

Creating Value: Implementing the *One Mint* Strategy



Summary of the Corporate Plan 2022–2026
and 2022 Capital Budget





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The 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 above in the Risk Overview.

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.

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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 in support of trade and commerce across the country: redistributing coins that are already circulating, ensuring the efficient flow into the circulation ecosystem of coins generated from recycling kiosks and, only when needed, supplementing national inventories by producing new, high-quality coins in a cost-effective way. The Mint also enables the competitiveness of Canada's mining and financial sectors through its precious metals business as well as a range of integrated precious metals refinery, storage and security services.

While 2021 has seen a continuation of the many unexpected challenges brought by COVID-19, the Mint remains in solid financial condition and, even in this highly uncertain time, is on track to exceed its financial targets for 2021. The latest market conditions and trends were key inputs for the Mint's Board of Directors and management during the development of this corporate plan. The Mint expects to generate average profits before taxes of \$41.5 million per year during this planning period and to pay an average annual dividend of \$33.7 million to the Government of Canada through the execution of its strategy.

Context: Long-term strategic vision

This corporate plan reflects the first year of implementation of the Mint's long-term strategic vision, which realigns 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 realizing this strategic vision, the Mint will evolve its circulation business ensuring Canada's coin ecosystem remains tightly connected and able to support Canadians' trade and commerce needs into the future.

The Mint manages the end to end lifecycle for coins in a system that is firmly grounded by the principle that it is better to meet demand by re-circulating coins already in the marketplace than through the production of more new coin. This ESG mindset will continue as the Mint completes its due diligence on improvements that could enhance the volume of coins available for recirculation.

As payment trends evolve, it becomes even more critical for the nation's coin manager to have a clear line of sight on the availability of coins through the network. The Mint will further leverage data and statistical modelling to ensure coins are available across Canada and develop responses to potential coin disruption situations through regular scenario planning activities.

The Mint aims to seize the best foreign circulation opportunities to ensure Canadian coin-making knowledge and capabilities are preserved and capacity is efficiently utilized. The strategic vision also calls for the Mint to pursue operational efficiencies, create agility and continue to add value for Canada.

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



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 that has continued into the first half of 2021.

Despite declining usage in North America and other regions, cash is still the main form of payment worldwide. Overall global demand for circulation coinage is expected to remain to 2026, meaning there will continue to be opportunities to produce coins and blanks for other countries—as illustrated by the fact that the Mint secured the single largest denomination order in its history in 2020.

Precious metals become a popular “hedge” or diversification tool in many investment portfolios during times of economic uncertainty, heightened concern about inflation and waning confidence in traditional assets. Accordingly, demand for precious metals has soared since the start of the pandemic, with the Mint producing more than double the volume of gold and 30% more silver in 2020 than the year before. That said, because the bullion investment market is driven by global events and economic factors that create volatility in precious metal prices and other asset classes such as equities, debt and currencies—and because investors buy and sell bullion based on swings in metal trading prices and the performance of other markets—the overall market demand for products in this business line is largely beyond the Mint's control.

The Mint's businesses: Adding value for Canada

For the 2022–26 planning period, the Mint will continue to focus its circulation business on supporting Canada's transition to a “cash-light”¹ society while making sure coins are always available when and where needed, ensuring financial inclusion for all Canadians. 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.

As the bullion market is cyclical in nature, strong, sustained global demand for gold and silver coins is expected to continue for the next few years. On the numismatic side, the Mint competes for a share of discretionary customer spend—and has seen strong interest from collectors of precious metals products in 2021. The Mint will continue to focus its offerings in this area, concentrating on high-value customer segments and developing premium products to maintain a strong and profitable numismatic business. 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.

In all of these areas, the Mint will aim to deliver economic value for Canada in ways that are both socially and environmentally responsible—from its training practices and operational controls to its research and development investments—contributing positively to communities while minimizing impact on the environment.

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

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 and diversity, equity and inclusion. The Mint has a well-established reputation for research and development with a talented team and network of technology partners, all of which will help further enhance its industry-leading process engineering and metallurgical capabilities. It holds patents for key technologies, vigilantly managing and protecting 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 to improve operational efficiency and enhance the customer experience.

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 2022–26 corporate plan intends to mitigate.

The Mint has developed a digital strategy/roadmap to mitigate the risk of aging software and systems, with a strong focus on cybersecurity. It also aims to centralize and automate enterprise resource planning (ERP) processes and other core business capabilities wherever possible. This includes greater investments in cloud-based services, which will provide the corporate agility and scalability needed to adapt and stay competitive.

Strategy and corporate objectives: One Mint

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

Together, these corporate objectives call for the Mint to ensure coins are available across Canada for trade and commerce (while maintaining disaster resiliency and responsiveness to disruptive scenarios); support the role of Canada's mining and financial 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 these objectives is the Mint's People Strategy, which drives organizational engagement and enablement as well as a culture of leadership excellence and talent development; its new diversity, equity and inclusion action plan, *All In*, which promotes collaboration and inclusivity in the workplace; and its new ESG strategy, *Minting with Care*, which defines ESG aspirations for each corporate objective and supports Canada's adoption of the United Nations 2030 agenda for sustainable development.

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



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 circulation coins as well as 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 maximizing efficiency and competitiveness in its core activities while maintaining 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 2020 annual report.

Public policy role

The Mint manages Canada's circulation coin ecosystem in collaboration with its partners from the National Coin Committee (financial institutions and armoured car carriers) and leverages its proprietary software in order to obtain a real-time view of circulating coin inventories. Operating with an ESG mindset, the Mint prioritizes the re-circulation of coins over the production of new coins. Several initiatives including the facilitation of interbank transfers, physical movement of coins to where they are needed most, and support of the coin recycling program allow the Mint to improve efficiencies through the network. The Mint maintains strategic end to end coin lifecycle management expertise and serves as an advisor to the Government of Canada on domestic and international trends as well as forecasting and scenario planning. 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 coin have access to it.

A direct contributor to the Government of Canada and provincial governments

In 2020, the first year of the COVID pandemic, the profitability of all the Mint's businesses and programs helped generate a \$20 million dividend to the Government of Canada and support 1,130 high-quality jobs. In the past five years, the Mint has paid:

- \$194 million in dividends
- \$48 million in income taxes

In that same period, the Mint has generated:

- \$8 million in HST/GST
- \$161 million in employer taxes



Through its bullion business, the Mint plays an important role in adding value to the domestic and international mining and financial industries. Through its circulation and numismatic activities, the Mint commemorates and celebrates Canadian history, heritage, diversity and artistry. It is also 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 7 for more detail.

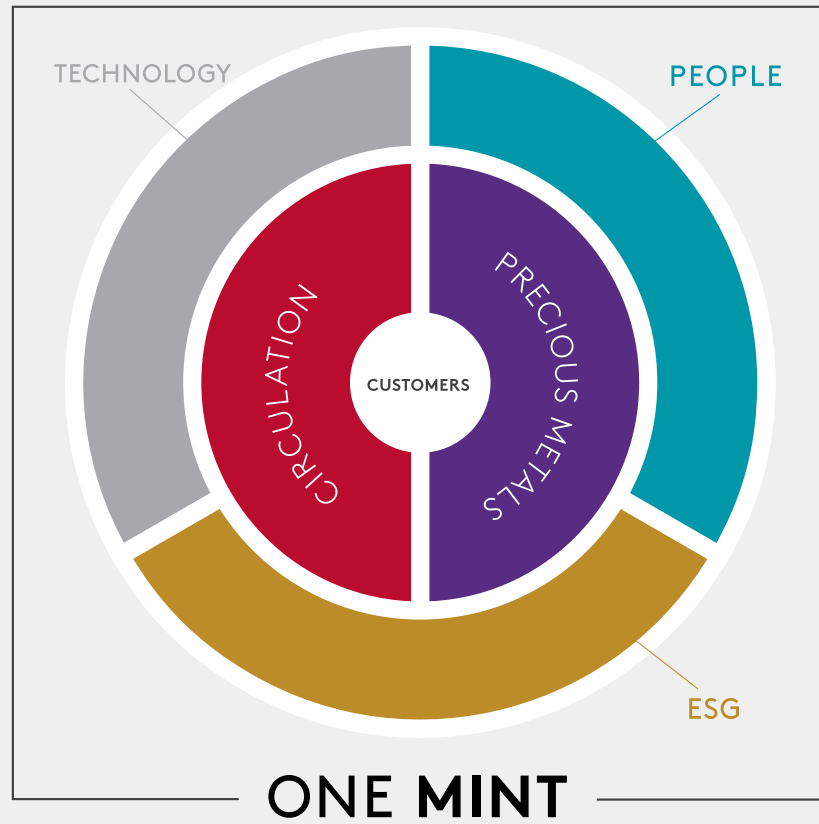
Vision	Mission
To be the best Mint in the world through our customer focus, talented people, commitment to sustainable practices and the value we add to Canada and Canadians.	The Mint leads by using its know-how to transform natural resources, creating value for Canada and customers around the world.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

Main activities and principal programs

In line with the Mint’s long-term strategic vision (see Appendix 1), 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 Innovation and Digital technology programs, People Strategy and environmental, social and corporate governance (ESG) commitments.



Circulation

- **Canadian Circulation** will use enhanced data analysis and resilient approaches, in collaboration with the Bank of Canada, financial institutions and armoured car carriers, to maintain world-leading coin lifecycle management practices so all Canadians have access to cash as the country transitions to a cash-light society. Scenario planning activities will continue, ensuring Canada remains responsive and prepared for disruptive situations.
- **Foreign Circulation** will maintain Canada's capability and capacity for national coin production to meet Canadian and global demand with an efficient and environmentally friendly process.

Precious Metals

- **Bullion Products & Services** will support Canada's mining and financial sectors from a strong competitive position, with agility and resiliency to serve the global market—augmenting gold and silver bullion sales with related offerings. The importance of the refinery was evidenced during the pandemic, allowing the Mint to continue to support the Canadian mining sector throughout this critical period.
- **Numismatics** will concentrate on premium products and customers, strategically explore new opportunities, and continue to celebrate Canada and produce high-value medals.

Technology (Innovation and Digital), People and ESG

- **The Mint will continue to delivery economic value for Canada in a responsible way, in keeping with its ESG goals.** This will include reviewing the recycling of existing coins, introduction of socially and environmentally responsible products/services and processes, and maximization of agility and innovation through technology investments and fit-for-purpose digital transformation.
- **Through its People Strategy,** the Mint will build an inclusive workforce that reflects Canada's diversity and provide a safe and healthy workplace – both physically and mentally.



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 to ensure financial inclusion for all Canadians. 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 2026.

Macro-Economic Outlook

COVID-19 and the shift to a cash-light society

Impact of COVID-19 on Canada's coin ecosystem

The effects of the COVID-19 pandemic varied across Canada, resulting in a continuously evolving response by government to address the situation. As businesses scaled back their operating hours, reduced in-person shopping capacity and implemented work-from-home policies, Canada's historically stable circulation coin ecosystem quickly became very uncertain. Other traditionally reliable factors, such as the logistics network, raw material supply and recirculation of existing coins, were also in doubt. Combined, these presented significant challenges to be addressed by the Mint to ensure coins were readily available during the pandemic—and to avoid major disruptions or significant production increases as experienced by the US, Australia and other countries.

Demand and supply

Financial institutions' demand for coins is met mostly by the recirculation of coins already flowing through the cash ecosystem. Each year, the Mint meets any remaining need among financial institutions with newly minted coins.

In 2019, the last full year of pre-pandemic operations, financial institutions needed more than three billion coins to support Canadian trade and commerce. In 2020, due to the various responses to the pandemic (including an increase in online shopping by consumers and discouragement of cash exchanges at points of sale), Canada's financial institutions required only two billion coins.

The pandemic unexpectedly caused the supply of recirculating coins to decline, which meant that fewer recirculating coins were available to meet coin demand. Because less circulating coins were available, the Mint was required to supply a higher proportion of new coin in order to compensate for the deficit. Canada was not alone in this pandemic phenomenon: the unforeseen slowdown of recirculating coins also affected other countries, with some experiencing a severe disruption to trade and commerce. While the Mint had to supply more new coin, it was able to leverage its coin management system to ensure coins already in the ecosystem were circulated efficiently and placed in the correct regions, reducing the amount of new coin that would have otherwise been required.

For the first half of 2021, coin demand and recirculating coin supply were both trending at half of 2019 levels, but as restrictions loosened in Q3, demand for coin increased to about 65-70% of 2019 levels. Similar to 2020, the Mint was required to supply more new coins because coins in the ecosystem have been slow to recirculate.

Transition to a cash-light society

The Mint anticipates that coin demand will continue to decline and has likely accelerated due to the adoption of digital payments necessitated by the pandemic. In Q1 2021, the Mint collaborated with the Bank of Canada on a survey to better understand Canadians' attitudes toward cash and coin. It found that a majority (79%) of Canadians intend to still use cash after the pandemic is over and nearly two-thirds (64%) have no plans of going cashless in the long-term.

Despite the survey's findings, the Mint recognizes that the adoption of innovative payment tools, including digital currencies, is expected to increase as they 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. Again, these developments are not unique to Canada.

In the second quarter of 2021 the Mint conducted another survey that revealed the following demographic statistics. When Canadians were asked what their projected use in cash (bills and coins) would be like in both the short-term (once the pandemic passes) and the long-term (going completely cashless in approx. 5-years).

In the long-term, Canadians who had no plans to go cashless (64%), tend to be seniors (33%), skewed female (60%), and less likely to be university educated (75% are not). In contrast, those that identified to be already cashless (18%) skewed male (60%) and are younger (26% under 30) and middle-aged (29% between 30-44).

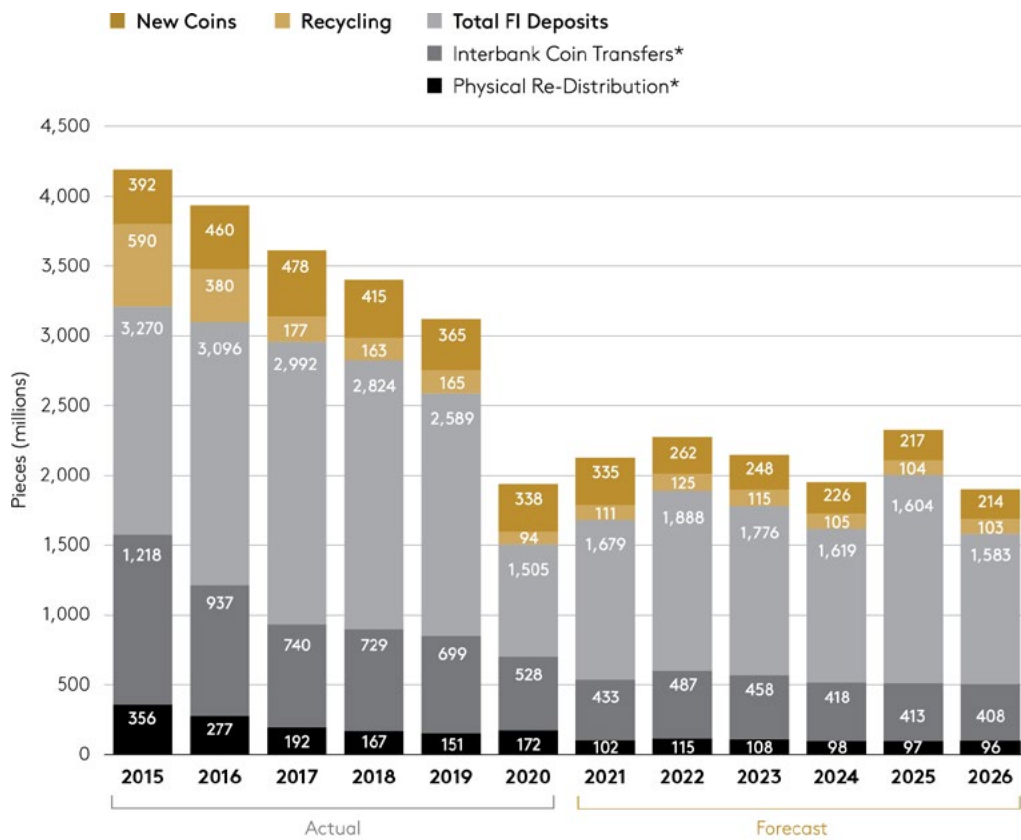
Still, cash and coins remain a safe, private, efficient and inclusive option for all Canadians—especially those who do not have, want or qualify for a credit or debit card. Cash and coins also provide a reliable option for trade and commerce, as they can be scaled up and down in targeted, agile ways to meet Canadians' needs. Even as Canada continues to move toward a cash-light society, the Mint must ensure coins are available in the correct denomination and region to support the trade and commerce needs of Canadians.

Perhaps counter-intuitively, while coin demand will decline in a cash-light economy, the diligence required to manage the system will actually increase. Smaller inventories of coin overall will make it more challenging to ensure the right quantities of coins are available where they're needed across Canada. That requires the Mint to have greater visibility into the flow of coins through the system along with strong knowledge of the levers affecting coin supply and demand.

Another risk to be managed as Canada transitions to a cash-light society is the potential change in the role of traditional stakeholders, such as financial institutions and armoured car companies, which may choose to exit the business or change their business model. The Mint's response to such uncertainty is to ensure its coin management capabilities remain resilient, stakeholders are engaged and multiple scenarios are considered.



Figure 2. Supply of Coins Managed by RCM to Meet Demand



* Is a subset of FI Deposits

The look ahead

Given the uniqueness of the COVID-19 situation, there is no precedent for forecasting demand and deposit levels. 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.

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 coins 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. The Mint will continue to carefully monitor regional trends and key insights from consumers.



While the long-term impacts of the pandemic are yet to be seen, the Mint expects the decline in demand for newly manufactured coins to accelerate between 2022 and 2026 as shown in Figure 2. Because there are still many uncertainties in the ecosystem, as part of its scenario planning activities, the Mint is looking at several potential situations that could affect the need for new coins, including a prolonged slowdown of recirculating coins due to decreased transit and parking coin usage caused by ongoing remote/hybrid working practices. For now, the Mint is planning for continued depressed levels of financial institution demand in 2021 as business activity remains limited, sporting events are hosted with fewer people in attendance and some consumers migrate to a more cashless lifestyle. Post-pandemic, 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 continues to leverage relationships with the National Coin Committee (NCC) partners—financial institutions and armoured car carriers—to understand regional differences in coin activity 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. The activities to be undertaken in the coming years—combined with the Mint's expertise, relationships and lifecycle management capabilities—will position the Mint well to provide advice on trends and support the implementation of future coinage-related policies.

For more on the impacts of COVID-19 and how the Mint responded, see Appendix 9.

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

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, along with financial institutions, armoured car companies, 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.

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

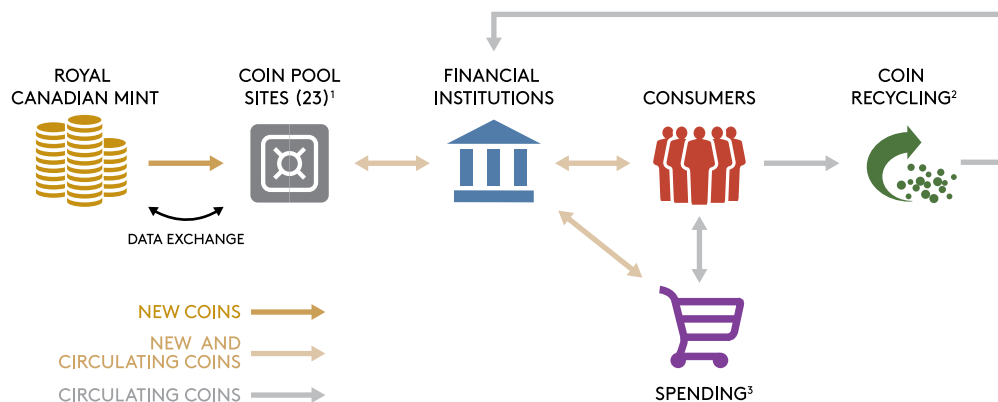
Fine-tuned coin redistribution and recycling have reduced Canada's requirement for net-new coins by approximately 300 million coins annually, with the country now having one of the lowest coin-per-capita ratios in the world. The Mint maintains that ratio with world-leading proprietary software that gives a real-time view of Canada's coin inventory (with transactions entered into the software daily by armoured car carriers), making it possible to identify trends, estimate weekly inventory requirements and forecast new coin sales. The Mint also facilitates interbank transfers (the sale of coin between financial institutions), which further increases the efficient use of coins already in the system. All of this reduces the overall cost to the Government of Canada for the manufacture of new coins.



The Mint and the financial institution members of the NCC have operated Canada's distribution system with an ESG mindset for the past two decades. The Mint was involved in the initial implementation of coin recycling in Canada and understands that more work will be required before that initiative can be further enhanced. The Mint plans to complete due diligence to recommend improvements to the current recycling and redistribution of coins in line with its continued focus on ESG.

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. Historically, coins already circulating in the ecosystem supplies about 90% of the demand, with the Mint supplying the balance in the form of new coin. During the initial months of the pandemic, the major depositors of coins to financial institutions, such as parking management companies and public transit operators, suddenly stopped bringing coins into the system. When retail activity ramped back up and demand for coins increased, the supply was slow to follow suit. Because the Mint anticipated this slowdown of circulating coins, it was able to take appropriate measures to ensure coins were available to effectively support trade and commerce, quickly pivoting and leveraging its coin pool and nationwide relationships to supply more coins into the system. That helped Canada avoid the prolonged, problematic coin circulation challenges experienced in the US during the pandemic. The Mint 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.

Figure 3. Flow of Coin From Production to Circulation



- ¹ On behalf of the financial institutions, the Mint manages and redistributes coin inventories across 23 sites
- ² The Mint processes and packages recycled coin before it is deposited
- ³ Retail, parking, transit, vending, etc.

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 at \$80 million² while contributing \$194 million in dividends and \$48 million in income taxes over the past five years.

² Kosse, A. (2017). *The Costs of Point-of-Sale Payments in Canada*. [Staff discussion paper]. Available at www.bank-banque-canada.ca.

Figure 4. The Mint’s Role in Canada’s Trade and Commerce

The Mint provides end-to-end coinage lifecycle management to ensure Canadians and businesses have coins when and where they are needed.



System resiliency

Beginning in the latter part of 2019, the Mint reviewed Canada’s coin distribution system infrastructure, identified alternative distribution models, developed dashboards and collaborated with stakeholders 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 or higher than planned, the Mint will adjust its foreign circulation activities accordingly to optimize efficient and effective utilization of assets and resources.

Keeping pace with customer expectations

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.



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.

Actual headcount will fluctuate over the planning period depending on attrition opportunities and business conditions. During the COVID-19 pandemic, the Mint made a number of one-time investments in staffing to digitally transform and optimize its business processes, in alignment with its People Strategy.

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 both physical and psychological safety and wellbeing. Through the People Program, the Mint has built a robust health and safety framework with its own "safe score", designed as a leading indicator to better integrate a suite of health and safety programs and further enhance the effectiveness of prevention strategies. Based on the initial success of that framework, the Mint plans to expand its view of safety performance across the organization by taking a more holistic look at key performance indicators in this area. Work has also started on a comprehensive wellbeing strategy, which will take a whole-person perspective 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 8 for details of current collective agreements.

Diversity, equity and inclusion (see Appendix 2 for more details)

The Mint continues to work diligently to establish a culture of diversity, equity and inclusion (DEI)—where differences are valued and all employees are empowered to take an active role in addressing systemic racism, discrimination and barriers to inclusion. A new role focused specifically on DEI (and reporting directly to the CEO) has been created to help achieve those objectives and lead the Mint's new DEI action plan titled *All In*.

The three-year DEI action plan was launched in June 2021 and sets out eight goals, which are supported by 21 activities to be undertaken between 2021 and 2023—ranging from developing new data-collection tools to building cultural awareness through learning programs and art. The plan also emphasizes the importance of being a visible and vocal ally in building a safer and more respectful workplace, encouraging Mint employees to stand up for others, including peers and colleagues, when witnessing discrimination, harassment, or offensive comments or conduct.

The DEI action plan is the result of a collaborative effort between the Mint's senior leadership team, union leaders and the Diversity, Equity & Inclusion Committee, with many employees involved in building the plan.

Engagement and enablement

Since 2017, the Mint has set out to attain the Korn Ferry Canadian benchmark for employee engagement and enablement. During 2020, the Mint conducted three “pulse” surveys focusing on issues related to the COVID-19 pandemic, allowing management to respond to specific employee needs in a timely fashion. The Mint then conducted the complete Korn Ferry employee survey in June 2021. Results have continued to improve and are now nearing the 75th percentile of the Canadian benchmark for engagement and enablement. Going forward, the Mint intends to evolve how it measures engagement and enablement to better capture the key elements of the employee experience and inform future updates to its People Strategy, which launched in 2021.

An innovation leader

The Mint’s reputation for R&D has been earned over many years by building a talented team internally along with a network of leading technology partners, including universities to co-develop new materials and solutions (such as laser-based coin colourization techniques). The Mint holds patents for several key technologies, vigilantly managing and protecting its 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. These innovations also help the Mint differentiate itself when competing against other world mints for foreign circulation contracts.³

Business processes and systems

After a period of constant growth, a number of key business processes and systems require a complete transformation to support the Mint’s sustainability and productivity going forward. 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 over the next few years to further enhance productivity, security and reliability of the Mint’s business processes and systems, including moving the majority of the Mint’s critical software to the cloud.

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 has substantially finished its work on implementing the recommendations from the 2014 Auditor General of Canada Special Examination Report.⁴ Work continues on augmenting its IT disaster recovery plan (DRP) and integrating efforts with a new cloud strategy. The Mint is now in consultations with the Office of the Auditor General to have the next special examination completed by the end of 2023. In the meantime, the Mint will continue to monitor other special examination reports for key trends to maintain awareness of government expectations.

³ 2018 Mint Directors Conference Technical Committee Review.

⁴ 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, ensuring 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, 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

The Mint’s vision is to be the best mint in the world through its customer focus, talented people, and the value it adds to Canada and Canadians—all underpinned by a commitment to ethical, sustainable practices. 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 corporate objectives are:

		
CANADA	CUSTOMERS	PEOPLE
<ul style="list-style-type: none"> Ensure coins are available across Canada for all Canadians’ use in trade and commerce and for disaster resiliency. Support Canada’s mining and financial 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.



ENVIRONMENTAL, SOCIAL AND CORPORATE 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.
- Invest in and develop green technologies and processes.

Risk management is always taken into account when establishing the Mint's corporate objectives as part of the strategic planning process. More details on the enterprise risk management framework and mitigation strategies can be found in the Risk Overview section.

Operationalizing "One Mint"

The Mint will engage in comprehensive business process transformation as it goes from four distinct business lines to two overarching business areas, building integrated, simplified and agile processes for collaboration, continuous learning, planning and efficiency across its sites, regions and markets.

Corporate Objective: Canada

In 2022–2026, the Mint will:

- Ensure coins are available across Canada for all Canadians' use in trade and commerce and for disaster resiliency.
- Support Canada's mining and financial 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

During this planning period, the Mint's circulation business will place an emphasis on:

- 1. Managing Canada's coin management system as Canada transitions to a cash-lite economy:** 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 efficiency; the foreign circulation business contributes by ensuring the country maintains strong domestic coin-producing capacity and capabilities.
- 2. Ensuring efficient and environmentally conscious domestic and international circulation coin production:** For this planning period, the Mint aims to attract the ideal mix of foreign circulation business to complement Canadian circulation production.

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 2022–2026, 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 four key strategies for precious metals products and services in this planning period:

1. Protect bullion market position
2. Maintain high-integrity refining and storage operations
3. Improve bullion efficiency and resiliency
4. Focus the Mint's numismatic offerings and innovate

Corporate Objective: People

In 2022–2026, 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, was launched in March 2021 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 provide employees with a workplace they can be proud of—where their contributions are valued and recognized. Key projects will be developed to support employees in their career journeys, providing rewarding, meaningful work opportunities that align with their personal aspirations as well as the tools to help them perform at their best. Going forward, the Mint will adopt flexible workplace practices and transition to hybrid workforce model, building a diverse and connected workforce that reflects different cultures, ethnicities, gender identities and abilities—a welcoming community where employee can feel they belong. Having completed the execution of its 2015 mental health strategy, the Mint is now in the process of developing a holistic wellbeing program that will continue to make mental and physical health a top priority throughout the organization, empowering employees with coping skills to better manage stressful situations and enhance personal resiliency.
- 2. A Performing Mint:** The Mint aims to enable organizational excellence and strong business results by encouraging innovation, agility and outstanding employee performance. With a forward-looking mindset, the Mint will use talent analytics and competencies analysis to anticipate and identify the skills and capabilities it and its employees will need today and in the future. To encourage employee agility and innovation, efforts will focus on designing and execution of flexible structures and processes that drive both customer and business results. The Mint will also continue to evolve its technological resources to make it easier for employees to access the services and resources they need to be innovative and agile. The Mint’s talent development efforts will focus on creating an environment where people can learn, develop and excel.
- 3. One Mint:** The Mint aims to foster a culture of inclusion and collaboration, with colleagues across the organization supporting and respecting one another, through a compelling employee value proposition as well as targeted learning and development. Collaboration and inclusion among work teams will be promoted throughout the Mint, with a focus on meeting the needs of diverse employees and also a diverse set of customers. The Mint will encourage employees to develop and enhance their skills, providing a range of training opportunities and educational experiences—with gender-based analysis, Indigenous cultural sensitivity and accessibility as key learning and enabling platforms. To improve employee engagement and enablement, the Mint is exploring ways to check in more regularly with its people to stay in tune with the employee experience and respond more effectively to their needs.

Corporate Objective: ESG

In 2022–2026, 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.
- Invest in and develop green technologies and processes.

The Mint is committed to supporting Canada’s adoption of the United Nations 2030 agenda for sustainable development. It has a solid foundation in place to be a leader in environmental, social and corporate governance (ESG) issues. It also has many opportunities to create additional business value and, more importantly to customers, societal value—“doing good” for communities and the environment—through its commitment to ESG.



To pursue those opportunities, in 2020, the Mint established an ESG strategy called *Minting with Care* that defines nine ESG “aspirations” or outcomes across its three main corporate objectives of Canada, Customers, People—to be achieved by 2023. To support the strategy’s implementation, the Mint will develop an ESG dashboard to track and report on indicators as well as an at-a-glance index/scorecard measure.

Looking specifically at the three components that make up ESG:

1. Environmental: The Mint’s recycling and redistribution programs have reduced the average annual new coin requirements to support trade and commerce, and will continue to promote increased coin recycling and recirculation over the planning period.

While the Mint is not a major contributor of greenhouse gas emissions, there are other areas in which it can evolve its practices to be greener and more sustainable. Because coin production consumes significant quantities of water, the Mint will be investing in “green chemistry” solutions that replace chemicals with physical/mechanochemical treatments, helping reduce its water consumption year over year. The Mint is also working to minimize the amount of steel, nickel and copper that is discarded during the minting process. Overall, approximately 60% of the Mint’s capital investments are in systems and technologies that will make its operations greener and more sustainable.

In the 2021 federal budget, the Government of Canada announced that all Crown corporations will be required to adopt the Financial Stability Board’s Task Force on Climate-related Financial Disclosure (TCFD) standards as part of their corporate reporting by 2022 (for entities with more than \$1B in assets) or 2024 (for entities with less than \$1B in assets). The TCFD identifies four themes of governance, strategy, risk management, and metrics and targets. The Mint is currently evaluating these recommendations, which may lead to enhanced climate-related disclosures in its MD&A or other suitable publication by 2024.

2. Social: The Mint is committed to fostering positive physical and mental health among its people. It has or is in the process of developing strategies and action plans related to employee wellbeing and also for diversity, equity and inclusion (DEI), including a rollout of gender-based analysis (GBA+) online learning initiatives. It also continues to give back to communities across the country, raising money for various charities each year through the Charitable Medal Program. With many investors willing to pay a premium for “green” and responsibly sourced precious metals—criteria the Mint’s gold products meet—it is expected that Royal Canadian Mint gold will gain market value, with financial benefits for Canadian mines, their workers and communities.

3. Governance: Strong corporate governance is about having tracking, monitoring and continuous improvement processes in place for effective environmental, quality and risk management. The Mint’s operations are already accredited by the LBMA for adhering to global standards in the responsible sourcing of precious metal material, refining and storage. The Mint is now working toward certification to the ISO 14001 (2015) standard at both its Winnipeg and Ottawa facilities. That standard sets strict requirements for environmental management systems and considers the impacts of products throughout their lifecycles, including in the supply chain and after they have been purchased.

Based on the strong environmental and health foundations established in past years, the Mint will continue to integrate ESG thinking into its people, business and community strategies. It will also document for customers and employees what has already been done in this area—as a quick reference for suppliers or the Government of Canada, for example, or to use in bids and contract renewals to increase awareness and transparency.

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 imperative and the Mint will not tolerate uncertainty regarding employee safety.
- 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.
- The Mint wants a high level of confidence that it provides social, environmental and economic value to Canada.
- The Mint has an inclusive organizational culture and will not enter into or maintain relationships with other parties that do not operate consistently with its ethics and values.
- The Mint has a low appetite for physical or cyber security breaches that are unrecoverable due to insufficient resilience or due to insufficient preparedness.
- The Mint has a high commitment to maintaining good corporate governance, ensuring its infrastructure and systems are efficient, effective and resilient in supporting the business.
- The Mint has a high appetite to be innovative in its thinking, ways of operating and approach to market—but not to the extent it jeopardizes its reputation or the security and safety of its employees.
- 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, such as unplanned mechanical downtime or quality issues).

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	FINANCIAL	OPERATIONAL
Cash-light preparedness	Diversification of customer base	System capability and information management Security (cyber and physical) Agility COVID-19 Metal sourcing

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 two collaborating areas of businesses (circulation and precious metals) 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.

Table A. Key Financial and Operating Highlights

	2020 Actual	2021 CP	2021 FCST	2022–26 AVG
Key financial highlights (in millions, CAD)				
Revenue	2,528.7	2,797.7	3,673.6	2,463.5
Gross profit	143.2	155.6	185.4	151.8
Profit before income tax and other items	27.5	47.6	74.8	42.3
Profit for the period	37.7	36.2	53.2	31.1
EBITDA	68.7	68.3	90.3	66.0
Dividends paid	20.0	63.5	71.0	33.7
Total assets	379.4	383.1	413.7	365.3
Shareholder's equity	167.2	142.0	149.4	156.9
Capital expenditures	7.9	35.7	27.0	21.9
Cash flow from operating activities	36.0	81.8	90.3	56.4
ROA*	7.3%	12.4%	18.1%	11.6%
ROACE*	9.0%	15.5%	24.0%	14.0%
Key operating highlights				
Canadian circulation coins under management (in billions of pieces)	1.937	2.246	2.125	2.038
Gold bullion sales (000 of oz's)	982.8	977.9	1,533.2	701.7**
Silver bullion sales (millions of oz's)	29.5	36.8	38.6	31.6**
Number of employees (at Dec. 31)	1,130	1,093	1,222	1,175

* ROA and ROACE ratios are based on Profit Before Taxes and Other Items (PBTOTI) which excludes Face Value and Foreign Exchange revaluations

** 2022-2026 Bullion volumes reflect historical bullion cycle.



Highlights Of The 2022–26 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 \$2.5 billion, annual average profit before taxes and other items of \$42.3 million, annual average EBITDA of \$66 million and annual average dividends paid to the Government of Canada of \$34 million.

Major investments over the planning period

Programs will be monitored monthly with the Mint’s leadership team and on a quarterly basis with the Mint’s Board of Directors, with an eye to ensuring all major investments are on track to deliver clear returns and benefits to the Corporation.

Continued strong dividend payments

Based on a cash reserve averaging at \$61.3 million per year, the Mint is planning to deliver an average dividend payment of \$34 million over the planning period.

Key Assumptions

The 2022–26 plan assumes approval of the corporate plan by the Treasury Board.

Precious metals market conditions, precious metal prices and foreign exchange rates

The Mint completed a review of bullion market conditions over the last 30 years in determining the bullion coin volume projections.



Appendix 1: Long Term Strategic Vision

This five-year corporate plan reflects the first full year of implementation and the progress that has been made on the Mint’s new long-term vision and strategic direction. The long-term vision was finalized in 2020 following a robust, highly consultative process that took into account the external environment, key markets and feedback from the Department of Finance. It formed the basis of the Mint’s 2021–2025 corporate plan that received Treasury Board approval on December 17, 2020.

That vision, which is now being put into action across all parts of the Corporation, details how the Mint will act on opportunities and create value for Canada and customers around the world while also 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. This will involve a greater emphasis on coin recycling, increasing the efficiency with which “dormant” coins held by Canadians flow back into the circulation ecosystem. Doing so will reduce the need to produce more new coins, while ensuring no shortages of coins, and help the Mint achieve its environmental, social and governance (ESG) goals.</p> <p>The Mint continues to enhance its response plans in the event of emergency situations that disrupt the ecosystem. It will also enhance the overall efficiency of its processes and become increasingly environmentally friendly by reducing raw material consumption and greenhouse gas emissions.</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 that there is a disruption to the ecosystem requiring additional coins to support trade and commerce.</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 history, diversity, culture and values that shape our nation.</p>
<p>Building precious metals capacity</p>	<p>The Mint will focus on premium 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 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 ESG goals. This will include reviewing the recycling of existing coins, introduction of socially and environmentally responsible products/services and refinery processes 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 by continuing to develop the skills and expertise of its employees, building an inclusive workforce that reflects Canada’s diversity, and providing a safe and healthy place to work—both physically and mentally.</p>



Appendix 2: Diversity, Equity and Inclusion

The following outlines the activities and outcomes of the DEI Action Plan.

Goal	Key activities	Expected outcome
Communication	<p>Develop and implement a communications plan to increase employee awareness with the support of a DEI resource person on the Employee Communications team;</p> <p>Develop communications tools & products to promote DEI including a DEI Veritas page and a microsite on mint.ca;</p> <p>Build and leverage awareness tools that support the commitment to DEI including promotion of the Clearview Connects Whistleblower program, Employee and Family Assistance Program (EFAP) helplines; mental health programs; the Mint's Code of Conduct and Ethics; and the <i>Accessible Canada Act</i>.</p>	Accessible DEI information will foster allyship.
DEI Lens	<p>Update the DEI committee terms of reference, including formalizing members' capacity and training plan in order for them to participate fully in the implementation of DEI culture change activities;</p> <p>Develop and implement a DEI lens and toolkit for policies, programs and product development;</p> <p>Apply a DEI lens to review HR policies and programs on a cyclical basis.</p>	A safe, respectful and inclusive work environment.
Benchmark and Metrics	<p>Establish a DEI metrics framework that can be utilized by multiple stakeholders;</p> <p>Develop tools and methods to gather and expand workforce diversity data collection. Communicate widely the correlation of workforce data and the business' ability to achieve diverse perspectives;</p> <p>Enhance analysis and reporting of DEI data to track hiring, promotion, retention and other aggregate data.</p>	Improved employee engagement and enablement using analytics.
Tools	<p>Develop, communicate and leverage special DEI initiatives across the organization;</p> <p>Leverage art to build cultural awareness and learning programs that demonstrate the Mint's commitment to DEI, including the promotion of Indigenous artists;</p> <p>Support the creation of Employee Resource Groups (ERGs).</p>	Enhanced inclusion practices that foster belonging.
Learning and development	<p>Develop a mentorship and sponsorship program across the organization;</p> <p>Develop targeted DEI training programs in VIP for People Leaders and employees;</p> <p>Enable all employees to leverage career development workshops to help plan for growth opportunities;</p> <p>Ensure that equal opportunities are available to all employees in alignment with the People Strategy.</p>	People leaders and employees are better equipped to be inclusive & apply their learnings effectively.

continued next page



Goal	Key activities	Expected outcome
Leadership	Establish an annual DEI performance objective for People Leaders for 2022 and beyond.	People leaders demonstrate commitment to DEI objectives and achievements.
Recruitment and Onboarding	Develop diversity data fields in the Applicant Tracking System (ATS) to invite applicants to share their diversity and Employment Equity information; Review and update recruitment and onboarding process to include enhanced outreach practices, a DEI lens, and formal touchpoints to foster a sense of belonging for new hires.	A more inclusive and diverse workforce that is a reflection of the customers we serve.
Partnerships	Develop strong partnerships that support the Mint's DEI Action Plan; Create a partnerships database that would allow People Leaders and employees to engage with diverse communities for recruitment, training, procurement, etc.	Valuable partnerships help the Mint achieve its business goals.



Appendix 3: Corporate Governance Structure

Board of Directors

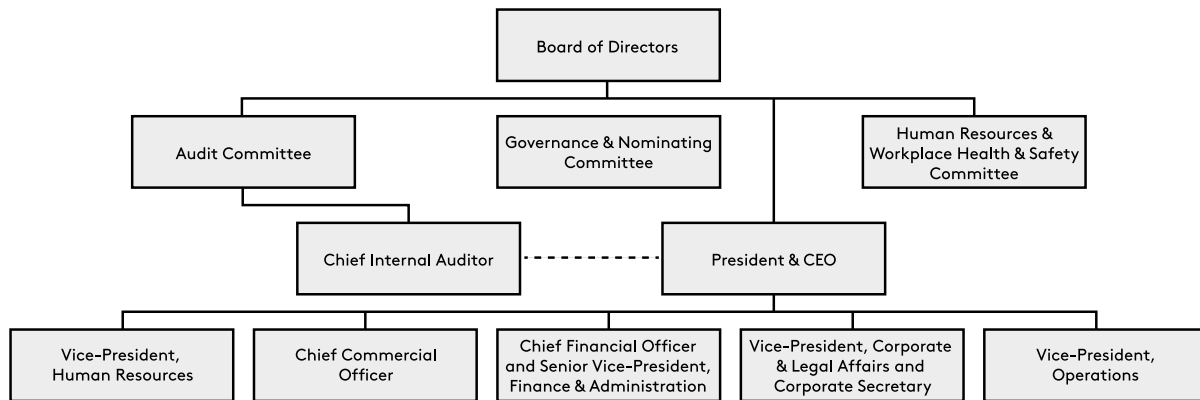
The Board of Directors is responsible for overseeing the management of the Mint’s business and affairs, including full and final responsibility for the Corporate Plan and its implementation. The Board reports to Parliament through the Minister of Finance and is composed of 11 directors including the 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.

The 2021 Board and committee work plans were approved in November 2020. An updated Board Remuneration Directive to reflect the new virtual meeting environment was approved at the Mint’s September 2020 Board meeting.

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, on behalf of the Board of Directors and Shareholder, to ensure (in collaboration with senior management and the Internal and External Auditors) that the financial statements are reliable and financial controls are effective. 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

With a view to ensuring Shareholder expectations and requirements regarding prudent Board oversight, the Governance and Nominating Committee plays a key role (in collaboration with senior management) to ensure the Board's overall effectiveness is supported by appropriate governance policies and practices. The Committee's key role is to take responsibility for ensuring the soundness of the Corporation's governance structure and processes. The Committee provides guidance on matters of corporate governance, including the review of corporate policies and other policy documents, reviews of the profiles of desirable skills and experience required of directors; reviews the 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 and oversees the performance evaluation process of the Board and other committees. 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 professional development

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 membership^{5,6}

Name	Position	Appointment / term expiry	Committee membership / attendance (12 months ending June 30, 2021) As of August 24, 2021	Board attendance (12 months ending June 30, 2021) As of August 24, 2021
Clark, Phyllis Edmonton, Alberta	Chairperson	2018-05-11/ 2023-05-10	Audit – 5/5 HR & WHS – 4/4 Governance and nominating – 4/4	7/7
Falardeau, Serge Ste-Marie de Beauce, Québec	Director	2017-10-18/ 2021-10-17	Audit – 5/5 HR & WHS – 4/4	7/7
Lalli, Sandip K. Heritage Pointe, Alberta	Director	2018-06-06/ 2022-06-05	HR & WHS – 4/4 Governance and nominating – 4/4	7/7
Macdonald, Fiona Vancouver, British Columbia	Director Chair of the HR & WHS committee	2018-06-11/ 2022-06-10	HR & WHS – 4/4	7/7
Melchionna, Pina, LL.B Toronto, Ontario	Director	2019-06-02/ 2023-06-01	Audit – 5/5 HR & WHS – 4/4	7/7
Negris, Cybele Vancouver, British Columbia	Director	2017-10-18/ 2021-10-17	Audit – 5/5 HR & WHS – 4/4	7/7
Patry, Gilles, C.M. Ottawa, Ontario	Director	2018-06-11/ 2022-06-10	Audit – 5/5 Governance and nominating – 4/4	7/7
Rivelis, Barry Vancouver, British Columbia	Director	2019-07-01/ 2023-06-30	Audit – 5/5 Governance and nominating – 4/4	7/7
Trudeau, Deborah Shannon Montréal, Québec	Director Chair of the Governance and nominating committee	2017-10-18/ 2021-10-17	Governance and nominating – 4/4	7/7
Young, Victor L., O.C. St. John's, Newfoundland and Labrador	Director Chair of the audit committee	2017-10-18/ 2020-10-17	Audit – 5/5	7/7
Lemay, Marie Ottawa, Ontario	Master of the Mint	2019-02-18/ 2024-02-18	Audit – 5/5 HR & WHS – 4/4 Governance and nominating – 4/4	7/7

⁵ 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)

⁶ Audit Committee Chair changed to Ms. Sandip Lalli on September 22, 2021.



The practice has been that the Board members typically attend all Committee meetings either as invited observers at meetings of which they are not formal members, or as formal members.

Board renewal

By the end of 2021, the terms of four directors will have lapsed: Mr. Victor Young, Ms. Deborah Trudeau, Ms. Cybele Negris and Mr. Serge Falardeau.

By the end of 2022, the terms for more than half of the members of the Mint's Board of Directors will be expiring and up for renewal. As these terms expire, the Mint will follow the direction of the Government of Canada on how best to fill any vacancies that are created. A recent skills matrix and competency profile exercise was conducted to reveal profile and skillset expectations for Board members going forward.

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	\$318,800	26%



Appendix 4: Summary of Financial Statements and Budgets⁷

Consolidated Statement of Comprehensive Income⁸

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

	Actual 2020	Plan 2021	Forecast 2021	Plan 2022	Plan 2023	Plan 2024	Plan 2025	Plan 2026
Revenue	\$ 2,528.7	\$ 2,797.7	\$ 3,673.6	\$ 2,755.4	\$ 2,701.3	\$ 2,318.1	\$ 2,294.2	\$ 2,248.3
Operating cost ⁽¹⁾	2,478.4	2,749.4	3,602.7	2,713.0	2,660.9	2,276.9	2,253.4	2,205.8
Profit before income tax	50.3	48.3	70.9	42.4	40.4	41.2	40.8	42.5
Income tax (expense) recovery	(12.6)	(12.1)	(17.7)	(10.6)	(10.1)	(10.3)	(10.2)	(10.6)
Profit for the period	\$ 37.7	\$ 36.2	\$ 53.2	\$ 31.8	\$ 30.3	\$ 30.9	\$ 30.6	\$ 31.9

Reconciliation for Profit Before Income Tax and Other Items (PBTOI)

	Actual 2020	Plan 2021	Forecast 2021	Plan 2022	Plan 2023	Plan 2024	Plan 2025	Plan 2026
Profit before income tax	\$ 50.3	\$ 48.3	\$ 70.9	\$ 42.4	\$ 40.4	\$ 41.2	\$ 40.8	\$ 42.5
Add (deduct):								
Face Value revaluation ⁽²⁾	20.7	1.3	(1.0)	(5.1)	-	-	-	-
Net foreign exchange (loss) gain	2.1	(0.6)	(2.9)	0.9	-	-	-	-
Profit before income tax and other items	\$ 27.5	\$ 47.6	\$ 74.8	\$ 46.6	\$ 40.4	\$ 41.2	\$ 40.8	\$ 42.5

⁽¹⁾ The Mint has not made any adjustments for the agenda decision made in April 2021 by the IFRS Interpretations Committee (IFRIC) on how a customer accounts for configuration or customization costs in cloud computing arrangements where an intangible asset is not recognized. The Mint is currently evaluating the effects of this agenda decision on its consolidated financial statements for the year ending December 31, 2021 and in the future.

⁽²⁾ Face Value revaluation is the non-cash impact of the change in the valuation of the precious metal component of the Face Value redemptions liability.

⁷ Due to rounding, numbers presented may not add up precisely to the totals provided.

⁸ The Mint planned for 2022–2026 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 2020	Plan 2021	Forecast 2021	Plan 2022	Plan 2023	Plan 2024	Plan 2025	Plan 2026
Current Assets								
Cash and cash equivalents	\$ 67.3	\$ 69.7	\$ 84.2	\$ 69.2	\$ 68.8	\$ 62.4	\$ 56.1	\$ 50.0
Trade, net and other receivable	20.7	29.1	28.2	25.3	24.0	24.8	24.9	24.9
Inventories	57.6	68.3	68.6	69.2	68.4	71.6	70.6	70.5
Other	43.8	2.3	36.9	5.8	5.8	5.8	5.8	5.8
Total current assets	189.5	169.5	217.9	169.5	167.0	164.6	157.5	151.2
Non-current assets								
Deferred income tax assets	26.4	32.3	29.3	30.2	30.0	29.9	29.7	29.6
Property, plant and equipment	150.1	168.6	153.0	163.3	162.1	149.6	136.4	122.8
Other	13.3	12.8	13.5	20.8	27.8	30.2	28.1	26.2
Total non-current assets	189.9	213.5	195.8	214.4	220.0	209.6	194.3	178.6
Total assets	379.4	383.1	413.7	383.9	387.0	374.3	351.7	329.8
Current Liabilities								
Trade & other payables, accrued liabilities	46.3	53.8	60.6	54.8	55.7	55.8	55.8	55.5
Loans payable	3.0	3.0	3.0	9.0	6.0	6.0	6.0	–
Other	27.3	16.2	36.2	6.4	6.4	6.5	6.5	5.5
Total current liabilities	76.6	73.0	99.8	70.2	68.1	68.3	68.3	61.0
Non-current liabilities								
Loans payable	3.0	30.0	30.0	15.0	12.0	6.0	–	–
Face Value redemptions liability	113.5	122.3	116.6	120.2	119.5	118.9	118.2	117.6
Other	19.1	15.8	17.8	17.4	16.5	15.6	14.6	14.6
Total non-current liabilities	135.6	168.1	164.4	152.6	148.0	140.4	132.8	132.2
Total liabilities	212.2	241.1	264.2	222.8	216.2	208.8	201.1	193.2
Shareholder's equity								
Share capital	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0
Retained earnings	127.3	102.0	109.4	121.1	130.8	125.5	110.6	96.6
Total shareholder's equity	167.2	142.0	149.4	161.1	170.8	165.5	150.6	136.6
Total liabilities and shareholder's equity	\$ 379.4	\$ 383.1	\$ 413.7	\$ 383.9	\$ 387.0	\$ 374.3	\$ 351.7	\$ 329.8



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 2020	\$ 40.0	\$ 127.3	\$ (0.1)	\$ 167.2
Balance beginning of 2021	40.0	127.3	(0.1)	167.2
Profit (loss) for the year	-	53.2	-	53.2
Dividend	-	(71.0)	-	(71.0)
Balance end of year 2021	40.0	109.4	-	149.4
Balance beginning of 2022	40.0	109.4	-	149.4
Profit (loss) for the year	-	31.8	-	31.8
Dividend	-	(20.1)	-	(20.1)
Balance end of year 2022	40.0	121.1	-	161.1
Balance beginning of 2023	40.0	121.1	-	161.1
Profit (loss) for the year	-	30.3	-	30.3
Dividend	-	(20.6)	-	(20.6)
Balance end of year 2023	40.0	130.8	-	170.8
Balance beginning of 2024	40.0	130.8	-	170.8
Profit (loss) for the year	-	30.9	-	30.9
Dividend	-	(36.2)	-	(36.2)
Balance end of year 2024	40.0	125.5	-	165.5
Balance beginning of 2025	40.0	125.5	-	165.5
Profit (loss) for the year	-	30.6	-	30.6
Dividend	-	(45.5)	-	(45.5)
Balance end of year 2025	40.0	110.6	-	150.6
Balance beginning of 2026	40.0	110.6	-	150.6
Profit (loss) for the year	-	31.9	-	31.9
Dividend	-	(45.9)	-	(45.9)
Balance end of year 2026	\$ 40.0	\$ 96.6	\$ -	\$ 136.6



Consolidated Statement of Changes in Cash Flow

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

	Actual 2020	Plan 2021	Forecast 2021	Plan 2022	Plan 2023	Plan 2024	Plan 2025	Plan 2026
Cash flows from operating activities								
Profit (loss)	\$ 37.7	\$ 36.2	\$ 53.2	\$ 31.8	\$ 30.3	\$ 30.9	\$ 30.6	\$ 31.9
Adjustments to reconcile profit (loss) to cash flows from operating activities								
Depreciation and amortization	20.5	21.6	21.8	23.5	26.3	25.6	26.3	25.6
Tax expense (recovery)	12.6	12.1	17.7	10.6	10.1	10.3	10.2	10.6
Finance costs, net	(1.0)	0.5	(0.2)	0.3	0.1	-	(0.1)	(0.3)
Loss (gain) on foreign exchange	(7.5)	0.6	2.9	(0.9)	-	-	-	-
Adjustments to other expenses (revenues), net	(19.9)	7.1	(10.0)	(10.1)	(10.1)	(10.2)	(10.2)	(10.2)
Changes in Face Value redemptions liability	(21.4)	(2.6)	0.4	4.5	(0.6)	(0.6)	(0.6)	(0.6)
Net changes in operating assets and liabilities	16.4	18.8	10.9	19.8	13.2	6.3	11.0	10.0
Cash provided by operations before interest and tax	37.4	94.3	96.6	79.5	69.2	62.3	67.2	67.0
Income tax paid, net of income tax received	(2.7)	(12.0)	(6.8)	(23.0)	(9.9)	(10.1)	(10.0)	(10.5)
Interest received, net of interest paid	1.3	(0.5)	0.4	(0.2)	-	0.1	0.2	0.3
Net cash from operating activities	36.0	81.8	90.3	56.3	59.3	52.3	57.3	56.8
Cash flows used in investing activities								
Acquisition of property, plant and equipment	(7.3)	(30.4)	(18.8)	(28.6)	(19.3)	(7.5)	(7.4)	(6.4)
Acquisition of intangible assets	(1.8)	(5.3)	(8.2)	(12.1)	(12.7)	(8.0)	(3.7)	(3.7)
Net cash used in investing activities	(9.1)	(35.7)	(27.0)	(40.7)	(32.1)	(15.5)	(11.1)	(10.1)
Cash flows used in financing activities								
Dividends paid	(20.0)	(63.5)	(71.0)	(20.1)	(20.6)	(36.2)	(45.5)	(45.9)
Lease principal payments	(3.0)	(2.2)	(2.4)	(1.5)	(1.0)	(1.0)	(1.0)	(1.0)
Proceeds on new borrowings	-	30.0	30.0	-	-	-	-	-
Repayment of loans	(3.2)	(3.0)	(3.0)	(9.0)	(6.0)	(6.0)	(6.0)	(6.0)
Net cash used in financing activities	(26.2)	(38.8)	(46.4)	(30.6)	(27.6)	(43.2)	(52.5)	(52.9)
Effect of changes in exchange rates on cash and cash equivalents	1.1	-	-	-	-	-	-	-
(Decrease) increase in cash and cash equivalents	1.8	7.3	16.9	(15.0)	(0.4)	(6.4)	(6.3)	(6.1)
Cash and cash equivalents at the beginning of the period	65.5	62.4	67.3	84.2	69.2	68.8	62.4	56.1
Cash and cash equivalents at the end of the period	\$ 67.3	\$ 69.7	\$ 84.2	\$ 69.2	\$ 68.8	\$ 62.4	\$ 56.1	\$ 50.0



Capital Budget for 2022 and Capital Expenditure Plan for 2023–26

(in millions, CAD)	Actual 2020	Plan 2021	Forecast 2021	Plan 2022	Plan 2023	Plan 2024	Plan 2025	Plan 2026
Total	\$ 7.9	\$ 35.7	\$ 27.0	\$ 40.7	\$ 32.1	\$ 15.5	\$ 11.1	\$ 10.1

- **Building** includes plant and office modernization, replacements 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, security of 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.
- Treasury Board corporate plan guidelines require the application of two key risk criteria (value and risk) for mandatory disclosure in corporate plans. There are no projects requiring mandatory disclosure over the planning period.
- 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 2022 and the capital expenditure plan for 2023–26 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. In addition, adjustments have been made relating to the timing and required transitions on capital projects. As a result of these adjustments and the multi-year nature of some projects, the actual spend by asset category may vary from that presented in the 2022 capital budget and 2023–26 capital expenditure plan. While the projects below are planned for 2022, 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 Assumptions

Planning assumptions	2022
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, 2021.

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 April 3, 2021, there were no new or revised accounting pronouncements that were issued and had mandatory effective dates of annual periods beginning on or after January 1, 2021.

In April 2021, the IFRS Interpretations Committee (IFRIC) issued an agenda decision on how a customer accounts for configuration or customization costs in cloud computing arrangements where an intangible asset is not recognized. This agenda decision may have a possible impact on the Mint's consolidated financial statements for the year ending December 31, 2021 and in the future.

New and revised IFRS pronouncements issued but not yet effective

The adoption of the following IFRS pronouncements may have a possible impact on the Mint's consolidated financial statements in the future. The Mint will continue to assess the possible impact through the effective date of each pronouncement.

- The amendments to IAS 1 *Presentation of Financial Statements* and IFRS Practice Statement 2 require an entity to disclose only its material accounting policies instead of its significant accounting policies.
- The amendments to IAS 1 *Presentation of Financial Statements* aim to promote consistency in applying the requirements by helping companies determine whether debt and other liabilities with an uncertain settlement date should be classified as current or non-current in the statement of financial position.
- IFRS 17 *Insurance Contracts* requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts.
- The amendments to IAS 16 *Property, Plant and Equipment* prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- The amendments to IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* specify that the "cost of fulfilling" a contract comprises the "costs that relate directly to the contract", which can be incremental costs or an allocation of other costs that relate directly to fulfilling contracts.
- The annual improvements to IFRS Standards 2018–2020 contained amendments to four IFRS Standards. The amendment to IFRS 9 *Financial Instruments* clarifies which fees an entity includes when it applies the "10 per cent" test in assessing whether to derecognize a financial liability. The other three amendments were assessed as not having any impact on the Mint's consolidated financial statements.



Appendix 5: Borrowing Plan

For 2022, the Mint requests approval of short-term borrowings outstanding at any time not to exceed CAD \$25 million (or equivalent in US dollars).

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 6: 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 Act and Privacy Act

The Mint is subject to the *Access to Information Act* and the *Privacy Act*. Its Access to Information and Privacy Coordinator is responsible for ensuring that any requests for information received are responded to in accordance with the Acts and related government policies, including assisting requesters and authenticating individuals' identity as appropriate. The Mint provides comprehensive, accurate and up-to-date descriptions of its programs, activities, related information holdings and personal information banks, as well as sound management practices and decisions related to handling and protecting personal information.

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, which has a variety of controls including CFPOA training to select Mint employees and agents.

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. The Mint's AML/ATF Compliance Program responds with risk mitigation measures when considering new products and distribution channels, and is in line with the May 2021 requirements of the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC).

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. CASL controls have been mapped into the Mint's new digital experience project.



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.

Accessible Canada Act

The Mint is committed to develop a plan to identify and remove barriers to accessibility in accordance with the *Accessible Canada Act*, in compliance with the regulations that are applicable to Crown Corporations as determined by Employment and Social Development Canada.

Official languages

The Mint balances its mandate of operating in anticipation of profit with spending requirements for bilingualism and compliance with the federal *Official Languages Act*, namely Parts IV, V, VI and VII. The Mint is also subject to the Treasury Board's Policy on Official Languages and its three consolidated directives, except Appendix 2 of the Directive on Official Languages for People Management. The Mint is closely following the latest developments in the Government of Canada's vision for the country's official languages, including the ongoing modernization of the *Official Languages Act*, as it looks to update its own official language policy and related instruments.

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 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.

Pay equity legislation

The Mint will work toward developing and implementing a proactive pay equity plan to identify and close the gender wage gap, ensuring workers receive equal pay for work of equal value in accordance with the new *Pay Equity Act* and the regulations applicable to federally regulated public-sector workplaces. The Mint leverages a recognized job evaluation system for both its unionized and non-unionized positions, a solid foundation for determining the value of work.

Appendix 7: 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, equity and inclusion strategy, including a rollout of GBA+ online learning initiatives in support of conducting its business activities.

Diversity, equity and inclusion (see Appendix 2 for details)

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.

To ensure its workforce reflects Canada's diversity, the Mint remains committed to increasing the representation of employees in the four designated employment equity groups (women, Indigenous peoples, members of visible minorities, people with disabilities) by identifying and eliminating barriers and by ensuring its current practices do not disadvantage these groups. As an example, the Mint plans to work with post-secondary institutions to help bring in more interns and students from Indigenous backgrounds, and is already partnering with Indigenous organizations to ensure its job postings are seen by more Indigenous candidates.

In this planning period, the Mint will focus more energy and take proactive measures to develop stronger relationships with Indigenous communities, including consultations in areas such as coin design, while continuing its ongoing efforts to improve accessibility for people with disabilities. The Mint is also in the early planning stages of a strategy for responsible manufacturing, with one goal being to work with a greater number of suppliers from diverse backgrounds (e.g., Indigenous-owned companies) at every stage of the supply chain.

The Mint is also forming a cross-functional team to build an accessibility action plan to meet its legal obligations under the *Accessible Canada Act* and to enhance its ability to attract, retain and provide opportunities for talented Canadians with disabilities. The Mint has partnered with the market research firm Return On Disability to conduct both quantitative and qualitative research, including on shared experiences from other federally regulated employers, to generate the knowledge and insights needed to design the accessibility action plan.



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. The Mint will confirm the Government's expectations on adoption of the recommendations of the Task Force for Climate-related Financial Disclosures (TCFD).

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 Mint has formed a cross-functional team to prepare and publish a plan for identifying and removing barriers to accessibility in accordance with the *Accessible Canada Act (ACA)*. This team will review the Mint's policies, procedures, tools, practices and environment, evaluating and addressing barriers in the seven areas identified in the ACA: employment, service delivery, the built environment, information and communications technology, procurement, and transportation.

Recovery from COVID-19

As Canada recovers economically from the COVID-19 pandemic, the Mint's real-time management of the coin pool and strong relationships with all players in the cash/coin ecosystem will ensure a stable supply of coins remains available across the country.



Appendix 8: 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 expires on December 31, 2021.

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 9: Response To and Impact Of COVID-19

The Mint continues to monitor closely the evolving situation of the pandemic, including the impact on both its on-site and distributed workforce. While the pandemic posed a significant challenge to many companies, the Mint's performance was solid, generating profits in 2020 and having a very strong 2021. The Mint has made important investments to ensure employee health and safety is at the forefront of every decision and continues to follow or exceed public health guidelines on preventative safety in the workplace. It has also maintained regular communications with its employees, providing timely information and directions on how to follow the critical safety procedures put in place. These measures will likely reflect the "new normal" for staff in the physical operating environment but may be relaxed when there is more certainty around the pandemic situation.

The Mint's global supplier network has been affected by the pandemic but, overall, disruptions were minor. The Mint's supply chain team communicates with suppliers regularly to stay informed about their operational status and to identify contingency plans to support the business. Throughout the pandemic, the Mint has remained resilient and nimble, seamlessly shifting to a work-from-home model to manage the supply ecosystem for Canadian circulation coins remotely. In doing so, it 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. 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.

Refinery operations never stopped during the pandemic, allowing the Mint to continue to support the Canadian mining sector throughout this critical period. The bullion, storage and refining sales team also continued to bring in important new business and secure new refining contracts with top mining companies, which made it possible for the Mint's refinery to keep on processing steady volumes of precious metals from a diversity of sources.



Acronyms and Abbreviations

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