



Speaking Notes for

Marie Lemay

President & CEO

Royal Canadian Mint

2023 Annual Public Meeting

June 15, 2023

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Thank you all for joining us today.

It's always a pleasure for me to have this opportunity to speak to our stakeholders to account for how the Mint has performed and continues to adapt to changing business realities to keep delivering solid value for Canada and Canadians.

Last year, I spoke at length about our success in overcoming the challenges of the pandemic, as we continued to implement our strategy throughout 2021. Breaking down silos to work on common goals, and realigning our strategic vision under distinct Precious Metals and Circulation businesses gave us the flexibility to allocate people and resources to respond to rapidly emerging market risks and opportunities. We delivered record performance while still putting all the pieces of our strategy in place.

2022 was the year of implementation. We kept performing at a high level and building on all the responsible business practices we have learned and adopted over the years, we applied a comprehensive environmental, social and governance focus to every aspect of our operations in 2022.

Time and time again, we've shown that the Mint is built on a strong foundation, that we can produce profits that support our business and generate good value for Canada and Canadians. In today's world, we must also demonstrate that our commercial success is achieved responsibly.

This is why profitability and sustainability go hand in hand at the Mint. This is why we are an organization that strives to take better care of the environment, to cultivate safe and inclusive workplaces and to make a positive impact on the communities where we operate.

Our ESG Action Plan, approved by the Board in June last year is an important milestone. It sets clear priorities focused on three foundational pillars:

- Creating a carbon neutral circulation coinage business by 2030;
- Diversity, equity and inclusion; and
- Responsible sourcing and manufacturing.

Allow me to expand on these priorities.

An exciting project that is underway, is the installation of geothermal infrastructure at our Winnipeg facility, which is the key to achieving the carbon neutrality target for circulation coin production. Wells have been drilled and pipes are in the ground as we work to harness the potential of warm water found beneath our property. Soon, geothermal energy will help significantly reduce Winnipeg's natural gas and electricity consumption.

Our Winnipeg facility was re-certified for ISO 14001 environmental compliance and our Ottawa facility has just been recommended for the same certification. Both our facilities also have solid waste diversion and recycling targets for our manufacturing waste and water consumption reduction targets. We are also continuing promising research into less chemically intense manufacturing processes and we are working to implement these new processes in our refinery by 2025.

On the governance side of ESG, we adopted a Responsible Procurement Policy in 2022 to fully integrate ESG considerations into our contracting lifecycle. We are committed to working with vendors and customers who share our ESG vision and values.

The responsible and transparent sourcing of precious metals is another longstanding priority. All of our refinery customers and precious metal suppliers are required to comply with our Responsible Metals Program.

It ensures that all material refined and used in our precious metal investment products has been sourced responsibly, and that our refining and bullion production complies with London Bullion Marketing Association standards and industry best practices. This is happening seamlessly as we continue to meet pronounced demand for gold and silver bullion.

After participating in a successful gold bar tracing pilot project led by the LBMA, we are applying lessons learned to the implementation of our own scalable traceability technology solution for precious metals.

We launched our first single mine gold bullion coin, whose gold was traced through every step of the production process - from mine to mint. We also added to our ESG commitment by starting to refine gold for ethically sourced precious metal ETFs.

Again, our refining business is tailored to customers who share our ESG values and we are proud to be supporting the Canadian mining industry through the highest ethical and environmental standards.

Our Diversity, Equity and Inclusion Action Plan is a prominent part of our social commitment. Since 2021, this plan has been our roadmap to establishing a work environment where differences are valued and where employees are empowered to take an active role in addressing systemic racism, discrimination and barriers to inclusion.

We are transforming our culture through a range of activities, from sharing information, to applying a DEI lens to policies and programs, and also delivering learning sessions led by external speakers who can share their lived experience.

This process remains a journey. Many goals have been achieved, but we continue to set new targets so that we remain an employer of choice that is welcoming to all employees.

I am pleased that our approach to people management continues to earned us annual recognition as one of the National Capital Region's Top Employers.

Many of our employees have actively helped the Mint make a positive difference by supporting our charitable campaigns, which began with the launch of our Recognition Medal in 2020. After months of thoughtful, respectful collaboration with the National Centre for Truth and Reconciliation and its Survivors Circle members, we proudly released the Truth and Reconciliation Keepsake in September 2022.

Designed by three Indigenous artists, this keepsake is a wearable piece of art acknowledging the truths behind the residential school experience on First Nations, Inuit and Métis children and their families.

All net cash proceeds from the sale of the keepsake, which remains available until the end of this year, are being donated to the NCTR's Na-mi-quai-ni-mak Community Support Fund.

We have also donated all net cash proceeds from the sale of our best-selling 2022 and 2023 Pysanka coins to Ukrainian humanitarian relief.

In alignment with the Government of Canada's efforts to support the people of Ukraine, we also donated net cash proceeds from the sale of our 2022 50th Anniversary of the Summit Series collector products and have so far raised over \$1 million.

Our coins are also important in telling diverse and inclusive stories of Canada.

In February 2022, we proudly joined the celebration of Black History Month by issuing our fourth numismatic coin commemorating Canada's black history: a tribute to the Underground Railroad. We continued supporting this national awareness campaign in 2023 with a commemoration of the First World War's No. 2 Construction Battalion, the first and only all-Black battalion-sized unit in Canadian military history.

One of our first in-person coin launches since the start of the pandemic came from a close collaboration with the Manitoba Métis Federation. Together, we developed the 2022 Generations fine silver coin honouring the Red River Métis, which we proudly unveiled at our Winnipeg facility, located in their National Homeland.

In August, we celebrated the talent and legacy of Oscar Peterson, the first musician and first Black Canadian to appear on a circulation coin. It was tremendously rewarding to work in close consultation with Mr. Peterson's widow, Kelly, and daughter, Céline, to create this coin was designed by Black Canadian artist Valentine De Landro. It was an honour to unveil this coin at Toronto's Roy Thomson Hall.

The production and management of Canada's circulation coins fulfill another important social purpose.

In what we like to call an increasingly “cash light” world, where e-payments use is increasing and we expect cash to co-exist with e-payments, inclusion has become an important driver of our coin management system. Coins ensure that all Canadians can participate in trade and commerce, including groups that are more coin-dependent, like the elderly, the underbanked, recent immigrants to Canada and those living in remote communities.

By not just manufacturing coins, but also managing their supply and distribution, we have developed a data-rich system that helps us forecast and pinpoint demand, which ensures an uninterrupted flow of coins across the country, even in remote areas. To our knowledge, we are the only mint in the world to have such a system. We have a 24/7 lens on where and when coins are needed and we will continue to leverage that unique capability to ensure no Canadian is left behind, regardless of how payments evolve.

Our circulation business is also helping international customers serve their stakeholders, especially in jurisdictions where cash remains the predominant form of payment.

Despite many significant geopolitical and economic headwinds made foreign circulation demand difficult to predict, our Foreign Circulation team remained hard at work identifying new business opportunities in 2022.

While our foreign business has taken longer than expected to return, we are optimistic that our business development efforts will soon change this situation.

In the meantime, we continue to build a strong international brand with recent awards recognizing our innovation leadership.

Just last month, our \$2 circulation coin with a black nickel-plated outer ring, issued in honour of Queen Elizabeth II, won the International Association of Currency Affairs’ 2023 Excellence in Currency Award for Best New Circulating Coin or Coin Series.

I have to commend employees from many teams in Ottawa and Winnipeg for what they achieved. Upon the passing of our Queen Elizabeth II, the Mint acted swiftly to launch this coin, as well as other collectibles honouring her historic reign, as well as prepare for a new era in Canadian coinage.

We were well-prepared, cross-functional teams came together to minimize disruptions to our operations and even though circulation remains legal tender, we worked with our shareholder to approve a non-circulation transitional obverse, allowing us to continue issuing collector and bullion coins without interruption, while we awaited the Government of Canada's direction on the design of a new obverse for Canadian coins.

Now that the Government officially tasked us on May 6 with creating an effigy of His Majesty King Charles III for Canada's future coins, the team and process we had in place, ready to action this decision, is already hard at work. We expect to be able to reveal the design of this new Canadian-made royal effigy sometime this fall.

An important pillar of our One Mint strategy has been to tap new markets, opportunities and customers for our numismatic product offerings.

This focus led to the successful launch of our luxury Opulence Collection, an exclusive line of gold and platinum coins featuring rare pink diamonds from the Argyle Mine, opening the door to new segments of customers and distributors. This launch was our first in-person event, which allowed to reconnect with some of our most loyal customers. Other in-person events and meetings, as well as the reopening of our boutiques, soon rekindled customer engagement.

We reconnected at home and around the globe: meeting expert numismatists from the Royal Canadian Numismatic Association and the American Numismatic Association, as well as international conferences with our precious metals and circulation business stakeholders.

We have also renewed our online customer engagement with the launch of the new Mint web site in June 2022, which offers an improved, personalized digital experience.

We are undergoing an ambitious Business transformation supported by important technology projects. This includes investing in new enterprise resource planning (ERP) software to allow for seamless integration of data across the organization, further breaking down organizational silos and increasing efficiency.

As we move forward, our resilience, flexibility and creativity will continue to serve us well. We will continue to invest in our people, in our technology, and in ESG to strengthen and grow our Circulation and Precious Metals businesses. No matter what challenges lie ahead, we are prepared to tackle them head on. We will continue to be flexible and adaptable to changes in the Circulation and Precious Metals market for the benefit of our customers, our shareholder and Canadians.