triggered by the Mint's activities, nor does the Mint expect such a duty to be triggered in the foreseeable future. The Mint has a rich history of portraying Indigenous art, culture, people and places on its coins.

SUSTAINABLE DEVELOPMENT AND GREENING GOVERNMENT OPERATIONS

The Mint's commitment to sustainability is set out in its vision statement. The Mint adds value by returning profits to the Canadian shareholder, celebrating Canada's heritage, people and places and through an ongoing commitment to reduce the Mint's environmental footprint.

SAFE WORKSPACES

The Mint Code of Conduct and the wrongdoing policy include a third-party whistleblower reporting service providing employees with another mechanism to report potential misconduct while ensuring legislated confidentiality and protection against reprisal.

ACCESSIBILITY

The *Accessible Canada Act* will continue to motivate the Mint to identify, remove and prevent barriers to accessibility. The Mint ensures members of the public and contractors visiting the Mint have access to accommodations when needed.

APPENDIX 6: COLLECTIVE AGREEMENTS

Following are descriptions of the labour unions with which the Mint negotiates collective agreements and their current status.

PUBLIC SERVICE ALLIANCE OF CANADA (PSAC) – OTTAWA AND WINNIPEG PLANTS

The Mint and PSAC enjoy a four-year agreement expiring on December 31, 2021.

PUBLIC SERVICE ALLIANCE OF CANADA (PSAC) – PROTECTIVE SERVICES WINNIPEG

The Winnipeg Protective Services Officers' collective agreement, affiliated with a separate PSAC local, expired on December 31, 2017. Bargaining is well underway and negotiation sessions were halted in Q2 2020 as a result of the COVID-19 pandemic. Bargaining is expected to resume Q4 2020.

AMALGAMATED TRANSIT UNION (ATU)

The Mint and its Protective Services Officers at the Ottawa facility represented by ATU reached a four-year collective agreement in 2019. This agreement expires on December 31, 2021.

APPENDIX 7: RESPONSE TO AND IMPACT OF COVID-19

In the space of a few short weeks, the COVID-19 pandemic had a profound impact on the global economy. The Mint reacted quickly to shift more than 400 employees to work-from-home arrangements that continue to provide business continuity as the crisis continues; to date, the Mint has incurred \$1 million in out of pocket costs. It chose to maintain critical services with limited production, similar to other mints around the world (some of which suspended production entirely).

In March, the Mint made the difficult decision to suspend production of numismatic coins to safely deliver critical services to support Canada's mining and financial sectors. Production was suspended for just over two months, making it possible for the Mint to limit the number of people in its facilities and implement stringent health and safety measures. Those steps allowed the Mint to re-start numismatic production on May 25, 2020.

The Mint's global supplier network was also affected by the pandemic but, overall, disruptions were minor. The Mint's supply chain team communicated with suppliers regularly to stay informed about their operational status and identify contingency plans to support the business. The supply ecosystem for Canadian circulation coins has been seamlessly managed remotely during the pandemic. The Mint has been able to ensure coins are available to meet the trade and commerce needs of Canadians in every region of the country, with no shortages of coins. The Mint continues to be well-positioned to respond to rapid increased national and region-specific demand in the event electronic payment infrastructure is unavailable.

KEEPING THE BUSINESS MOVING

The Mint is fortunate to have built solid relationships with suppliers, customers and others. Its most important bullion supply partners were able to supply blanks and packaging for bullion products that played an important role in stabilizing the Canadian economy during the COVID-19 crisis.

The bullion, storage and refining sales team continued to bring in important new business and secured new refining contracts with top mining companies so the Mint's refinery could continue processing steady volumes from a diversity of sources. These contracts will help open the door for future business opportunities at the Mint. The team also began preparing bids for several new long-term institutional storage accounts.

MEETING CANADA'S NEED FOR PERSONAL PROTECTIVE EQUIPMENT

The Mint is the only manufacturing organization among all Canadian Crown corporations. Within days of learning that Canadian healthcare workers did not have the necessary personal protective equipment (PPE), members of the Mint's R&D and technical services teams researched how to manufacture medical-grade hand sanitizer and face shields. With full leadership support, employees re-tooled machines and purchased \$70,000 in equipment and supplies and a further \$30,000 in labour costs. By the time production ceased in mid-May (in preparation for full resumption of all manufacturing activities), the Ottawa and Winnipeg plants had made and delivered hand sanitizer and face shields to the Ottawa Hospital, the Province of Manitoba and the Centre intégré de santé et de services sociaux de l'Outaouais. The Mint sold recognition medals for those who wish to express gratitude to people making a difference through the COVID-19 pandemic. The Mint is donating all net proceeds (contribution margin) from the sale of each medal to the Breakfast Club of Canada Emergency Fund in support of children and families who are facing food insecurity due to the repercussions of COVID-19. As a result of those who are buying recognition medals to express their gratitude and based on sales to date, the Mint has raised more than \$300,000 for the Breakfast Club of Canada.

ACRONYMS AND ABBREVIATIONS

ARLU	Annual reference level update	ETR	Exchange-traded receipt
AML	Anti-money laundering	GBA	Gender-based analysis
ATF	Anti-terrorist financing	GDP	Gross domestic product
ATI	Access to information	GDPR	General Data Protection Regulation
ATU	Amalgamated Transit Union	HR	Human resources
B2B	Business to business	IASB	International Accounting Standards Board
B2C	Business to consumer	IFRS	International Financial Reporting Standards
Bullion DNA	Bullion Digital Non-Reactive Activation	IT	Information technology
CAD	Canadian dollar	LBMA	London Bullion Market Association
CASL	Canada's Anti-Spam Legislation	MOU	Memorandum of understanding
CETA	Comprehensive Economic and Trade Agreement	MPPS	Multi-ply plated steel
CFPOA	<i>Corruption of Foreign Public Officials Act</i>	OLA	<i>Official Languages Act</i>
CFTA	Canada Free Trade Agreement	PCMLTFA	<i>Proceeds of Crime Money Laundering and Terrorist Financing Act</i>
CPTPP	Comprehensive and Progressive Agreement for Trans-Pacific Partnership	P&L	Profit and loss
CUSMA	Canada United States Mexico Agreement	PSAC	Public Service Alliance of Canada
DTHCEE	Directive on Travel, Hospitality, Conference and Event Expenditures	PSHCP	Public Service Health Care Plan
EBITDA	Earnings before interest, taxes, depreciation and amortization	R&D	Research and development
ECCB	Eastern Caribbean Central Bank	ROA	Return on assets
ERM	Enterprise risk management	ROACE	Return on average capital employed
		USD	United States dollar
		WHS	Workplace health and safety
		WTO-AGP	World Trade Organization Agreement on Government Procurement