Franco Nevada



2022 ESG Report

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Message from our CEO

Over the last year, I have been impressed by the dynamic and progressive response of our team and of our operating partners, both to the immediate challenges of the pandemic and to the ongoing challenges of sustainable mining. We continue to be committed to provide capital and support to the companies and operations that lead the industry in responsible mining and resource extraction and are proud of the progress achieved during the year. I am pleased to provide this report on the strides our company and our partners have made on environmental, social and governance issues and on our expanded commitments to sustainability.



Paul Brink,
President & CEO

Response to the Ongoing Pandemic.

2021 was another challenging year with the pandemic impacting individuals, operations and communities. The environment took its toll on the staff at many of the operations where we have investments and we extended a number of programs to support workers and families. When COVID-19 intensified during portions of the year, we transitioned our workforce to working remotely and developed work-arounds for certain of our due diligence processes, which allowed us to add several assets to our portfolio. At present, we have adopted hybrid work arrangements for our employees to continue to provide flexibility and reduce commuting time and health risk exposure.

Responsible Resource Development.

We recognize the growing importance of our role directing investor capital to promote responsible mining and energy extraction. During our due diligence, we thoroughly consider the impacts of the operation or the planned project on the environment and the benefits provided to local communities. Some investments considered during the year did not meet those criteria and we determined not to proceed with them. A number of our executives are active in the leadership of World Gold Council and we proactively engage with operators around adopting the World Gold Council Responsible Gold Mining Principles or similar standards when negotiating our investments. We were impressed by the accomplishments of our operators in 2021 and have profiled some of their notable achievements in this report.

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Climate Commitments and Contributions.

Our greatest impact in the fight against climate change, is through deploying capital to operations with limited carbon footprints and environmental impacts and to operators that are committed to reducing those impacts. We continue to improve our evaluation of the carbon footprint of operations and other climate-related impacts to best achieve this outcome.

The majority of our producing mining operators have made pledges to reach net-zero greenhouse gas emissions in the future and/or have implemented near-term and intermediate targets to reduce emissions. Several of our key energy operators, including Range Resources, have made similar commitments. We support and encourage these initiatives and are actively seeking opportunities to facilitate our operators' efforts to transition to a cleaner economy. A good example is our recent commitment to help finance Continental Resources' solar-powered water recycling project in Oklahoma.

Despite the limited scale of our small office based team, we still believe it is valuable to commit to a carbon neutral business footprint, having achieved this objective for a second year in a row.

Community Contributions.

In 2021, we expanded contributions to our communities. Through partnerships with our operators, we participated in community initiatives where our royalty and stream assets are located. The programs covered a broad range of projects with notable initiatives being:

- Our commitment to partner with Compañía Miñera Antapaccay S.A., the operator at the Antapaccay mining project in Peru, to build a water system in order to provide potable water to the nearby Alto Huarca community.
- Our sponsorship, along with SolGold, of a recycling and waste management initiative with the Lita Parish and La Carolina Parish in the Imbabura province, creating a sustainable independent business while reducing pollution, including plastic waste, in the local environment.
- Our renewed partnership with Compañía Miñera Antamina S.A., the joint venture company that operates the Antamina project in Peru, in sponsoring Enseña Peru, an initiative aimed at improving education at existing schools in the country and providing educational opportunities to children.
- Our partnership with Coeur Mining to build a hydraulic water system upgrade project in the Guazapares' San Jose and Santa Clara communities in Mexico, providing approximately 270 local residents with non-potable domestic water.



Plaque commemorating our partnership with Coeur Mining to provide non-potable water in Guazapares, Chihuahua

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Fostering Diversity and Inclusion.

We continue to seek ways to remove barriers and promote diversity and inclusion within our company and within our communities. In 2021, we achieved our goal of 30% female representation on our Board of Directors. We also adopted a new goal to attain at least 40% diverse representation among our Board of Directors and senior management as a group by 2025. To guide our diversity and inclusion efforts, we established a Diversity Committee that made immediate contributions to promote inclusion. I am extremely proud of the diverse representation we have within our organization, with our global workforce comprised of 50% women and 42% members of visible minorities at year-end.

In a broader effort to promote diversity in the mining community, we awarded our first Franco-Nevada Diversity Scholarship to a University of Toronto recipient and are expanding our scholarship program to include up to four additional scholarship awards beginning in 2022. We also renewed our partnership with The Prosperity Project, a Canadian charity founded to mitigate the disproportionate impact of the COVID-19 pandemic on women.



Franco-Nevada team from all of our offices at our 2019 AGM in Toronto

Enhanced Transparency.

We are committed to several sustainability frameworks, standards and initiatives. We provide climate-related disclosure to align with the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD). We also report in accordance with the Sustainability Accounting Standards Board (SASB) framework applicable to our company. Finally, this ESG Report also serves as our United Nations Global Compact (UNGC) Communication on Progress on implementation of the UNGC Ten Principles and support for its broader development objectives. Through ongoing engagement and collaborative processes between our Board of Directors, management and investors we aim to continue to progress the scope and transparency of our sustainability reporting.

Thank you for your continued support of Franco-Nevada. As always, we encourage and value your feedback and we look forward to speaking with many of you over the coming months.

Paul Brink
President & CEO

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ESG Ratings

MSCI ESG RATINGS AA

CCC | B | BB | BBB | A | AA | AAA

Rated "AA" by MSCI in 2021

SUSTAINALYTICS a Morningstar company ESG INDUSTRY TOP RATED 2022

SUSTAINALYTICS a Morningstar company ESG REGIONAL TOP RATED 2022

Ranked #1 out of 96 gold companies

Corporate ESG Performance Prime RATED BY ISS ESG

Rated "Prime" by ISS ESG in 2021

THE GLOBE AND MAIL BOARD GAMES

4th ranked Canadian mining company in 2021

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Franco-Nevada

We are the leading gold-focused royalty and stream company with the largest and most diversified portfolio of royalties and streams by commodity, geography, operator, revenue type and stage of project.

Our shares are listed on the Toronto and New York stock exchanges under the symbol FNV. An investment in our shares is expected to provide investors with yield and exposure to commodity price and exploration optionality while limiting exposure to cost inflation and other operating risks.

Our tag-line is "Franco-Nevada is the gold investment that works" and we are committed to ensuring it does work, for our shareholders, our operating partners and our communities:

- We believe that combining lower-risk gold investments with a strong balance sheet, progressively growing dividends and exposure to exploration optionality is the right mix to appeal to investors seeking to hedge market instability. Since our Initial Public Offering over 14 years ago, we have increased our dividend annually and our share price has outperformed the gold price and all relevant gold equity benchmarks.
- We build long-term alignment with our operating partners. This alignment and the natural flexibility of our royalties and streams is an effective financing tool for the cyclical resource sector.
- We work to be a positive force in all our communities, promoting responsible mining, providing a safe and diverse workplace and contributing to build community support for the operations in which we invest.

Our revenue is generated from various forms of agreements, ranging from net smelter return royalties, streams, net profits interests, net royalty interests, working interests and other types of arrangements.

We do not operate mines, develop projects or conduct exploration. Franco-Nevada has a free cash flow generating business with limited future capital commitments and management is focused on managing and growing its portfolio of royalties and streams.

We recognize the cyclical nature of the industry and have a long-term investment outlook. We maintain a strong balance sheet to minimize financial risk and so that we can make investments during commodity cycle downturns.

The focus of our business is to create exposure to gold and precious metal resource optionality. This principally involves investments in gold mines and providing financing to copper and other base metal mines to obtain exposure to by-product gold, silver and platinum group metals production. We also invest in other metals to expose our shareholders to additional resource optionality. We believe that our precious metals, copper and nickel assets will play an important role in a lower carbon economy.



Paul Brink
President & CEO



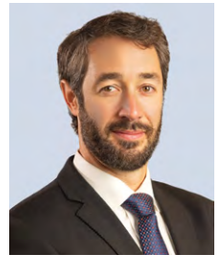
Sandip Rana
Chief Financial Officer



Lloyd Hong
Chief Legal Officer



Eaun Gray
Senior Vice President, Business Development



Jason O'Connell
Senior Vice President, Diversified

> "We work to be a positive force in all our communities, promoting responsible mining, providing a safe and diverse workplace and contributing to build community support for the operations in which we invest."

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Making Responsible Investments

We are committed to responsible mining and energy extraction as demonstrated through investments in operators and operations with proven track records



Water sampling at Tasiast gold mine in Mauritania

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Making Responsible Investments

Due Diligence Process

As a royalty and stream company, we do not operate mining or energy projects and do not exercise control over such operations. It follows that the most critical time for assessing and mitigating risks, including ESG risks, relating to an asset is at the outset prior to entering into the royalty and stream agreement.

Our team uses a multi-disciplinary approach when evaluating potential transactions. Our team consists of professionals with experience and expertise in the fields of geology, mining, metallurgy, engineering, energy, finance and law. ESG issues relate to a number of these disciplines and our experience in evaluating and structuring royalty and stream transactions has given us significant exposure to and experience in addressing such issues.

The due diligence process will vary in each case as necessary or appropriate in the circumstances, all applied on a risk-adjusted basis and varying based on the jurisdiction, type of mineral, and whether the project is an exploration, advanced or producing project, among other things. The due diligence generally conducted by our team includes, but is not limited to, the following:



Antapaccay site visit by Franco-Nevada personnel

- identifying the risks to the environment and communities and the social impact of the project
- analysis of the environmental, social and governance programs and policies put in place by operators and the effectiveness of same
- analysis of the plans and prospects for the operator and project going forward
- review of operator's tailings management and the project's water supply and the operator's water management plans
- determining whether the operators are committed to, and in compliance with, the World Gold Council Responsible Gold Mining Principles ("RGMPs"), to the extent applicable
- country and political risk analysis where the project is located
- site visits to the project with our consultants, as appropriate
- extensive engagement with the operator's management team
- review of the general conditions of the jurisdiction in which the project is located, including local government and local community relations
- review of the historical record of the operator and the specific project
- review of the climate-related impact of the project

During the due diligence process, Board members are very active in the review of potential investments including providing technical, political, financial, ESG and other expertise. Following the completion of due diligence, if management proposes to proceed with a transaction in excess of a threshold amount, it must first seek Board approval, whereupon the Board will conduct a comprehensive review of the due diligence done by the company, including an assessment of the risks with the potential investment that have been identified by management, including ESG-related risks. Below this threshold amount, management has discretion to proceed with an investment but must report the transaction to the Board in order to refresh its executive authority before being able to proceed with another investment.

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ESG-Related Due Diligence

We believe that proper consideration of ESG risks in connection with the companies, projects and jurisdictions in which we seek to invest will enhance the long-term performance of our company and in turn generate real value for our shareholders. With each royalty and stream opportunity we conduct a comprehensive assessment of ESG factors, which guide our investment decisions. In the past few years, we have refrained from allocating capital to royalty and stream opportunities due to unfavorable ESG-related issues revealed in our due diligence review process.

In 2020, we further enhanced our internal due diligence processes including refining internal ESG due diligence checklists, which helps direct our ESG due diligence review and inform our ESG due diligence informational requests made to the applicable operators.

Starting this year, we have subscribed to McKinsey's MineSpans, a data platform that provides over 1,000 data points per mine, including carbon and other greenhouse gas emissions generated by projects, for over 3,800 mines across the globe. We are using this information to better inform our ESG review of potential investments.

We will typically assess the following as part of our ESG-related due diligence:

- review of the climate-related impact of the project, including emission reduction targets and goals to achieve net-zero emissions
- review of the safety and human rights records of the project and operator
- review of any environmental incidents relating to the project
- impacts of mining, operations and related activities on surrounding communities
- tailings impoundments and waste rock storage at the project
- water requirements, water sourcing and responsible water management plans
- ethical track record and any history of corruption
- the reputation of the operator, locally and internationally
- workplace standards, protections and policies
- community initiatives and engagement and prior consultation with indigenous peoples
- closure plans
- climate-related risks and opportunities specific to a project and plans adopted by the operator to manage such risks
- impacts of development and operations on fauna, flora and biodiversity
- air emissions and dust from the project
- management by the operator of toxic materials
- other environmental programs and initiatives put in place by operator including biodiversity protection
- energy sources and requirements and efficiency of operations
- the commitments by, and track record of, the operator to fundamental freedoms of individuals (e.g. freedom of association)
- whether any external certifications have been obtained by the operator or project
- whether the operator has committed to the RGMPs or the principles of the International Council on Mining & Metals ("ICMM"), Canadian Institute of Mining Metallurgy and Petroleum ("CIM"), Towards Sustainable Mining ("TSM") or other relevant standards

We routinely engage third-party experts to assist in its evaluation of new investments, which include external legal counsel (including in the jurisdictions in which a project is located), technical consultants, environmental consultants, corporate social responsibility consultants and governance consultants for the purpose of assessing political, environmental, social, legal, technical and regulatory issues in applicable jurisdictions and the operator's management of the same.

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Ongoing Asset Management

When negotiating new investments, we endeavour to negotiate such arrangements such that the operator, as appropriate, commits to implement the RGMPs, and to provide us with information from our operators as well as to mitigate risk, including ESG-related risk. Royalty and stream agreements differ in many respects, but typically include the following types of provisions:

Reporting Obligations:

Our royalty and streaming agreements typically contain a series of reporting obligations including the delivery of monthly and annual reports, updated mine plans, forecasts and other documentation, which serve to keep us informed of operations. Operators are also typically required to notify us of any material adverse changes to a project or its operations. Upon a material adverse change occurring, we maintain regular communication and offer our guidance and expertise to the operators where appropriate. These reporting obligations keep us informed of ESG-related issues when they arise.

Operating Covenants:

Given our business model, following our initial acquisition of royalties or streams, we are not involved in our operators' development and operation of the applicable projects. However, our royalty and streaming agreements typically contain certain operating covenants designed to ensure that operators are conducting operations in accordance with applicable law and responsible practices, including ESG-related standards such as the RGMPs and ICMM, CIM or TSM mining principles.

Security & Remedies:

Streaming agreements afford us the ability to terminate and recover specific remedies upon a material breach of the contractual provisions providing us with the flexibility to exit unsuitable arrangements. In some instances, we have security arrangements in respect of our royalty and stream interests (including share, pledges, account pledges, mortgages and corporate guarantees), which would enable us to exert influence in the event of bankruptcy, insolvency or other event of a default. Such arrangements provide additional protections to help address material ESG risks.

Audit & Inspection Rights:

We are usually entitled to audit the books and records of the operators on a periodic basis and may access and inspect the properties comprising the project. These rights provide us further insight into the operations and management by the operators. These provisions permit us to confirm compliance with the terms of the agreement, including with covenants to comply with international tailings standards, and with applicable laws, including environmental laws and ESG-related industry standards.

Transfer Restrictions:

Our royalty and streaming agreements may have restrictions that either (a) require our consent for the operator to transfer the project, or (b) otherwise establish the circumstances in which such transfer is permissible. Such constraints are intended to ensure we continue to be partnered with a quality operator over the life of the agreement and a responsible actor when it comes to ESG-related issues.

"When negotiating new investments, we endeavour to negotiate such arrangements such that the operator, as appropriate, commits to implement the RGMPs, and to provide us with information from our operators as well as to mitigate risk, including ESG-related risk."

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We are guided by industry-leading ESG standards, including the World Gold Council Responsible Gold Mining Principles and the UN Global Compact's Ten Principles



Miners at Marigold gold mine in Nevada

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Responsible Gold Mining Principles

We are a long-standing member of the World Gold Council ("WGC") and, in 2012, led the establishment of the WGC's new Conflict-Free Gold Standard to combat the potential misuse of mined gold to fund unlawful armed conflict. David Harquail, our Chair, was Chair of the WGC from 2017 to 2020. Paul Brink, our President and CEO, is currently a director of the WGC, serves on the WGC's Compensation Committee and is a member of the WGC's 247 Working Group focused on creating more open, inclusive and competitive gold markets. Franco-Nevada played a leading role at the WGC during the establishment of the RGMPs.

In September 2019, we officially committed to the RGMPs. The RGMPs were established by the WGC as a framework that sets out clear standards as to what constitutes responsible gold mining, incorporating ESG principles aligned with the expectations of governments, investors, employees and contractors, communities, supply chain partners and civil society.

The principles incorporate 51 separate ESG principles addressing the following 10 broad topics:



"Franco-Nevada played a leading role at the WGC during the establishment of the RGMPs."

Commitment to RGMP Requirements

As a royalty and stream company, we are committed to implement the RGMPs which require finance and capital providers to publicly endorse the RGMPs, use our best endeavours to encourage adoption of the RGMPs at all operations where we have influence, and, to the extent applicable, ensure conformance with the RGMPs for any gold mining operations over which we have direct control.

In addition to endorsing and encouraging the adoption of the RGMPs in accordance with the RGMP guidelines, we are committed to expanding awareness and understanding of the RGMPs with our investees, directors, officers, consultants, shareholders and other stakeholders.

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Guiding Principles

Responsible Gold Mining Principles (continued)

RGMP Policy Implementation

On March 10, 2021, we adopted our Responsible Gold Mining Principles Policy (the "RGMP Policy") to formalize our commitment to the RGMPs. The RGMP Policy was updated on March 9, 2022, which formalized certain changes to our RGMP Policy measures made in 2021 that were in place as at December 31, 2021, which changes are described below. Full text of the RGMP Policy can be found on our website at franco-nevada.com/corporate/policies-mandates.

In the RGMP Policy, we commit to implement the RGMP requirements for royalty and stream companies, to the extent applicable, including the requirement to publicly endorse the RGMPs.

RGMP Policy Measures in the table below represent our internally developed criteria in furtherance of our commitment to the RGMPs and against which we measure our RGMP Policy implementation described under the Description of Implementation in the table below. The following measures were implemented as at December 31, 2021:

RGMP Policy Measures	Description of Implementation
Training. Franco-Nevada will conduct training sessions to promote the understanding of: FN's obligations and objectives under the RGMPs, internal systems and processes in place to conform to such obligations and objectives, and the progress made and to be made by FN in conforming to such obligations and objectives. Such training sessions will be conducted for employees every three years, with the exception of new employees who will receive such training during the calendar year that they join Franco-Nevada.*	We conducted RGMP training in November 2020 and December 2021 covering the training subject matter set out in the RGMP Policy. All of our employees attended one of the training sessions and provided a written acknowledgement of their participation in the training session. Our employees also provided a separate annual written acknowledgement of their understanding of the RGMPs and Franco-Nevada's RGMP obligations and commitments.
Due Diligence. Franco-Nevada will identify and record RGMP implementation and conformance when evaluating new mining investments, including whether the applicable miner is a WGC member and/or has adopted the RGMPs or whether the RGMPs are not applicable to the miner (e.g. if the operator is a diversified mineral producer). If the miner has adopted the RGMPs, Franco-Nevada will identify and record the stage of implementation of and conformance with the RGMPs at the applicable mining operation.	We have developed an ESG due diligence checklist used for evaluating our royalty and stream opportunities, which includes an assessment of the applicability of the WGC and RGMPs to the miner, including the membership by the miner in the WGC, the adoption of the RGMPs by the miner, and the stage of implementation and conformance with the RGMPs by the miner. A summary of such assessment is included in the final memorandum in connection with the opportunity submitted for final approval to the Franco-Nevada Board of Directors or, if within management authority to approve such transaction, the executive committee. In 2021, we included such assessment in all but one final memorandum submitted for final approval.
External Consultants. When Franco-Nevada engages technical, ESG or other third party consultants to assist Franco-Nevada with its evaluation of new mining investments, Franco-Nevada will ensure that the consultants are familiar with the RGMPs and understand Franco-Nevada's commitments thereunder and Franco-Nevada will obtain a written acknowledgement from the consultants verifying their awareness.	New external consultants engaged during 2021 verified in their consulting agreements that they are familiar with the RGMPs, the RGMP requirements for capital and finance providers, and Franco-Nevada's commitments thereto.

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Responsible Gold Mining Principles (continued)

RGMP Policy Measures	Description of Implementation
Contractual Provisions. Franco-Nevada will endeavour to negotiate appropriate contractual provisions when making new investments with a view to having gold miners ("Gold Miners") use commercially reasonable efforts to adopt (or to continue to adopt and implement) the RGMPs and to ensure that the Gold Miners provide sufficient transparency to facilitate Franco-Nevada's assessment of the compliance by the Gold Miners with any agreed contractual provisions.**	In the one new instance where we contracted with a Gold Miner in 2021, we corresponded with the Gold Miner with respect to the inclusion of RGMP-related contractual provisions in our royalty agreement and such Gold Miner provided a reasonable explanation for why such provisions were premature for their company at such time.
Monitoring. After each new royalty or stream acquisition in respect of a mining operation, Franco-Nevada will monitor whether the miner has adopted the RGMPs, the stage of implementation of and conformance with the RGMPs, and any material issues disclosed by the miner regarding such implementation and conformance.**	In our internal asset summaries for all new mining royalty or stream acquisitions made in 2021 (irrespective of whether such acquisitions related to gold or other mining operations), we have recorded whether the applicable miner is a WGC member and, if so, whether such miner has adopted the RGMPs and the stage of implementation of and conformance with the RGMPs.
Transparency. On an annual basis, Franco-Nevada will publicly report on the status of its conformance to its RGMP commitments and the measures described in our RGMP Policy.	This segment of our ESG Report comprises our reporting in relation to our RGMP Policy implementation.

* This RGMP Policy Measure was updated in 2021.

** RGMP Policy Measures newly implemented in 2021.

WORLD GOLD COUNCIL

Assurance Statement

Franco-Nevada engaged the services of an assurance provider, KPMG LLP ("KPMG"), to provide limited assurance on our description of implementation against specific RGMP Policy measures set out in the table above. KPMG's Independent Limited Assurance Report is included in Appendix F to this ESG Report.



World Gold Council board members celebrating the launch of the Responsible Gold Mining Principles, Colorado, September 2019. David Harquail, who was then Chair of the World Gold Council, seated third from left.

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UN Global Compact

In early April 2020, we joined the United Nations Global Compact, the world's largest corporate sustainability initiative with approximately 14,000 corporate participants in over 160 countries. The Global Compact is based on ten principles organized around four themes (human rights, labour, environmental and anti-corruption) and is intended to promote responsible business practices and the United Nations' values among the global business community.

The UN Global Compact's Ten Principles are derived from: the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption.

In September 2020, we joined 1000+ businesses from more than 100 countries in demonstrating our support for the United Nations and inclusive multilateralism by signing the Statement from Business Leaders for Renewed Global Cooperation. The full list of signatories can be found here: ungc-communications-assets.s3.amazonaws.com/docs/publications/UN75_UnitingBusinessStatement.pdf

As part of our Global Compact commitment, we have included in this ESG Report (see Appendix E) our Communication on Progress for 2021 describing the practical actions that we have taken and the qualitative and quantitative results of our company in furtherance of the ten principles. We are committed to publishing a Communication on Progress on an annual basis.

The Ten Principles of the United Nations Global Compact

Human Rights

1. Business should support and respect the protection of internationally proclaimed human rights; and
2. Make sure that they are not complicit in human rights abuses.

Labour

3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
4. The elimination of all forms of forced and compulsory labour;
5. The effective abolition of child labour; and
6. The elimination of discrimination in respect of employment and occupation.

Environment

7. Businesses should support a precautionary approach to environmental challenges;
8. Undertake initiatives to promote greater environmental responsibility; and
9. Encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

10. Businesses should work against corruption in all its forms, including extortion and bribery.

WE SUPPORT
UN GLOBAL COMPACT

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Operators

We hold royalties and streams over projects that are operated by some of the largest and most recognized operators in the world and we are proud of the accomplishments and the ongoing commitment to responsible production that our operators have demonstrated



Workers at the Antapaccay project in Peru

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Operators

Below, we have highlighted selected accomplishments of ten of our core operators in regard to their commitments to:

- Climate
- Water Management
- Bio-Diversity
- Diversity and Inclusion
- Health & Safety
- Transparency

Our operators highlighted in this ESG Report have also adopted the following standards, unless noted otherwise in the pages below.

- Expressed support for universal human rights
- Respect for employees' right to free association and collective bargaining
- Banning of forced labour and underage workers
- UN Global Compact participant
- Adoption of UN Guiding Principles on Business and Human Rights
- Implementation or support for Voluntary Principles on Security and Human Rights
- Member of International Council on Mining & Metals (ICMM), World Gold Council (WGC), or similar industry-specific group
- Global Reporting Initiative (GRI) compliant
- Independent external assurance of sustainability reporting
- Regular external auditing of all aspects of environmental management systems
- Implementation of an ISO 14001 based environmental management system
- Health & Safety management systems based on the OHSAS/BSI 18001 Standard

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Operators

FIRST QUANTUM MINERALS LTD.

Asset: Cobre Panama
Country: Panama
2021 Revenue: $235 million
first-quantum.com/English/sustainability

We have a gold and silver stream covering 100% of the Cobre Panama project in Panama.



Sea Turtle Conservancy near Cobre Panama

Whereas First Quantum complies with industry standards, including IFC Performance Standard 6 and ANCOLD, ICMM and CDA tailings standards, it is not yet a member of the UN Global Compact or industry-specific groups such as the ICMM and does not have external assurance of sustainability reporting.

Climate:

In early 2022, First Quantum announced targets to reduce its overall greenhouse gas emissions by 50% by 2030. The Company anticipates that its Cobre Panama throughput capacity expansion to 100 million tonnes per annum will be powered by renewable energy by 2023 and, by 2025, First Quantum expects to be able to source alternative supply options of up to 50% of the energy currently provided by the Panama power station with renewable energy.

Water Management:

First Quantum has a core commitment to minimise water withdrawal and discharge by adopting new technologies, continually improving efficiencies and on site water reuse. Water reuse increased by 1% in 2020, while group water withdrawal and discharge remained very similar to 2019. At Cobre Panama in 2020, 81% (or 468.5 Gigalitres) of First Quantum's water usage is seawater with the remaining 19% (or 113.3 Gigalitres) being fresh water and there was 70% water reuse at the project.

Bio-Diversity:

The Cobre Panama project is situated on the Mesoamerican Biological Corridor of the Panama Atlantic. Bio-diversity protection is extremely important to the project and First Quantum has implemented a bio-diversity action plan, which is in line with IFC Performance Standard 6, targeting landscape-scale support and funding of local protected areas, reforestation projects, and the implementation of conservation plans for species of concern.

Diversity and Inclusion:

As of March 2021, 25% of First Quantum's board of directors and 28% of its executive officers were women. Although the Company operates in a heavy industry environment against very diverse cultural backdrops where women have historically had low representation, it remains a key objective of the Company to achieve gender diversity on its board and in other senior management positions as well throughout the organization.

Health & Safety:

The Lost Time Injury Frequency Rate (LTIFR) for all of First Quantum's operations during 2021 was 0.07 per 200,000 hours worked, which was generally in line with the previous year (2020: 0.06). Safety is incorporated directly into the Company's performance objectives in determining compensation and in 2018, the Company launched the 12 THINK Fatal dangers initiative, which highlighted the twelve main safety hazards that employees are exposed to and focused attention and resources on mitigating the risks associated with these hazards.

Transparency:

In early 2022, First Quantum published its first Climate Change Report aligned with Task Force on Climate-related Disclosures (TCFD) and a Legacy Report detailing the various ways in which it works within communities to manage impacts and build social well-being. The Company also publishes a comprehensive annual Environment, Safety and Social Data Report and reports in line with the Global Reporting Index (GRI) framework.

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Operators

Asset: Candelaria
Country: Chile
2021 Revenue: $116.5 million
lundinmining.com/responsible-mining

We have a gold and silver stream on Lundin Mining's (80% owned) Candelaria project in Chile.



Candelaria mental health initiative supported by Franco-Nevada in 2020

Climate:

Lundin's climate strategy is currently in development with the intention that a transition plan be implemented to ensure resilience across its business and adaptation in the face of climate change. In 2020, Lundin launched a commitment to integrate climate-related risks into its broader risk framework, conducting a climate change vulnerability assessment for each of its operations that incorporated issues such as resilience of site water management infrastructure, processes and procedures, essential transportation networks, and security of water resources.

Water Management:

Due to the arid climate in the Candelaria project region and the need for local authorities to ensure the continued availability of sufficient potable water for the community, competition for potable water has been identified as a risk for the Candelaria operation. The Company minimizes its effect on the local groundwater aquifer by meeting operational water requirements entirely through supply from its desalination facility. Currently, potable water for mine personnel is supplied by local third-party organizations, sourced from the groundwater aquifer. The operation continues to plan for its commitment to meet its total water demand, including potable supplies, from the desalination facility by July 2025.

Bio-Diversity:

All of Lundin's operations conduct routine flora, fauna and aquatic surveys to identify species of interest and to monitor habitat health, biodiversity and any changes that could potentially be attributable to its operations. Although there are no protected or high biodiversity value areas within or adjacent to Candelaria, Lundin has implemented complementary programs at Candelaria's port operations to support marine rehabilitation, restoration and replantation programs to ensure sustainable use and management of marine areas.

Diversity and Inclusion:

In 2020, Lundin adopted its Diversity and Inclusion Policy, which was amended in 2021 to include a target of at least 30% women on its board of directors and at least 30% of executive officer positions held by women. As of 2021, 33% of Lundin's board of directors and 36% of its executive officers were women.

Health & Safety:

Although 2020 was a demanding year for Lundin that included operational challenges, labour negotiations, major project activities at Candelaria, and significant and disruptive changes to work practices due to COVID-19, Lundin recorded its best ever Lost Time Injury Frequency Rate (LTIFR) of 0.26 per 200,000 hours worked for all of its operations (2019: 0.40).

Transparency:

Lundin publishes an annual Sustainability Report and reports on its sustainability performance using the reporting framework of the Global Reporting Initiative (GRI), including applicable Mining and Metals Sector Supplement (MMSS) guidance. The Company is also a UN Global Compact participant and publishes an annual Communication-on-Progress.

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GLENCORE

Asset: Antapaccay
Country: Peru
2021 Revenue: $111.6 million
glencore.com/sustainability

We have a gold and silver stream on Glencore's Antapaccay project in Peru.



Franco-Nevada team during a due diligence visit to Antapaccay

Climate:

Glencore has targeted a 15% reduction in its total CO_2e emissions by 2026, a 50% reduction in its total CO_2e emissions by 2035, and has committed to be a net-zero total CO_2e emissions company by 2050. As a significant producer and recycler of commodities (including copper, cobalt, nickel, zinc, silver and vanadium) that underpin the infrastructure and battery chemistry required to power electric vehicles and energy storage systems, Glencore believes that it is well positioned in the transition to a low-carbon economy.

Water Management:

Antapaccay is located in Peru's Espinar province, an area of natural mineralisation. In Espinar, the water is mineralised and naturally unfit for human consumption. The increasing local population and expanding farming activities are creating stress on water availability. In addition, the limited infrastructure in the region is affecting the availability of water. Antapaccay has put in place measures, such as monitoring and water treatment, to ensure its activities do not affect water quality or availability. Antapaccay has also implemented a number of participatory monitoring programmes with local communities. All participatory and company monitoring activities demonstrate that Antapaccay operates in line with Peruvian law.

Bio-Diversity:

Glencore owns, leases or manages 105,000 hectares adjacent to protected areas and 188,000 hectares adjacent to high biodiversity areas. The Company's operations are required to develop risk-based land stewardship and biodiversity action/management plans and to integrate these plans into core business planning processes. At Antapaccay, where locals lack the water infrastructure required to support agriculture and livestock activities, causing low agricultural productivity, the Company has initiated a project to install an irrigation system for managing water for agricultural purposes as well as constructing a reservoir to collect and distribute rainwater.

Diversity and Inclusion:

In 2021, 37.5% of Glencore's board of directors and 13% of its executive officers were women and the Company had 13,875 female employees, representing 16% of its total workforce. In 2021, the Company adopted a Diversity and Inclusion Policy with the aim of inclusion of all people irrespective of race, gender, disability, medical or other need and giving equal access and opportunities and removing discrimination and intolerance.

Health & Safety:

During 2020, Glencore's Lost Time Injury Frequency Rate (LTIFR) of 0.94 per million hours worked for all of its operations was lower than the previous year (2019: 0.99). During 2020, Glencore's health working group implemented management plans in response to COVID-19 and undertook work to strengthen health management practices.

Transparency:

In 2021, Glencore published its "Climate Report 2021: Pathway to Net-zero", which is aligned with the TCFD framework. The Company also publishes an annual Sustainability Report, which reports in line with Global Reporting Index (GRI) and Sustainability Accounting Standards Board (SASB) frameworks and for which the Company receives independent external assurance for certain reported energy, emission, water usage and other reported data.

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Teck

Asset: Antamina
Country: Peru
2021 Revenue: $94.1 million
teck.com/responsibility

We have a silver stream on Teck's (22.5% owned) Antamina project in Peru.



Antamina lab workers

Climate:
Teck has established a comprehensive road map to achieving its goal to be a carbon neutral operator by 2050, including intermediate goals to reduce the carbon intensity of its overall operations by 33% by 2030, to procure 50% of its electricity demands in Chile from clean energy by 2025 and 100% by 2030, and the adoption of zero-emissions alternatives for transportation by displacing the equivalent of 1,000 internal combustion engine vehicles by 2025. In 2020, the Company reported that it was on track to achieve these goals.

Water Management:
Teck has developed a company-wide strategic priority to transition to seawater or low-quality water sources for all operations in water-scarce regions by 2040 and plans, by 2025, to design all development projects in water-scarce regions with a seawater or low-quality water source. The Company also has a strategic priority to implement innovative water management and water treatment solutions to protect water quality downstream of its operations and plans, by 2025, to implement new source control or mine design strategies and water treatment systems to further advance efforts to manage water quality at its operations.

Bio-Diversity:
Teck has a goal that by 2025 all of its operating sites will have plans to secure net positive impact, meaning that the biodiversity gains realized through mitigation activities in the regions where Teck operates exceed biodiversity losses from the impacts of its operations. In 2020, the Company reported that it was on track to achieve such goal, having continued advancing implementation of existing biodiversity management plans for operating sites and conducted gap assessments to identify key work that will be required to fulfill its 2025 goal.

Diversity and Inclusion:
As of 2020, 25% of Teck's board of directors and 20% of senior management were women. 2,068 women, or 20% of the total workforce, worked at Teck at the end of 2020. The Company has several goals to increase diversity and inclusion at its operations, including increasing women in leadership positions by 2025, investing $200 million in training and skills development programs by 2025, and expanding employee engagement opportunities, including employee-driven community initiatives and a Company-wide feedback program, by 2025.

Health & Safety:
In 2020, Teck's Lost Time Injury Frequency Rate (LTIFR) of 0.31 per 200,000 hours worked for all of its operations was lower than the previous year (2019: 0.38). Teck has a comprehensive five-pillar approach to managing the risks and impacts of COVID-19, which includes prevention, employee support, communities and public health, business continuity and communication.

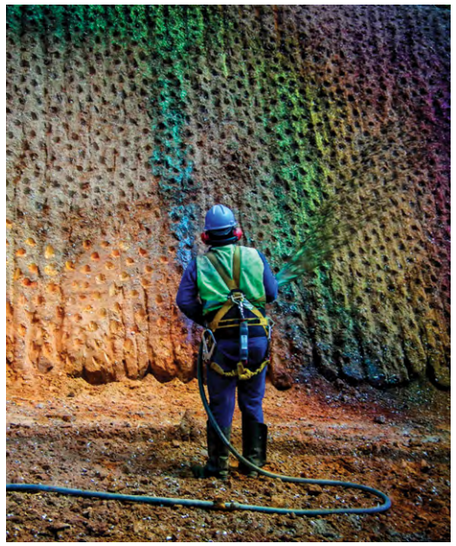
Transparency:
Teck is an industry leader in ESG performance and in 2020 was included on the Dow Jones Sustainability World Index for the 11th straight year, being awarded the Top-Ranked Mining Company in the World. On an annual basis, the Company produces a Sustainability Report, a TCFD-aligned Climate Change Outlook Report, a UN Global Compact Communication-on-Progress and an Independent Assurance Report, and the Company reports in line with Global Reporting Index (GRI) and Sustainability Accounting Standards Board (SASB) frameworks.

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Asset: Northern and Southeastern Systems
Country: Brazil
2021 Revenue: $59.4 million
vale.com/en/sustainability

We hold net sales royalties on Vale's Northern and Southeastern Systems in Brazil.



Vale employees seed with native specimens in the state of Pará, Brazil

Vale is not a member of the UN Global Compact and, while the company has implemented environmental and health & safety management systems, there is no explicit reference in Vale's public disclosure to these systems being compliant with ISO 14001 and OHSAS/BSI 18001, respectively.

Climate:

Vale has committed to becoming net-zero by 2050 and has also committed to reduce its carbon footprint by 33% by 2030, to reduce 15% of the emissions from its value chain by 2035, and plans to invest up to US$6 billion to reduce its direct and indirect emissions. Vale supplies iron ore products that require less energy use in steel blast furnaces, reducing emissions. One example is its Brazilian Blend Fines, a blend of ores produced in Carajás and Minas Gerais, with a higher iron content and fewer contaminants. The Company has also recently partnered with Kobe Steel and Mitsui & Co. with the objective to offer low-carbon solutions and technologies to the steel industry.

Water Management:

In 2018, Vale established its 2030 water goal to reduce the specific use of water by 10% against its 2017 base year. By 2020, it had achieved an 8.7% reduction. In 2020, Vale maintained a water reuse rate of 80%. Based upon the ICMM standards for high and low quality, Vale disposed 52% of its effluents in high quality in 2020. The other 48% discharged, despite being considered low quality, was in compliance with the disposal limits established by local regulations.

Bio-Diversity:

Vale protects 8,500km² of land, an area almost 5.6 times greater than the total area occupied by the Company's operating units. 4.5% of all areas protected by Vale are fully owned by the Company and consist of legal reserve areas, Private Natural Heritage Reserves (RPPN, Reserva Particular do Patrimônio Natural), and properties intended for conservation. One recent focus of Vale's restoration efforts in Carajás includes restoring forest connectivity by recovering areas, restoring habitats and forming ecological corridors around the S11D Complex.

Diversity and Inclusion:

Further to Vale's Global Policy on Diversity and Inclusion, in 2019, Vale adopted goals by 2030 to double the number of women working at the Company from 13% to 26% and to increase the number of women in senior leadership positions from 12% to 20%. In 2020, 16.3% of Vale's total workforce and 15.9% of its senior executives were women. In 2020, the Company also noted a 33.5% reduced rate of voluntary turnover among its female employees.

Health & Safety:

In 2020, Vale's Lost Time Injury Frequency Rate (LTIFR) of 0.69 per 1,000,000 hours worked for all of its global operations was lower than the previous year (2019: 0.81). Vale has several health and safety goals in the near term (by 2025), including a reduction by 50% of the number of exposures to health damaging agents in the workplace, and a reduction to zero of the number of recordable high potential injuries. Targets associated with strategic health, safety and operational risk objectives are incorporated into the Company's variable compensation.

Transparency:

Vale publishes an annual Sustainability Report, which reports in line with Global Reporting Index (GRI) and Sustainability Accounting Standards Board (SASB) frameworks. The Company also produces an annual ESG Databook, which includes TCFD-aligned disclosure, and comprehensive ESG data on their website.

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Operators

we are one Sibanye Stillwater

Asset: Stillwater
Country: USA
2021 Revenue: $57.8 million
www.sibanyestillwater.com/sustainability

We have a royalty interest on the Stillwater Complex in Montana, USA.



Stillwater mine in Montana

Climate:

In 2021, Sibanye-Stillwater announced its target to achieve net-zero emissions by 2040. This will be underpinned by the Company's life-of-mine profile, active interventions proposed in the roadmap and further carbon abatement and offset opportunities currently under investigation. The Company also has near-term Science-Based Targets Initiative goals to reduce its Scope 1 and Scope 2 carbon emissions by 27.3% by 2025, premised on its 2010 baseline year.

Water Management:

Stillwater has a legally binding Good Neighbor Agreement ("GNA") for the Stillwater project with three local stakeholder organisations, which provides an innovative framework for the protection of the environment. The GNA adaptive management plan ("AMP") was finalised and implemented in 2020. The AMP is a stakeholder-driven, independent water monitoring and assurance plan aligning with the goals and objectives of the GNA. The AMP is a tiered-response plan that creates triggers for water-quality reporting and action to levels below state or federal limits and has been developed to adjust as conditions change, knowledge improves, regulatory criteria is modified or as targets change.

Bio-Diversity:

Sibanye-Stillwater is committed to driving a net gain in biodiversity through: specialist assessment of the biotic and abiotic resources; driving clear, implementable, scientifically based action plans to drive resilience of ecosystems; and integrated catchment management programs. At the Stillwater project, the Company has a commitment made under its GNA to monitor the trout population and health in the Stillwater River and has established a database to annually evaluate the impact its activities have on the local river system and fish stocks.

Diversity and Inclusion:

As of January 2021, 30% of Sibanye-Stillwater's board of directors and 15% of its executive officers were women. The Company has set a target for 30% of its workforce to be comprised of women by 2025. A Women-in-Mining program has been launched by the Company to facilitate the drive towards the greater gender diversity of its workforce.

Health & Safety:

The Lost Time Injury Frequency Rate (LTIFR) for all of Sibanye-Stillwater's operations during 2020 was 5.56 per million hours worked, which was slightly higher than the previous year (2019: 5.53). The focus of the company's health care team for most of 2020 and 2021 was managing and mitigating the impact of the COVID-19 pandemic on our employees, contractors and communities. This has included the implementation of management support, promotion of well-being and lifestyle changes as well as a broad range of services such as counselling and psychological and trauma issues.

Transparency:

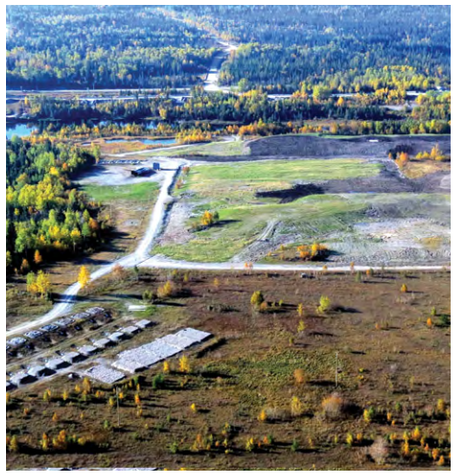
Sibanye-Stillwater publishes a comprehensive annual Integrated Report and reports in line with the Global Reporting Index (GRI) framework. The Company also produces an Annual Report on the Implementation of the World Gold Council's Responsible Gold Mining Principles, an annual UN Global Compact Communication-on-Progress, an annual ICMM self-assessment, and various fact sheets including relating to social and labour plans, tailings management, and bio-diversity.

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Operators

Assets: Hemlo, Goldstrike, South Arturo and Gold Quarry*
Countries: Canada and USA
2021 Revenue: $51.2 million*
barrick.com/English/sustainability/default.aspx

We have royalty interests on the Hemlo gold mine in Ontario, Canada and on Nevada Gold Mines' Goldstrike, South Arturo and Gold Quarry gold mines in Nevada, United States.



Hemlo site reclamation

* Includes 2021 revenue from Hemlo and 61.5% of 2021 revenue from Goldstrike, South Arturo and Gold Quarry, which projects are held by Nevada Gold Mines LLC (Barrick's joint venture with Newmont).

Climate:

Barrick has a goal to achieve net-zero emissions by 2050, achieved primarily through greenhouse gas reductions and offsets for some hard-to-abate emissions. In 2021, the Company set an emissions reduction target of at least 30% by 2030 with an interim reduction target of 15% for projects already being implemented, while maintaining a steady production profile. As of YE2020, Barrick had $368 million invested in greenhouse gas reduction initiatives and had a further $199 million in capital committed to emissions reduction projects.

Water Management:

Each month, every Barrick project reports on its water use. These reports provide a full picture of water use across the project for the month, including: total water withdrawn, water diverted, water discharged, consumption, total water used, water recycled, water reused, and change in storage. In late 2020, Barrick conducted a review of its mines to better understand which are exposed or potentially exposed to water stress, either in terms of water scarcity or surplus water. In regions identified as water scarce or vulnerable to water stress, Barrick's water management plans take particular care to account for the reduced supply of freshwater for local communities and ecosystems. Barrick aims to use low-quality water and to recycle and reuse as much water from its processes as possible.

Bio-Diversity:

Barrick aims wherever possible to achieve a net neutral biodiversity impact, particularly for ecologically sensitive environments. To help the Company fulfil this commitment, it set a target for all of its operational sites to develop and implement a Biodiversity Action Plan (BAP) by the end of 2021. As of 2020, BAPs were in place at 11 of its 12 operational mines and BAPs were developed for the Nevada Gold Mines joint venture during the year.

Diversity and Inclusion:

As of 2020, 20% of Barrick's board of directors and 15% of senior management were women. Of its workforce of more than 40,000 employees across 13 countries, 10% were women. Barrick has taken steps to encourage greater gender diversity across the organization by focusing on way to support women working at its mines, changing cultural norms and raising awareness among local communities, working with governments to remove barriers, and supporting alternative livelihood opportunities for women.

Health & Safety:

In 2020, Barrick recorded a Lost Time Injury Frequency Rate (LTIFR) of 0.34 per million hours worked for all of its operations, 32% lower than the previous year. In 2020, the Company implemented its Journey to Zero Harm initiative focused on proactive management of safety across the Company.

Transparency:

On annual basis, Barrick releases a Sustainability Report containing TCFD-aligned climate disclosure, a Conflict-Free Gold Report, a Human Rights Report, a UN Global Compact Communication-on-Progress and an Independent Assurance Statement. The Company reports in line with Global Reporting Index (GRI) and Sustainability Accounting Standards Board (SASB) frameworks.

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Operators

Assets: Ahafo, Musselwhite, Goldstrike, South Arturo and Gold Quarry*
Countries: Ghana, Canada and USA
2021 Revenue: $26.4 million*
newmont.com/sustainability

We have royalty interests on the Ahafo (Subika) gold mine in Ghana, on the Musselwhite gold mine in Ontario, Canada and on Nevada Gold Mines' Goldstrike, South Arturo and Gold Quarry gold mines in Nevada, United States.



A beneficiary of Newmont Ahafo Development Foundation's micro credit support

* Includes 2021 revenue from Ahafo (Subika) and 38.5.% of 2021 revenue from Goldstrike, South Arturo and Gold Quarry, which projects are held by Nevada Gold Mines LLC (Newmont's joint venture with Barrick).

Climate:

Newmont has committed to climate targets of 32% reduction in greenhouse gas emissions and to its emissions intensity by 2030. The Company has an ultimate goal of achieving net-zero carbon emissions by 2050 and is in the process of developing a roadmap for such ambition, focusing on renewables, fuel, mine efficiencies, offsets and partnerships. In 2020, Newmont committed to investing $500 million over the next five years to support the pathways required to reach its targets.

Water Management:

Newmont has developed participatory monitoring programs involving internal and external stakeholders, which supports the Company's transparency and water stewardship and builds credibility. At the Ahafo project in Ghana, Newmont is currently developing a community program, which will be piloted first with water monitoring and expanded later to include blasting and agreed upon social issues. Feedback from community leaders, government officials and water experts will be incorporated, and a governing steering committee established prior to the programs being implemented. At the Musselwhite project in Canada, community members are offered onsite training on the environmental monitoring programs, and water quality reports are provided and discussed with the community on a regular basis. The site also employs an environmental monitor from a local Indigenous community.

Bio-Diversity:

Newmont's Biodiversity Management Standard aims to proactively manage risks with a target of achieving no net loss of key biodiversity values in areas affected by its activities. The Company is partnered with the International Union for the Conservation of Nature (IUCN) on its biodiversity programs and aligns its efforts with ICMM's Mining and Protected Areas position statement, in which it agrees to respect legally designated protected areas and not explore or mine in World Heritage sites.

Diversity and Inclusion:

In 2020, women represented 45% of Newmont's board of directors, 43% of its executive leadership team, and 13 percent of its entire workforce. As active participants in the Paradigm for Parity framework, a coalition of business leaders committed to a workplace where women and men have equal power, status and opportunity in senior leadership by 2030, the Company is committed to advancing the UN Sustainable Development Goal to achieve gender equality.

Health & Safety:

In 2020, Newmont recorded a workforce Lost Time Injury Frequency Rate (LTIFR) of 0.21 per 200,000 hours worked for all of its operations, which was slightly lower than the previous year (2019: 0.22). The Company sets measurable objectives and targets such as Fatality Risk Management critical control verifications and zero fatalities to drive continuous improvements, and its publicly discloses metrics tracked by its industry.

Transparency:

On annual basis, Newmont releases numerous ESG reports, including a Sustainability Report, a TCFD-aligned Climate Strategy Report, a Conflict-Free Gold Report, a Community Relationships Review, and an RGMP Independent Assurance Statement. The Company reports in line with Global Reporting Index (GRI) and Sustainability Accounting Standards Board (SASB) frameworks.

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RANGE RESOURCES®

Asset: Marcellus Royalty
Country: United States
2021 Revenue: $36.1 million
csr.rangeresources.com

We have a 1% overriding royalty interest on 350,000 acres of Range's operations in the Marcellus formation in Pennsylvania.



Range Resources rig in the Marcellus region

Certain of the standards on page 18 above have not been implemented by, and are not applicable to, Range Resources, which is an energy producer with operations solely located in the United States.

Climate:

Range has set a 2025 net-zero goal for its Scope 1 and Scope 2 greenhouse gas emissions. In 2020, the Company recorded a 66% reduction in total greenhouse gas emissions, a 69% reduction in greenhouse gas emissions intensity, and an 86% reduction in methane emissions intensity, compared to 2017 levels.

Water Management:

Range Resources' pioneering of large-scale water recycling in shale development over 10 years ago made it the first Company to achieve nearly 100% water reuse levels. The Company was also the first in the industry to voluntarily disclose the composition of its hydraulic fracturing fluids on a per-well basis. In 2020, approximately 60% of the total water used for Range Resources' operations was reuse water and the Company recycled close to 100% of the flowback and produced water from its operations.

Bio-Diversity:

Although Range's current operating areas do not coincide with any Critical Habitats or areas currently recognized as Globally or Internationally Important Areas of High Biodiversity (as recognized by the U.S. Fish and Wildlife Service, World Heritage Sites and Ramsar Wetlands), Range is a committed steward of the environment and works to minimize its impact on the land in which it operates. Improvements in horizontal drilling technologies continue to allow the Company to access large volumes of natural gas with fewer wells and with less surface land disturbance. Range also remains focused on conducting its development activities on existing pads, where possible, resulting in reduced surface disruption.

Diversity and Inclusion:

As of 2021, 29% of Range's board of directors, 40% of its board committee chairs, and 18% of senior management were women. Backed by the Company commitment to diversity, equity and inclusion, it seeks to continue to foster a culture of inclusiveness, and to that end, all employees participate in annual diversity and inclusion training. Additionally, managers attend annual inclusion training based on a separate curriculum specifically for individuals with supervisory responsibilities.

Health & Safety:

The Company recorded a total recordable injury rate (TRIR) of 0.30 in 2020, a significant reduction year-over-year (2019: 0.62). In 2020, Range employees completed 1,800 hours of safety-related training. In early 2020, Range activated the Crisis Management Team comprised of senior management members, representing several departments across the organization whose primary focus was on developing plans to manage the COVID-19 pandemic.

Transparency:

Range publishes an annual Corporate Sustainability Report, which includes TCFD-aligned disclosure, and Corporate Sustainability Tear Sheet. The Company reports in line with Global Reporting Index (GRI), Sustainability Accounting Standards Board (SASB) and International Petroleum Industry Environmental Conservation Association (IPIECA) frameworks.

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Asset: Royalty Acquisition Venture
Country: United States
clr.com/about-continental/environmental-social-and-governance-esg

We have a strategic royalty acquisition venture with Continental to jointly acquire royalty rights within Continental's areas of operation.



Continental's Founder and Chairman has donated more than $65 million for diabetes research and patient support

Certain of the standards on page 18 above have not been implemented by, and are not applicable to, Continental Resources, which is an energy producer with operations solely located in the United States.

Climate:

Continental has accomplished over 55% reduction in methane intensity and approximately 40% reduction in greenhouse gas intensity from 2016 to 2020. In early 2022, Continental announced a strategic investment of $250 million into Summit Carbon Solutions' project to capture and sequester 8-12 million metric tonnes of CO_2 per year.

Water Management:

Continental decreased its water intensity by 27.6% year-over-year from 0.47 in 2019 to 0.34 (BBL/BOE produced) in 2020. Since 2017, the Company's water intensity has decreased by nearly 50%. Recycling of water continues to be a particular focus in the Company's Southern Region operations. In 2020, 70% of wells completed in Oklahoma utilized recycled water for stimulation operations, and recycled water accounted for 25% of total water usage in its Southern operations. Since 2016, Continental recycled approximately 35 million barrels of water in its Oklahoma operations using its state-of-the-art water recycling facilities.

Bio-Diversity:

Under Continental's environmental policy, protection of wildlife and protected species is a fundamental aspect of its operations. In addition to day-to-day avoidance, minimization, and mitigation practices, Continental has participated in a number of conservation planning and work groups, including those for the lesser prairie chicken, the American burying beetle, and the Dakota skipper.

Diversity and Inclusion:

In 2020, women represented 14% of Continental's board of directors and 26% of its total workforce. Continental recently formalized and built upon its diversity and inclusion programs and has chartered a Diversity and Inclusion Committee comprised of employees across all corporate functions. The Company has engaged external training resources for its entire workforce, including interview training for hiring managers focused on ensuring a fair and systematic approach for recruiting and selecting individuals from diverse backgrounds for competitive job openings.

Health & Safety:

Continental achieved record health and safety performance in 2020. The Company recorded a total recordable incident rate (TRIR) of 0.40 in 2020, a reduction year-over-year (2019: 0.47). In response to the COVID-19 pandemic, Continental has offered free in-office testing and held in-office vaccination clinics for employees and family members, provided flexible work schedules for impacted employees, and utilized dedicated contact tracing personnel.

Transparency:

Continental publishes an annual ESG Report. The ESG Report is informed by the International Petroleum Industry Environmental Conservation Association (IPIECA), Global Reporting Initiative (GRI), Sustainability Standards Board (SASB) framework, as well as the United Nations Sustainable Development Goals.

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We are committed to deploying capital to responsible operators and operations aimed at reducing their carbon footprints and environmental impacts. We are also committed to maintaining carbon neutrality of our own operations

Wind turbines in Western Australia

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Carbon Neutral for Operations



Commerce Court West in Toronto

Our greatest impact in the fight against climate change is through deploying capital to operations with limited carbon footprints and environmental impacts and to operators that are committed to reducing those impacts. We are also committed to reducing our own carbon footprint. Since 2020, our global operations have been carbon neutral and we are committed to achieving this annually going forward.

We have accomplished this, and will continue to do so, through workplace initiatives to reduce our carbon footprint and by purchasing high quality carbon offsets to account for emissions we cannot eliminate.

For 2021, we offset our global operational emissions by purchasing from Less Emissions, a Canadian supplier of high quality carbon offsets, an equal combination of (1) Gold Standard-certified emission reduction offsets produced from international projects, and (2) CSA Standard-certified emission reduction offsets from Canadian projects. The choice to source our offsets from both Canadian and international projects was intended so that we could have an impact in Canada and in developing countries.

Please refer to Appendix G to this ESG Report for further details of our 2021 carbon neutral initiative.

While it is important for us to be operationally carbon neutral, we acknowledge that our own total operational emissions are minor relative to the operations in which we invest and much of our ability to have a positive impact on the climate relates to our capital allocation strategy and our rights under the existing royalty and stream assets in our portfolio, which are described in this ESG Report.

"Since 2020, our global operations have been carbon neutral and we are committed to achieving this annually going forward."

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Global Carbon Footprint

In terms of our own environmental impact, our carbon footprint is very small. Our workforce, consisting of 36 full-time employees, operates solely within office environments, including at our head office in Toronto in Commerce Court located at 199 Bay Street in Toronto, Ontario. Our remaining staff work in office spaces located in Barbados, the United States and Australia.

Notwithstanding our small workforce and office settings, we do whatever we can to reduce our carbon footprint and environmental impact. Since 2019, we have utilized Notice-and-Access delivery procedures for our management information circular and annual meeting materials sent to our shareholders. Instead of receiving paper copies of such materials, shareholders receive a notice of the meeting, which contains information about how to access the materials electronically. Since 2020, for the limited number of management information circulars that we printed for the meeting and for internal purposes, we have reduced the size of the document and arranged to use lighter and more environmentally-friendly paper.

Commerce Court West

In December 2017, Commerce Court West (the office tower in which we are located) achieved BOMA BEST Platinum level certification. This is the highest level of certification in the BOMA BEST green buildings certification program. BOMA BEST is Canada's largest environmental assessment and certification program for existing buildings. The BOMA BEST Sustainable Buildings certification recognizes excellence in energy and environmental management and performance in commercial real estate.

In 2021, Commerce Court was awarded BOMA Canada The Outstanding Building of the Year (TOBY) Award for a building with over 1 million square feet. The BOMA Canada TOBY Awards are the most prestigious and comprehensive awards in the commercial real estate industry recognizing quality in buildings and rewarding excellence in building management from across Canada. During the competition, all facets of a building's operations are thoroughly evaluated. Buildings are judged on everything from community involvement and site management to environmental and "green" policies and procedures.

Commerce Court is certified LEED EB Gold reflecting the successful implementation of its long-term sustainability strategy and an ongoing commitment to the environment and other sustainability focused initiatives. The LEED Canada EB rating system applies a rigorous internationally-recognized standard measuring and evaluating the effectiveness of a property's sustainable practices and policies in a range of green categories. LEED EB addresses whole building cleaning, general maintenance issues, recycling programs, exterior maintenance and systems upgrades or modernization.



Commerce Court West in Toronto

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Greenhouse Gas Emissions Reporting Standards and Conversion Factors

The following calculations are based on the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard, the most widely used international accounting tool for companies to understand, quantify, and manage greenhouse gas emissions. Unless otherwise noted below, such reporting is on a company-wide basis. Indirect (Scope 2 and 3) emission conversion factors for each of the components set out below are derived from the most reputable and precise sources available to us, which ranges from information provided by building property management who correspond directly with utility providers to publicly available greenhouse gas emission conversion factor indices.

Direct (Scope 1) Greenhouse Emissions

Operating solely in office environments, our company does not have any quantifiable direct (Scope 1) greenhouse gas emissions. Commerce Court West, our corporate head office building in Toronto, is heated with steam and utilizes electricity, which are reported under Scope 2 emissions. We acknowledge that some of our workforce may from time-to-time access certain public areas during their work days that are heated by, or otherwise utilize, fossil fuels. Although we do not have access to sufficient data to calculate our share of these Scope 1 emissions, we have purchased carbon offsets accounting for 125% of our reported Scope 2 and Scope 3 emissions to factor these in.

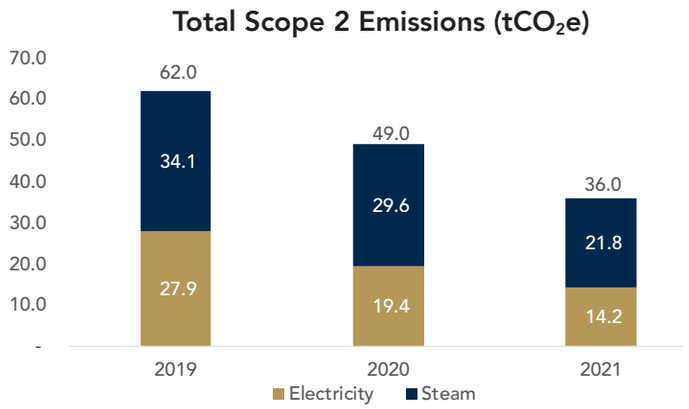
Annual Indirect (Scope 2) Greenhouse Emissions (tCO_2e**) from 2019 to 2021*

The production of greenhouse gases associated with our energy usage and heating sources, comprised of electricity and steam, are indirect (Scope 2) emissions, which are set out in the adjacent chart. The reduction of our Scope 2 emissions in 2020 and 2021 is primarily due to our shift to remote and hybrid work arrangements during these years. We expect that emissions will normalize in 2022.

Utility Usage and Waste*

The following sets out our annual utility usage and waste for the years 2019 to 2021.

	Unit	2019	2020	2021
Electricity	kWh	251,242	204,016	190,545
Steam	lb	467,412	395,432	305,306
Chilled Water	ton-h	30,367	31,119	33,448
Water	m^3	985	478	371
Waste	kg	2,458	850	833



* Due to certain logistical constraints, reported data for electricity and steam (including applicable Scope 2 emissions) and water and waste (including applicable Scope 3 emissions) relates to our Toronto and Barbados office and for 2021 covers 88.9% (32 of 36 employees) of our company (2019 – 89.5%; 2020 - 88.6%). The water usage and waste data relating to our Toronto office has been generated by building management and represents our proportionate share of the building's aggregate water usage and waste.

** Tonnes of carbon dioxide equivalent (tCO_2e) is a standard unit in carbon accounting to quantify greenhouse gas emissions.

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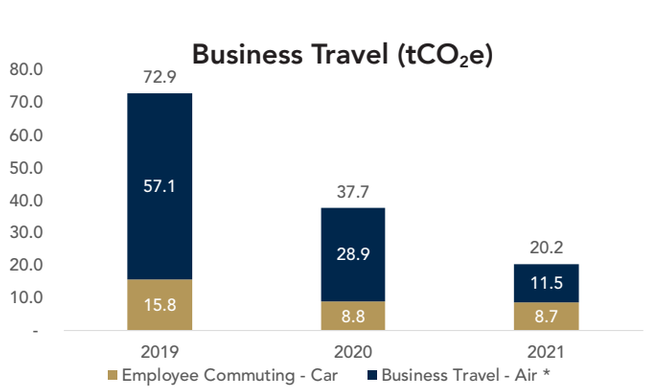
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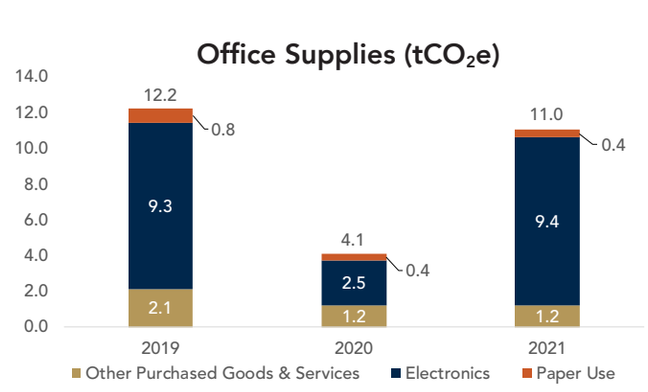
Global Carbon Footprint (continued)

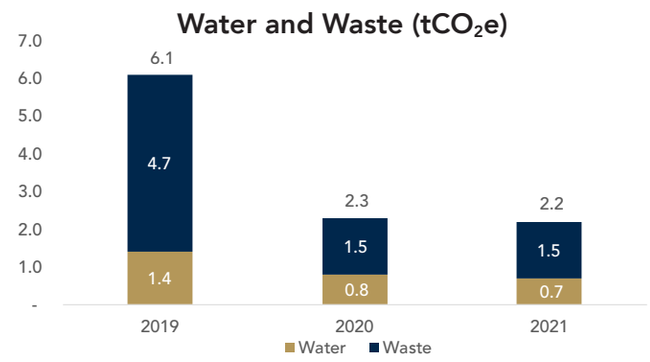
Annual Indirect (Scope 3) Greenhouse Emissions (tCO_2e) from 2019 to 2021

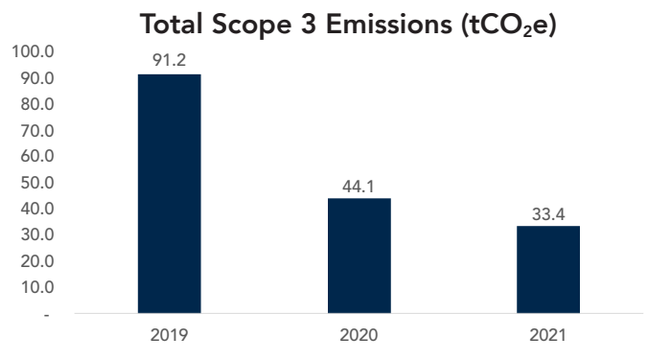
Our indirect (Scope 3) emissions are comprised of estimated greenhouse gas emissions associated with work-related travel (including airplane travel* and personal car mileage), purchase and use of office supplies and services (including paper, electronic devices, kitchen supplies and other office goods and services), and water and waste**. The reduction of our Scope 3 emissions in 2020 and 2021 is primarily due to our shift to remote and hybrid work arrangements during these years. We except that these emissions will normalize in 2022.

In accordance with the Greenhouse Gas Protocol Technical Guidance for Calculating Scope 3 Emissions (Category 15: Investments), inclusion of GHG emissions generated from the operations in which we have royalty and stream investments is optional but not required. We do not operate, develop or conduct exploration for such operations, nor do we do exercise control over such operations given the passive nature of our investments and such emissions are excluded from our organizational boundary and our Scope 3 emissions. Notwithstanding, we have included in this ESG Report (refer to Appendix B: Operators' Emissions) estimated emission data relating to the producing mining operations where we hold royalty and stream investments, which information has been provided by McKinsey MineSpans.









* Scope 3 emissions relating to Business Travel - Air based upon data provided by our corporate travel agent, Corporate Traveller, plus additional estimated emissions for flights booked individually by Franco-Nevada personnel or through other travel agents.

** Due to certain logistical constraints, reported data for Scope 3 emissions generated from water and waste relates to our Toronto and Barbados office and for 2021 covers 88.9% (32 of 36 employees) of our company (2019 – 89.5%; 2020 – 88.6%).

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TCFD Disclosure

TCFD | TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

The Task Force on Climate-related Financial Disclosures (TCFD) seeks to develop consistent climate-related financial risk disclosures for companies in their financial and sustainability reporting. The TCFD considers the physical, liability and transition risks associated with climate change and what constitutes effective financial disclosures. The TCFD's focus is not on companies' impacts on the environment, it is on the environment's impact on companies and can therefore be viewed as complementary to other reporting frameworks that address the carbon footprints of companies' operations.

TCFD is particularly pertinent for companies in which climate change genuinely presents a significant risk to the viability of the business, which does not solely involve physical impacts but also includes additional risks from transitioning to a lower-carbon economy. TCFD can also be used as an opportunity to demonstrate competitive advantage, by providing a platform for companies to describe how their businesses mitigate climate-related risks or how they are proactively pursuing the opportunities of a transition to a low-carbon economy.

At the date of this ESG Report, many of the operators of projects in which we hold royalties or streams, including operators of several of our key mining assets have become public supporters of the TCFD and many do, or have committed to, have TCFD-compliant climate-related disclosure. We expect that TCFD reporting will become mainstream with our mining and energy operators in the near term. We applaud these initiatives and we declared our own support for the TCFD and its recommendations in early 2021.

The climate disclosure included in this year's ESG Report, including in Appendix C, is our second consecutive year of reporting aligned with the TCFD.

We continue to aim to provide increased transparency in our TCFD reporting. In early 2022, we conducted a gap analysis by reviewing our current climate strategy and TCFD disclosure contained in last year's ESG Report in order to identify areas for improvement and to ensure we are aligned with TCFD recommendations and best practices. This process has resulted in several year-over-year improvements to our climate strategies and procedures as well as to our TCFD disclosure, which are described in this ESG Report.

"The Climate Disclosure included in this year's ESG Report, including in Appendix C, is our second consecutive year of reporting aligned with the TCFD."



Ambulance fleet donated by Kinross Tasiast to support Mauritanian government's fight against COVID-19

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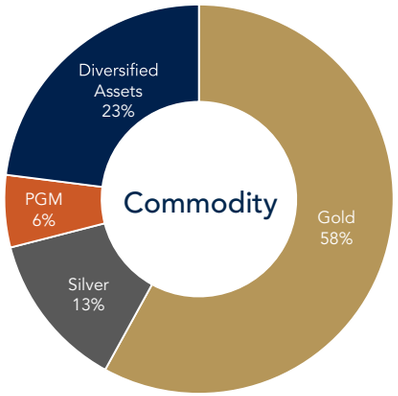
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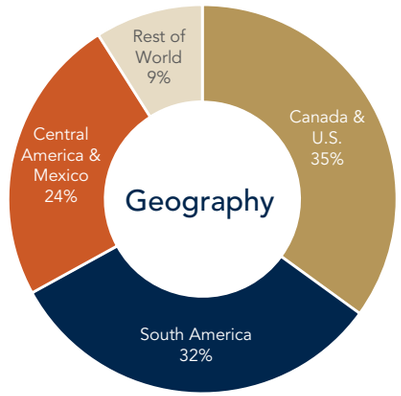
Resilience of Our Portfolio

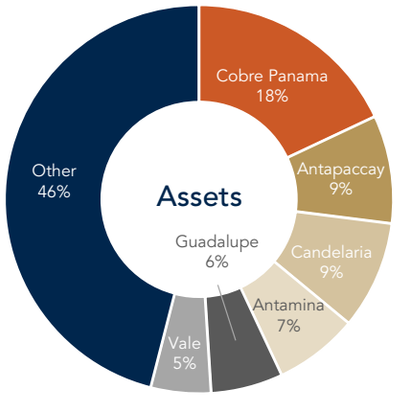
Our exposure to climate-related risks (described in detail in our TCFD disclosures in Appendix C to this ESG Report) is substantially mitigated by the diversification of our royalty and stream portfolio. No one operator or asset contributed more than 18% of our total 2021 revenues, which mitigates operator-specific or localized climate-related risks (e.g. reputational, acute physical and local regulatory and legal risks). We also receive revenues from various commodity types produced in a multitude of jurisdictions, which mitigates risks impacting broader regions and markets (e.g. chronic physical, country-wide regulatory and legal, and market risks). While we do have significant exposure to gold, broader market and reputational climate-related risks which may impact the gold industry are further mitigated through our rigorous due diligence process geared toward investing in best-in-class operators, many of whom have already set long-term climate-related goals and commenced low-carbon transitions.

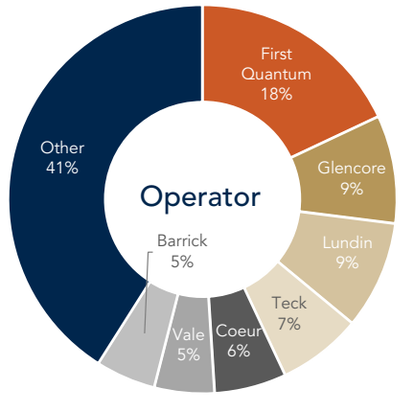
Certain mitigation factors are also inherent with our business model. For example, as a royalty and stream company, we are a free cash flow business without direct exposure to operating, capital or closure costs.

- In the short and medium term, any climate-related cessation of production at an operation in which we have a royalty or stream interest can be viewed as deferral of revenue for our company realizable upon re-commencement of production.
- Most of our assets are non-cost bearing. In the long term, other than an asset becoming uneconomic, we are generally insulated from rising costs, including those related to carbon pricing, associated with the transition to a low carbon economy.









Due to the breadth and diversification of our portfolio, our exposure to climate-related events, trends or sentiments adversely impacting a particular project or operator or more broadly adversely affecting a commodity type or jurisdiction is reduced. Climate risk exposure is further mitigated by factors inherent in our business portfolio, including those eliminating cost exposure in respect of our assets, and our high standards and rigorous due diligence processes geared toward investing in best-in-class operators and operations.

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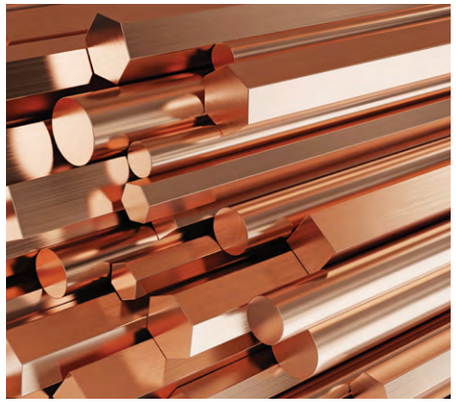
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Climate Opportunities

As a royalty and streaming company, we are well positioned to participate in climate-related opportunities arising in connection with the transition to a low-carbon economy. The following describes climate-related opportunities that we have already embraced in our portfolio and that we expect will continue to be available to our company in the short, medium and long-term.

Products and Services

Our investments in commodities used for low emission products and services may increase revenues and bring competitive advantage due to the increased demand for such products and services from shifting consumer preferences.



Copper:

With superior electrical and thermal conductivity, copper will play a significant role in enhancing energy efficiency and decarbonizing the planet. A 2017 World Bank Report* counted dozens of metals which could see a growing market with the increasing reliance on renewable and sustainable energy sources. Copper ranked first (tied with aluminum and nickel) among all metals for its prevalence in low-carbon technologies, including in wind, solar photovoltaic, carbon capture and storage, nuclear power, light emitting diodes, electric vehicles and electric motors.

Our company's principal sources of revenue are from copper mines, including our four core assets (Cobre Panama, Antapaccay, Antamina and Candelaria) where we receive precious metal by-products from copper concentrates and, in 2021, we acquired another precious metal stream from the Condestable copper mine in Peru. Strong demand for copper increases the prospects of greater production from these operations. We also have royalties on a number of prospective copper development projects, including Rosemont and Copper World (Hudbay), Alpala (SolGold), Taca-Taca (First Quantum) and NuevaUnión (Teck and Newmont) projects. We expect that in the future there will be further opportunities for our company to finance copper operations given the metal's utility in the transition to a low-carbon economy.



Natural Gas:

The use of natural gas for energy results in fewer emissions of nearly all types of air pollutants and carbon dioxide than burning coal or petroleum products. For this reason, while there are undeniably more emissions produced than clean energy sources, natural gas is viewed by some as a "bridge" fuel as renewable energy sources become increasingly more cost-effective and prevalent. In developing regions, natural gas is replacing wood and coal used for heating and cooking, which will improve health conditions. In developed countries, efficient distributed natural gas-fired combined heat and power systems will reduce emissions.

Our company's recent additions to our energy portfolio has seen a shift from U.S. oil to natural gas plays, including our 2019 royalty acquisition on Range Resources liquids-rich natural gas properties in the Marcellus shale in Pennsylvania and our 2020 royalty portfolio acquisition in the Haynesville shale, Texas, one of the most active gas plays in North America. Natural gas accounted for approximately 38% of our energy revenues in 2021, a significant increase from prior years.

* "The Growing Role of Minerals and Metals for a Low-carbon Future", World Bank Group, June 2017.

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Battery Metals:

Technologies involved in the clean energy transition are emerging and advancing rapidly through innovation and increased deployment. According to a 2020 World Bank Report*, the production of certain battery metals will have to increase by nearly 500% by 2050 to meet the growing demand for clean energy technologies and over 3 billion tonnes of these minerals and metals will be needed to deploy wind, solar and geothermal power, as well as the energy storage required to transition to a low-carbon economy.

While most of the global demand for nickel is for the production of stainless steel, nickel sulphate, a highly purified nickel compound that helps deliver higher energy density in lithium-ion batteries, extending the driving range for electric vehicles, is expected to become the second largest application for nickel in 2030. Our company has royalties on nickel projects, including Mount Keith nickel mine in Australia, Eagle's Nest deposit in the Ring of Fire in Ontario, Canada and Crawford Nickel-Cobalt project in Ontario, Canada. These projects are poised to benefit from increasing demand for nickel and we expect to see more opportunities to finance nickel and other battery metal projects both domestically and abroad.

* "Minerals for Climate Action: The Mineral Intensity of the Clean Energy Transition", World Bank Group, 2020.

"Our company has royalties on nickel projects, including Mount Keith nickel mine in Australia, Eagle's Nest deposit in the Ring of Fire in Ontario, Canada and Crawford Nickel-Cobalt project in Ontario, Canada."



Iron Ore:

Steel is essential to every aspect of modern life and is a key component for low-carbon technologies from electric vehicles to wind turbines. Known as a hard-to-abate sector having high emissions and energy-intensive production, the low-carbon development of the iron and steel industry will be crucial in the transition to a low-carbon economy and for the achievement of climate goals.

Our company has exposure to low-carbon footprint iron ore operations and innovative operators through our equity ownership in Labrador Iron Ore Royalty Corporation (which has minority ownership of Iron Ore Company of Canada ("IOC") and holds royalties over IOC's operations in Newfoundland and Labrador) and our royalty debentures covering Vale's Northern and Southeastern System operations in Brazil.

IOC pellets and concentrate are high grade products with world leading low alumina and ultra-low phosphorus, beneficial to the iron and steel industry. These pellets are high quality with a clean chemistry, which helps to lower the carbon footprint, compared to lower quality grades and forms of iron ore, when used in the iron and steel industry. In early 2021, IOC announced an initiative that will explore the viability of transforming iron ore pellets into low-carbon hot briquetted iron, a low-carbon steel feedstock, using green hydrogen generated from hydro electricity in Canada.

Vale supplies iron ore products that require less energy use in steel blast furnaces, reducing emissions. One example is its Brazilian Blend Fines, a blend of ores produced in Carajás and Minas Gerais, with a higher iron content and fewer contaminants. Vale has recently partnered with Kobe Steel and Mitsui & Co. with the objective to offer low-carbon solutions and technologies to the steel industry.

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Resilient Operators

Our investments in organizations, projects and initiatives developing adaptive capacity to respond to climate change to better manage climate-related risks and seize opportunities may improve our own reputation, market valuation and resilience to the transition to a low-carbon economy.

Many of the assets in our portfolio are operated by best-in-class operators. The ingenuity and technical skills of these operators, including relating to sustainable practices, processes and technologies, often provide them with a competitive advantage, reducing their costs and their operating risks and ultimately reducing their cost of capital.

Mining and energy operators, including most of our key operators described above in the Operators section of this ESG Report, contributing to approximately two-thirds of our 2021 revenues have proactively set targets to reduce carbon emissions, with some committing to the long-term achievement of net-zero emissions.

We continue to look for opportunities to invest in other best-in-class operators and, as a capital provider, potentially facilitate their low-carbon transitions. Below we have highlighted the resourcefulness of certain of our operators, their efforts to reduce their carbon footprints, and their commitments to combating climate change, which exemplify the types of operators and operations that we look to invest in.



Continental Resources' solar panels at West Blaine recycling facility, which Franco-Nevada is helping to finance

"Mining and energy operators, including most of our key operators described above in the Operators section of this ESG Report, contributing to approximately two-thirds of our 2021 revenues have proactively set targets to reduce carbon emissions, with some committing to the long-term achievement of net-zero emissions."

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Carbon Sequestration at Weyburn

(Franco-Nevada has royalty interests and a working interest at Weyburn)

We have royalty interests and a working interest on Whitecap Resources' Weyburn Unit in southeast Saskatchewan, which is a CO_2 injection enhanced oil recovery development.

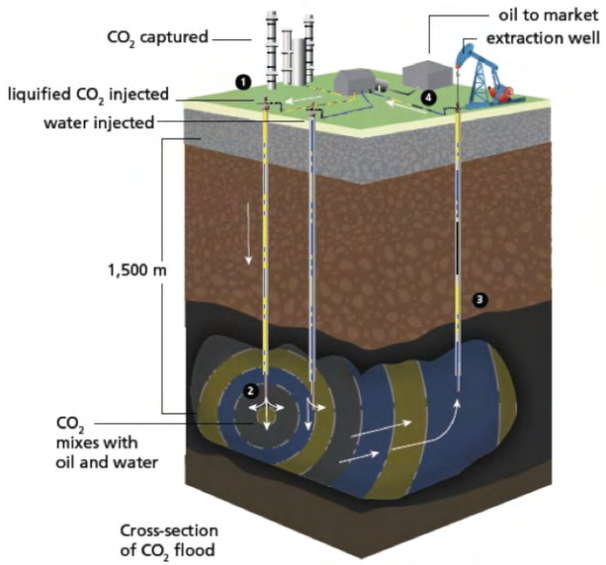
CO_2 is transported as a liquid from two separate industrial sources. At the source, the CO_2 is captured and compressed before transmission via pipeline to Weyburn. The CO_2 in liquid form is then injected at high pressure into the Weyburn Unit. The gas stream that is recovered with the oil production is processed for natural gas liquids and the remaining CO_2 volume is reinjected into the formation on an ongoing basis. Accordingly, with minor adjustment for losses, all of the CO_2 purchased and transported by pipeline for injection at Weyburn constitutes additional CO_2 volumes stored each year.

Since its inception in 2000, more than 37 million tonnes of CO_2 from two separate industrial sources have been captured and stored 1.5 km underground, the equivalent of taking 8 million cars off the road for an entire year. In addition to having carbon storage benefits, injecting CO_2 helps oil come to the surface more easily and improves the efficiency of production, maximizing the ultimate recovery of oil originally in place.



Utilizing emissions-reduction processes at Weyburn

Enhanced Oil Recovery CO_2



Mining and energy operators utilizing lower emission and emissions reduction processes and technologies demonstrate their adaptability to climate change. As decarbonisation continues to take centre stage, we will continue to look to partner with and invest in these companies and projects, which involvement will improve our own sustainability profile.

"Since its inception in 2000, more than 37 million tonnes of CO_2 from two separate industrial sources have been captured and stored 1.5 km underground, the equivalent of taking 8 million cars off the road for an entire year."

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Continental Resources Carbon Capture and Sequestration Project

(Franco-Nevada has a strategic royalty acquisition joint venture with Continental)

In March 2022, Continental Resources announced that it would be investing $250 million over the next two years to help Summit Carbon Solutions build a $4.5 billion carbon capture and sequestration project. It is anticipated that the project will capture and transport via pipeline 8 million metric tonnes per year of CO_2 from 31 ethanol plants across the US Midwest. That carbon will then be sequestered in subsurface geologic formations in North Dakota, where Continental Resources will leverage its geologic expertise gained from its extensive oil and gas drilling operations in the Bakken Shale.

The project aims to bring operations online the first half of 2024 and will have the capability of expanding to ultimately transport up to 20 million metric tonnes per year of CO_2.

Mt. Keith Solar Farm and Carbon Capture

(Franco-Nevada has royalty interests on the Mt. Keith nickel operation)

In July 2021, BHP announced its plans to build a 27.4 MW solar farm at its Mt. Keith nickel operations, BHP's first off-grid large-scale renewable energy project across its global operations, which will replace power currently supplied by diesel and gas. The solar farm, where construction is currently underway, will significantly reduce BHP's Scope 2 emissions at Mt. Keith.

In October 2021, BHP also announced plans to conduct trials at the Mount Keith tailings dam at Nickel West, which could store about 40,000 tonnes of CO_2 from the atmosphere per year. BHP's initial research has indicated that enhancing the mineral carbonation rate of the tailings dam could significantly increase its capacity to store CO_2.



Solar panels at Rosemont Mine in Arizona

"In March 2022, Continental Resources announced that it would be investing $250 million over the next two years to help Summit Carbon Solutions build a $4.5 billion carbon capture and sequestration project."

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We are committed to contributing to our communities and engaging with our operators to partner in community and other initiatives where our royalty and stream assets are located



Employee at Bald Mountain project in Nevada

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Enseña Peru

Since 2018, we have partnered with Compania Miñera Antamina S.A., the joint venture company that operates the Antamina project in Peru, in supporting Enseña Peru. Enseña Peru is a partner of Teach For All, which is a network of independent, locally led and governed partner organizations aimed at providing educational opportunities to children. Enseña Peru aims to improve education at existing schools in the region which Compania Miñera Antamina S.A. has historically supported.

Enseña Peru's main objective is to supplement the Peruvian education ministry's efforts in filling teaching positions in schools. Enseña Peru takes volunteer teachers and other professionals, guides them through a three-month leadership program and then posts them in different schools and communities for two-year terms. Their other effort is to train existing teachers and increase cooperation through their Qué Maestro Program, which focuses on the development of pedagogical skills and leadership in public school teachers.

Currently, Enseña Peru has 160 teachers and directors in 125 schools primarily in the Lima city district and the Ancash Region to the north, which is the region that hosts the Antamina project. The program also has 135 professionals who worked as teachers improving the academic and personal development of their students. Enseña Peru calls these initiatives and the immediate improvements that they have accomplished, the "Ancash Effect".

Throughout the COVID-19 pandemic, Enseña Peru has contributed to a nationwide effort in alliance with the Ministry of Education and 1,000 educational leaders, enabling 1.5 million students to "Learn from Home" with a competency-based education module, among other initiatives.

With additional funding, Enseña Peru hopes to expand its mission to more schools which in turn will benefit more students. To learn more about Enseña Peru or contribute to the initiative, visit: ensenaperu.org.

"Enseña Peru has the goal that by 2032, 8 out of 10 Peruvian children and young people will receive a quality education."

Luis Rivas,
Fund Development Coordinator,
Enseña Peru



Community engagement through Enseña Peru



Enseña Peru teachers and students in action

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Other Contributions and Initiatives



Guazapares water filtration installation

COEUR MINING®
We Pursue a Higher Standard

Partnering with Coeur on Guazapares Water Upgrade Project

In 2020 and 2021, we partnered with Coeur Mining by financing a hydraulic water system upgrade project in the Guazapares' San Jose and Santa Clara communities in Mexico approximately 34 kilometers east of Coeur Mining's Palmarejo mining project where we have a stream interest. The system upgrade, which was completed in 2021, provides approximately 270 local residents with non-potable domestic water, having the potential to change the residents' quality of life through improved sanitation and hygiene practices, eliminate the time consumed for the physical collection of water, and reduce maintenance costs related to the old water infrastructure.



Landscape at Alpala project in Ecuador

SolGold

Partnering with SolGold on Imbabura Recycling and Waste Management Project

As part of our royalty investment on the Alpala Project in northern Ecuador, we committed to contribute to ESG initiatives in partnership with SolGold. As part of this commitment, in 2021, we advanced our sponsorship of a recycling and waste management initiative with the Lita Parish and La Carolina Parish in the Imbabura province, which aims to increase the well-being and living standards of those communities by creating a sustainable independent business while reducing pollution, including plastic waste, in the local environment. This initiative stands to benefit a population of around 7,000 in both communities.

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Other Contributions and Initiatives (continued)



Franco-Nevada team during a due diligence visit to Antapaccay

GLENCORE

Partnering with Glencore on Alto Huarca Potable Water Project

In 2021, we finalized a commitment to partner with Compañía Miñera Antapaccay S.A., the operator at the Antapaccay mining project in Peru, to build a water system in order to provide potable water to the 288 inhabitants of the nearby Alto Huarca community and to safely remove waste. The initiative involves the construction of an 8.4 kilometer conduction line (with air passes, flow distribution chambers and valve chambers), a 22 kilometer distribution network with residential connections, and basic sanitation units. The water project will take approximately seven months to complete.



The Prosperity Project "Founding Visionaries" Jennifer Maki and Maureen Jensen, both Franco-Nevada board members

the prosperity project

Supporting The Prosperity Project in Achieving Gender Parity

The Prosperity Project is aimed at mitigating the disproportionate impact of COVID-19 on Canadian women. In 2021, we sponsored The Prosperity Project, with Franco-Nevada agreeing to be an Influence Partner of The Prosperity Project's Annual Gender Diversity Data Tracking Initiative, which tracks women in board, executive officer roles, and in the pipeline to executive officer roles in large public companies, crown corporations, pension funds, co-operatives and Canadian subsidiaries of foreign-owned public companies. The Annual Gender Diversity Data Tracking Initiative will apply intersectional identities and inclusivity lenses in order to track the representation of white and BIPOC women as well as women with disabilities at the leadership level over time and the progress being made towards achieving gender parity at the top. Maureen Jensen, one of our directors, is a director of The Prosperity Project, and both Ms. Jensen and Jennifer Maki, also one of our directors, are "Founding Visionaries" of the project.

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Supporting The Canadian Institute of Mining, Metallurgy and Petroleum (CIM)

In 2021, we agreed to support The Canadian Institute of Mining, Metallurgy and Petroleum (CIM) through their Corporate Patron initiative to assist the CIM in recovering and recalibrating following the cancellation of its annual conference in 2020 and to enable the CIM to continue with its industry leadership through its COVID-related challenges.

Support for "Every Student, Every Day"

In 2021, as part of a five-year commitment, we sponsored Victoria Gold's "Every Student, Every Day" initiative, which works with the community to raise awareness and funds to support increased student attendance throughout the Yukon.

Supporting United Way

We are perennial contributors to United Way, an international organization that works with non-profits, government, community agencies, corporate partners, labour and donors to improve lives by mobilizing the caring power of communities around the world to advance the common good. Each year from September to November, our Toronto office runs a campaign to raise funds for this worthy cause and several members of our executive team are members of the United Way Major Donor Circle. In the past eight years, we have raised over C$1.4 million and we are an active supporter and leader in conjunction with raising funds for United Way.

Sponsoring PDAC, Young Mining Professionals' Toronto Chapter, Threads of Life and Spread the Word Nevada

We are the primary sponsor of the Prospectors & Developers Association of Canada ("PDAC") annual awards that recognize industry successes in exploration, development, safety, environmental stewardship and aboriginal cooperation. We have sponsored the Toronto chapter of Young Mining Professionals ("YMP") since its inception in 2015. YMP is a growing international association of mining professionals based in major mining centers across the world that share the goal of advancing the global profile and leadership of the mining and exploration industry. In 2021, we supported Threads of Life, a Canadian charity dedicated to supporting families after a workplace fatality, life-altering injury or occupational disease. In 2021, our US subsidiary contributed to Spread the Word Nevada, an organization dedicated to advancing childhood literacy within low-income communities by changing lives one book at a time.

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Continental solar-powered water recycling project, which Franco-Nevada is helping to finance

"The project has a positive environmental impact as it enables Continental to operate with significantly less overall fresh water usage and, as a pipeline carries all produced water from new wells, fewer diesel trucks are needed on the road for water transfer."

Partnering with Continental Resources on solar-powered water recycling project in Oklahoma

Our relationships formed in the industry and with operators of the projects in which we have or will have royalty and stream interests position us to assist our operators in financing projects to reduce their carbon footprint, facilitate energy transitions, or otherwise benefit the environment.

We advanced these initiatives in 2021 with our three year commitment to help finance Continental Resources' solar-powered water recycling project in Oklahoma.

The vast majority of Continental's water consumption is associated with its well completion operations. While completing wells in a localized area, a significant amount of water must be injected to effectively develop the asset. Through water recycling (the process of treating produced water from existing wells and making suitable for reuse in future operations) the Continental team materially reduces the amount of fresh water required for operations.

With Continental's water recycling project, produced water is gathered at a central water facility from a pipeline network, cleaned to be suitable for the formation and wellbore, and distributed back out to crews ready for injection. The project has a positive environmental impact as it enables Continental to operate with significantly less overall fresh water usage and, as a pipeline carries all produced water from new wells, fewer diesel trucks are needed on the road for water transfer.

In 2021, the Continental team commenced installation of a 0.3 MW solar farm to power its water recycling operations. By powering the facility with solar energy, they will reduce the emissions of the facility with the use of renewable energy as opposed to using energy from the grid. The 0.3 MW solar facility will produce an estimated 686 MWh of electricity annually.

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Individual Philanthropic Contributions

Our directors and management support philanthropic and charitable efforts using their own personal resources. In addition to our corporate commitments, we encourage our employees' efforts to contribute to society through non-profit charitable activities. This approach is reflected in our Corporate Responsibility Policy. Some highlights of our leaders' personal contributions are as follows:



David Harquail,
our Chair, is personally supporting mineral exploration research at the Harquail School of Earth Sciences and its Mineral Exploration Research Centre (MERC) at Laurentian University in Sudbury. He is also underwriting clinical trials in brain science at the Harquail Centre of Neuromodulation at Sunnybrook Health Sciences in Toronto. Mr. Harquail was on the Campaign Cabinet for the Greater Toronto United Way until 2020 and in his final year raised record contributions from the resource sector as well as personally donating a matching challenge grant to encourage major individual donors.



Paul Brink,
our President and CEO, serves on the Fund Raising Cabinet for the YMCA of Greater Toronto and on the Board of Governors of Trails Youth Initiatives. The YMCA of Greater Toronto tackles the most critical social issues in the GTA and offers children, teens, young adults and families the opportunity for personal growth, community involvement and leadership. Trails Youth Initiatives runs a four year program for vulnerable youth from Toronto that challenges and equips them to become contributing members of the community.

"We encourage our employees' efforts to contribute to society through non-profit charitable activities."

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The wellbeing of our workforce is of the utmost importance and we continue to seek ways to remove barriers and promote diversity and inclusion within our company and in our communities



Miners at the Antamina project in Peru

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Impact of the COVID-19 Pandemic

Hybrid Work Arrangements:

When COVID-19 worsened during periods of 2020 and 2021, we closed our offices to ensure the safety of our staff, providing job security throughout our organization and support to facilitate working from home, including flexible work hours and other arrangements. In 2020 and 2021, there were no reductions in working hours, working days, wages, or benefits and no involuntary turnover in our global workforce. Our workforce seamlessly transitioned to working remotely and we developed work-arounds for certain of our due diligence processes, which allowed us to add several assets to our portfolio. As of the date of this ESG Report, we have transitioned to a hybrid office model.

Health & Safety:

Our staff remains healthy and safe. At our head office in Toronto (comprising approximately two-thirds of our global workforce), we have worked closely with building management to ensure the safety of our personnel when entering, exiting and working in the office and we developed an internal office protocol, which is updated as and when needed, outlining our COVID-related health and safety procedures. COVID-19 rapid antigen tests have been distributed for use by our employees and their families.

Reduced Footprint:

As a result of our transition to working remotely and our reduced business travel during the pandemic, our carbon footprint, including our global office emissions, was significantly reduced in 2021.

Although 2021 was another challenging year, we believe it highlighted the resilience of our business during uncertain times.

Resilience of our Portfolio:

In the early days of the COVID-19 pandemic, temporarily reduced or curtailed production was announced in 2020 by a number of operators of our mining assets. These operations have all resumed operations and even where there has been a resurgence of cases in various parts of the world, including those due to more transmissible variant strains, the impact on our operations and assets has been limited. We weathered these production delays and volatility in commodity markets with record financial results for 2020, which were exceeded in 2021, another record year for our Company.

Social Commitments:

Since the commencement of the COVID-19 pandemic, we have expanded our social commitments with new programs to support mental health at the communities around Candelaria and water infrastructure for communities around Guadalupe-Palmarejo in Mexico and Antapaccay in Peru, and we made new community contribution commitments as part of our acquisition of the Alpala royalty and Condestable stream. In Canada, we have supported the COVID-related initiatives of The Prosperity Project and The Canadian Institute of Mining, Metallurgy and Petroleum. In 2021, Mr. Brink was a member of the Canadian Chamber of Commerce COVID-19 Recovery Leadership Council.



The Franco-Nevada team from all of our offices in May 2019

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Labour, Health and Safety

We have 36 full-time employees working at home or in office spaces located in Canada, Barbados, the United States and Australia. We do not control or have direct influence on the operations of any of the properties over which we have an interest and we operate solely within office environments.

Given our business model and office environment, the health and safety of our employees are not typically direct risks to our company. Notwithstanding, our team travels extensively to visit mining and energy operations to conduct due diligence and scheduled audits. As noted on page 49 of this ESG Report, due to the COVID-19 pandemic, as of the date of this ESG Report, in addition to instituting hybrid work arrangements for Franco-Nevada staff, we have had to suspend certain due diligence trips and scheduled audit site visits during the pandemic. The management team has still progressed various due diligence processes and the monitoring of assets. The health and safety of our employees remains of utmost priority.

We have a Health and Safety Policy applying to our company (including all subsidiaries) and employees necessitating compliance with applicable legal and regulatory health and safety requirements of the jurisdictions in which we operate and setting out standards for a safe work environment, including a workplace free from injuries and from violence and harassment. Our Health and Safety Policy is complemented by our Non-Discrimination, Anti-Harassment & Equal Opportunity Policy, which provides for a procedure in the case of any incident of discrimination, harassment or violence, including the reporting of the occurrence to our Chief Legal Officer, the oversight of the policy by our Compensation and ESG Committee ("CESGC") and delegation of the authority to create and amend procedures and programs by the CESGC to our Committee of Executive Officers, and the provision of education and training programs from time-to-time. Further, in accordance with our Corporate Responsibility Policy, we are committed to make a positive impact on social issues.

We are committed to the fundamental labour standards and rights at work set out in the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. In accordance with our Human Rights Policy and as enshrined in the Canadian Charter of Rights and Freedoms, we are supportive of the fundamental freedoms of our employees (and of all individuals), including the freedom of thought, belief, opinion and expression, the freedom of peaceful assembly and the freedom of association. Such policy also sets out our commitment to:

- not employ any individual under the legal age of employment in any jurisdiction in which we operate or conduct business
- not use any forced, involuntary, compulsory, indentured or slave labour in any of our business activities or operations
- provide wages and benefits that meet or exceed the requirements of applicable laws, rules and regulations in the jurisdictions in which we operate and conduct business
- ensure that working hours, overtime hours, and number of working days per week will not exceed applicable legal limits

All of our employees receive salaries significantly exceeding minimum wages in their applicable workplace jurisdictions and all such employees receive vacation pay, sick pay and parental leave pay and receive health and other benefits.

None of our employees are organized by a trade union or labour union and there are no collective bargaining agreements in place in respect of our staff or company. As such there have been no strikes or lock-outs in Franco-Nevada's history. Notwithstanding, we respect the right to collective bargaining (in accordance with ILO C98), the protection of workers' representatives and prevention of workers' representatives discrimination (in accordance with ILO C135).



Employee safety session at Cobre Panama

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Security

Although our employees operate in office environments, members of technical and business development teams frequently travel domestically and internationally, including when conducting due diligence for new potential investments, auditing our existing assets, and attending conferences and investor meetings. On occasion, these include destinations that may have higher risks, including of political instability, natural disasters, extreme climates, or pandemic, endemic and epidemic disease.



Employees at Bald Mountain mine in Nevada

International SOS

In order to partially mitigate the safety risk to our employees who visit these locations, we rely upon an international health and security service coordinator called International SOS ("ISOS"). ISOS has globally established alarm centers which have the ability to coordinate assistance on a regional level. Expert health and security information can be requested to be sent directly to personnel or may be accessed via the ISOS self-service portals, including ISOS's Global site monitoring portal.

Travel Safety Policy

In 2022, we adopted a Travel Safety Policy that aims to raise awareness of possible risks associated with travel, and seeks to minimize these through appropriate measures. Among other things, the protocols include our employees:

- Conducting an independent risk assessment of a travel destination before departure
- Engaging with ISOS to obtain applicable information relating to a travel destination
- Sharing travel itineraries with their team before departure
- Discussing elevated travel-related risks with their team
- Taking certain precautions in respect of air travel, ground transportation, and hotel accommodations
- Communicating openly and reporting all incidents to their team

Our Board is tasked to review the Travel Safety Policy annually to ensure that it is effective in achieving its objectives and may recommend changes or additions to such objectives, as appropriate, and has designated our Chief Legal Officer as the executive responsible for overseeing the policy.

> "We adopted a travel safety policy that aims to raise awareness of possible risks associated with travel, and seeks to minimize these through appropriate measures."

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Human Rights & Diversity

Human Rights

In 2020, our Board adopted the Human Rights Policy, which applies on a company-wide basis, thereby formalizing our actions, practices and beliefs since our inception. The Human Rights Policy sets out our commitment to the following items, among other things:

- Complying with human rights laws in regions in which we conduct business.
- Supporting fundamental freedoms of all individuals, including the freedom of thought, belief, opinion and expression, the freedom of peaceful assembly, the freedom of association and other rights and freedoms.
- Complying with proper labour laws and standards including in respect of legal age limits, forced or slave labour, minimum wages and benefits, and working hours and working day limits.
- Maintaining workplaces free from harassment and discrimination and complying with health and safety standards.
- Conducting appropriate human rights due diligence when making investments.
- Consulting with our stakeholders regarding human rights and other social issues.
- Reviewing and assessing our human rights policies, practices and procedures on a regular basis.
- Organizing appropriate training and educational programs for our personnel to address human rights issues and to properly implement our Human Rights Policy.
- Expecting that our suppliers and service providers conduct their business practices in accordance with our values, including in respect of human rights.
- Disclosing our progress and initiatives on human rights.

In 2021, we updated our Human Rights Policy to formalize our commitment to the fundamental labour standards and rights at work set out in the International Labour Organization's Declaration on Fundamental Principles and Rights at Work.



Social investment by Perseus Mining in communities near the Sissingue project in Côte d'Ivoire

Our Human Rights Policy formalizes our actions, practices and beliefs since our inception.

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Diversity & Inclusion

Date	Progress
2015	In March 2015, we adopted our Diversity Policy relating to identifying women as candidates to recommend for appointment/election to the Board and for appointment/promotion to senior management positions
2015	In May 2015, Catharine Farrow joined our Board **11% (1 of 9) of Board members are women**
2016	In 2016, we hired a female member of a visible minority to the senior position of Director of Finance and promoted another female to the senior position of Controller
2019	In March 2019, we amended our Diversity Policy to adopt a target of 30% women directors by 2022
2019	In May 2019, Jennifer Maki joined our Board **22% (2 of 9) of Board members are women**
2020	In March 2020, we amended our Diversity Policy to incorporate principles of inclusion and additional diversity and renamed the policy the Diversity and Inclusion Policy
2020	In May 2020, Maureen Jensen joined our Board **27% (3 of 11) of Board members are women**
2020	In July 2020, we signed the BlackNorth Initiative CEO Pledge to combat systemic racism
2020	In December 2020, we promoted a female member of a visible minority to the position of VP Finance and Operations at Franco-Nevada (Barbados) Corporation and promoted a male member of a visible minority to the position of VP Tax at Franco-Nevada Corporation
2021	In February 2021, we became an Influence Level Partner of The Prosperity Project's Annual Gender Diversity Data Tracking Initiative. We renewed our commitment to The Prosperity Project in early 2022
2021	In March 2021, we amended our Diversity and Inclusion Policy to provide that diverse candidates are to be included when filling Board and senior management roles and set out a new goal of achieving 40% Diverse Persons* at the Board and senior management level (on an aggregated basis) by 2025
2021	In May 2021, we achieved our goal of 30% women directors, one year earlier than planned **30% (3 of 10) of Board members are women**
2021	In mid-2021, we awarded the first ever Franco-Nevada Diversity Scholarship to a student entering mining engineering at the University of Toronto. We are expanding our scholarship program to include up to four additional annual scholarship awards beginning in 2022
2021	In the second half of 2021, we established the Franco-Nevada Diversity Leadership Council. The Council arranged for unconscious bias training for all of our employees and conducted an internal diversity and inclusion survey
2021	In December 2021, we promoted a female member of a visible minority to the position of VP Finance at Franco-Nevada Corporation

"In May 2021, we achieved our goal of 30% women directors, one year earlier than planned."



Catharine Farrow, Director



Maureen Jensen, Director



Jennifer Maki, Director

* Diverse Persons include women, Black, Indigenous and other people of colour, individuals who identify as LGBTQ+ and people with disabilities

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Diversity and Inclusion Policy

We are committed to diversity among our employees, executive officers and on our Board and have made significant progress over the past few years in improving our diversity practices and policies and increasing the number of diverse persons at our company.

Our Diversity and Inclusion Policy reflects our long-standing commitment to:

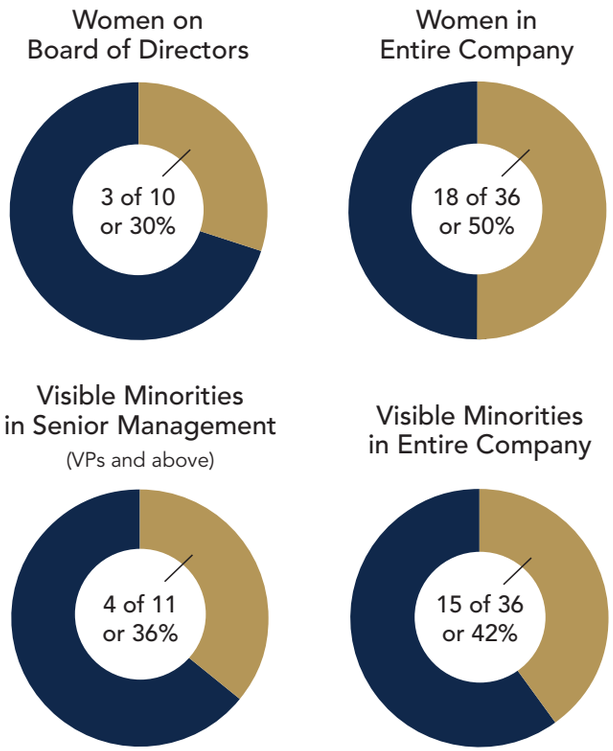
- creating a workplace environment that promotes dignity and respect for all of our representatives in which individual differences and contributions are recognized and valued;
- providing access to a safe, inclusive and accessible workplace ensuring that all of our representatives are able to participate and work to their full potential; and
- engaging with our stakeholders to obtain a better understanding of diversity and inclusivity issues.

Our Diversity and Inclusion Policy emphasizes all forms of diversity in identifying candidates to recommend for appointment/election to the Board and for appointment/promotion to senior management positions. As referenced above, the amendments adopted by the CESGC in March 2021 provide that diverse candidates must be included in any search for new Board members and senior management positions (Vice Presidents and above), including any new offices which may be established by our company (which would include internal promotions). As well, the Diversity and Inclusion Policy was amended to adopt additional diversity goals for women, Black, Indigenous and other people of colour, individuals who identify as LGBTQ+ and people with disabilities ("Diverse Persons"). Specifically, the Diversity and Inclusion Policy now provides for the following goals:

- maintaining at least 30% women directors on the Board, and
- achieving 40% Diverse Persons at the Board and senior management level (on an aggregated basis) by 2025.

Employee, Management and Board Member Diversity

(as of December 31, 2021)



"We are committed to diversity among our employees, executive officers and on our Board and have made significant progress over the past few years in improving our diversity practices and policies and increasing the number of diverse persons at our company."

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Where appropriate, CESGC can engage qualified independent external advisors to conduct a search for candidates that meet the Board's skills and diversity criteria to help achieve its diversity goals. As all recommendations of director nominees and appointments of executive officers need to be approved by the CESGC, the Board has concluded that appropriate measures are in place to ensure that the Diversity and Inclusion Policy is effectively implemented.

The Diversity and Inclusion Policy provides that the Board will review the policy annually to ensure that it is effective in achieving its objectives. Any further changes to the policy as well as additional diversity achievements will be reported annually in our management information circular.

Diversity and Inclusion Initiatives

We are proud to have progressed the following diversity and inclusion initiatives during 2021:

BlackNorth Initiative

We became a signatory to the BlackNorth Initiative CEO Pledge at its inaugural summit in July 2020. The BlackNorth Initiative was created by The Canadian Council of Business Leaders Against Anti-Black Systemic Racism to combat anti-Black systemic racism in Corporate Canada.

As part of the Pledge, we committed to:

- hire on average at least 5% within our student workforce from the Black community
- invest by 2025 at least 3.5% of corporate donations and sponsorships to promote investment and create economic opportunities in the Black community
- set numeric diversity goals for the representation of Diverse Persons, including Black people, on our Board and among senior management.

In furtherance of these commitments, we have established the Franco-Nevada Diversity Scholarship Program (as described below) and in 2021 hired two co-op students from the Black community. As described above, we have updated our Diversity and Inclusion Policy to include a goal to maintain at least 30% women directors on our Board (a goal that we reached in May 2021) and the new goal of achieving 40% Diverse Persons at the Board and senior management level (on an aggregated basis) by 2025.

The Prosperity Project

The Prosperity Project is aimed at mitigating the disproportionate impact of COVID-19 on Canadian women who are being disproportionately affected and underscoring the economic importance of gender equality during the COVID-19 pre-recovery, recovery and post-recovery periods.

In early 2021, we became an Influence Level Partner of the Prosperity Project's Annual Gender Diversity Data Tracking Initiative. The Initiative tracks women in board, executive officer roles, and in the pipeline to executive officer roles in large public companies, crown corporations, pension funds, co-operatives and Canadian subsidiaries of foreign-owned public companies. The Initiative applies intersectional identities and inclusivity lenses in order to track the representation of white and BIPOC women as well as women with disabilities at the leadership level over time and the progress being made towards achieving gender parity. We renewed our commitment to The Prosperity Project in 2022.

The Prosperity Project was conceived by a diverse group of more than 60 female leaders from across Canada who actively supporting The Prosperity Project.

Maureen Jensen, one of our Board members, is also a board member of The Prosperity Project and both Ms.Jensen and Jennifer Maki, another member of our Board, are "Founding Visionaries" of The Prospersity Project.

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Diversity Leadership Council

In 2021, we established our Diversity Leadership Council, comprised of members of our management team from our Toronto and Barbados offices. In the second half of 2021, the Council arranged for unconscious bias training to be provided by an external consultant for all of our employees and conducted an internal diversity and inclusion survey. The Council also considered hybrid work arrangements and its implications from a diversity perspective.

Franco-Nevada Diversity Scholarship

In 2021, we established the Franco-Nevada Diversity Scholarship, a program aimed to promote diversity in the mining industry. We awarded the first ever multi-year Franco-Nevada Diversity Scholarship to a student entering mining engineering at the University of Toronto. We will be expanding our annual scholarship program to comprise up to four scholarship awards beginning in 2022.



Paul Brink and Feroz Shah

The first Franco-Nevada Diversity Scholarship recipient

Feroz Shah, a first year student in the Lassonde Mineral Engineering Program at University of Toronto, was born and raised in North York, Ontario. He was recently hired as a summer engineering intern with Suncor's project development team and is looking forward to travelling to Alberta upon the completion of the school year. He has ambitions to use his education to help reduce economic and environmental pressures in Central Africa.

"The Franco-Nevada scholarship has given me the opportunity to meet industry professionals, provided the financial stability that I needed, and allowed me to take advantage of additional opportunities beyond my studies that I would not otherwise have been able to experience, including finding an internship at Suncor. This scholarship has impacted me in more ways than one could imagine, and I will always be grateful to Franco-Nevada for this amazing opportunity."

— Feroz Shah

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Non-Discrimination, Anti-Harassment and Equal Opportunity

We have a Non-Discrimination, Anti-Harassment & Equal Opportunity Policy which provides the framework to maintain an environment free of discrimination and harassment, in which all individuals are treated with respect and dignity, are able to contribute fully and have equal opportunities. Grounds for discrimination include age, religion, sexual orientation, gender, family or marital status, disability, race, ancestry, place of origin, ethnic origin, citizenship, colour, record of offences, and any other ground that is listed in human rights legislation that applies to the jurisdiction in which we are operating. Such policy also provides that we are supportive of the fundamental freedoms of our employees (and of all individuals), including the freedom of thought, belief, opinion and expression, the freedom of peaceful assembly and the freedom of association.

The Non-Discrimination, Anti-Harassment & Equal Opportunity Policy also deals with harassment and workplace violence. This policy articulates our position with respect to diversity and equal opportunity as well as:

- zero tolerance for discrimination, harassment and threats or acts of violence;
- reporting inappropriate conduct, harassment and workplace violence;
- disciplinary measures; and
- the development of procedures to prevent and address human rights issues.

> "We are supportive of the fundamental freedoms of our employees (and of all individuals), including the freedom of thought, belief, opinion and expression, the freedom of peaceful assembly and the freedom of association."



Lloyd Hong, Chief Legal Officer (left) and Sandip Rana, Chief Financial Officer (right)



Members of our Barbados team

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We are committed to responsible governance practices and integrity within our company and across all aspects of our business

Employee at Antapaccay project in Peru

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Responsible Supply Chain

We have a Supplier Code of Conduct, which sets out our expectations for organizations, including their employees and representatives (collectively, our "Suppliers"), who supply goods and services to us. The Supplier Code of Conduct is to be delivered to Suppliers upon commencement of their arrangements with our company.

Suppliers are expected to:

- Conduct their business activities in compliance with laws and standards in the jurisdictions in which they operate;
- Prevent conflicts of interest with Franco-Nevada;
- Employ individuals above the legal age of employment, not to use forced or slave labour, meet minimum wage requirements and not exceed working hour and day regulations;
- Recognize freedom of association and the right to collective bargaining;
- Refrain from discriminating against their employees;
- Respect the dignity of their own employees and others, adhere to principles of diversity and maintain a respectful workplace; and
- Afford equality of opportunity to all people.

Suppliers are also encouraged, where applicable, to:

- Reduce greenhouse gas emissions;
- Preserve water and minimize water pollutants;
- Maintain soil, biodiversity and ecosystem quality;
- Reduce resource waste and foster optimal resource use;
- Incorporate climate change risk assessment into their risk management procedures; and
- Measure and publicly report on their climate change risk and environmental performance.

Failure of any of our Suppliers to comply with our Supplier Code of Conduct may result in the termination of our relationship with the Supplier. To date, we have not been aware of any such failure by our Suppliers to comply with our Supplier Code of Conduct.



Franco-Nevada opening the TSX in December 2017

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Information Security

We have an Information Security Policy that sets out our principles for the protection of information assets and our proper controls needed to ensure compliance with our standards and external regulations. The policy is intended to define the principles and requirements of acceptable use of information assets for our personnel and describe how these will be implemented across our global operations. It also informs our personnel of our expectations and requirements for acceptable use of information assets and the role of our personnel in protecting the security and integrity of our information.

The Information Security Policy is comprised of a number of policies, including our:

- Password Policy
- Acceptable Computer Use Policy
- Removable Media Policy
- Email Policy
- Remote Access Policy
- Incident Logging Policy



Our Chair, David Harquail, in a media briefing, Beijing, China

Our Audit and Risk Committee oversees the Information Security Policy and has designated our Chief Financial Officer as the executive responsible for: establishing and maintaining the practices and procedures necessary to implement the Information Security Policy, providing training to our personnel on the substance of the Information Security Policy at least once annually, and reporting to the Audit and Risk Committee on the operation of and compliance with the Policy.

Given the increased global threat of cyberattacks, we endeavour to improve our information security whenever possible. In 2021, we made the following improvements to our cyber and information security:

- Management enhanced its cybersecurity risk management processes to provide bi-annual cyber and information security updates to the Audit and Risk Committee on a go-forward basis
- We enhanced password security
- We updated our disaster recovery plan
- We engaged third party companies to test our security and access

"The policy is intended to define the principles and requirements of acceptable use of information assets for our personnel and describe how these will be implemented across our global operations."

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Governance & Integrity

We strive to meet rigorous standards of corporate governance, following industry best practices and satisfying legal, regulatory, TSX and NYSE requirements. We monitor regulatory changes, and we routinely review evolving governance practices in order to identify those that will best serve the interests of our shareholders.

Our ESG Governance

Board Oversight

The Board and its Committees provide oversight of our strategic approach to climate change and our ESG risks, which includes climate-related risks and opportunities affecting our business. A number of our Board members have skills and competencies in climate-related matters, including David Harquail, Tom Albanese, Derek Evans, Catharine Farrow, Maureen Jensen, and Elliott Pew.

The following Committees of the Board have oversight of ESG and climate-related risks, opportunities and disclosures, which are embedded in the Committees' Charters:

- Compensation and ESG Committee ("CESGC"): Our CESGC develops and recommends to the Board our approach to ESG issues, including climate-related issues, reviews the adequacy of our ESG practices and policies and recommends any changes to the Board, approves the adoption of any ESG-related standards or initiatives, adopts ESG-related corporate goals used to evaluate management's performance for executive compensation decisions and engages with our stakeholders in respect of ESG issues.
- Audit and Risk Committee ("ARC"): Our ARC oversees our risk management, including climate change risks.

The Board and its Committees frequently meet with senior management to determine our strategy with respect to our risks and exposures. Most recently, in February 2021, management met with the CESGC to discuss diversity and inclusion goals and targets for the company and, in November 2021, management met with the ARC to discuss ESG-related risks and strategy.

Management's Role

The Board and its Committees oversee senior management, who are responsible for the management of ESG and climate-related risks and for the execution of ESG and climate-related opportunities. Our Chief Executive Officer is responsible for leadership on ESG and climate-related matters and our Chief Legal Officer has executive responsibility over such matters. Climate-related risks and opportunities are overseen by the following members of our senior executive team having stewardship over our organization's units (including within our subsidiaries), each being responsible for implementing our ESG strategy and managing risks within their units:

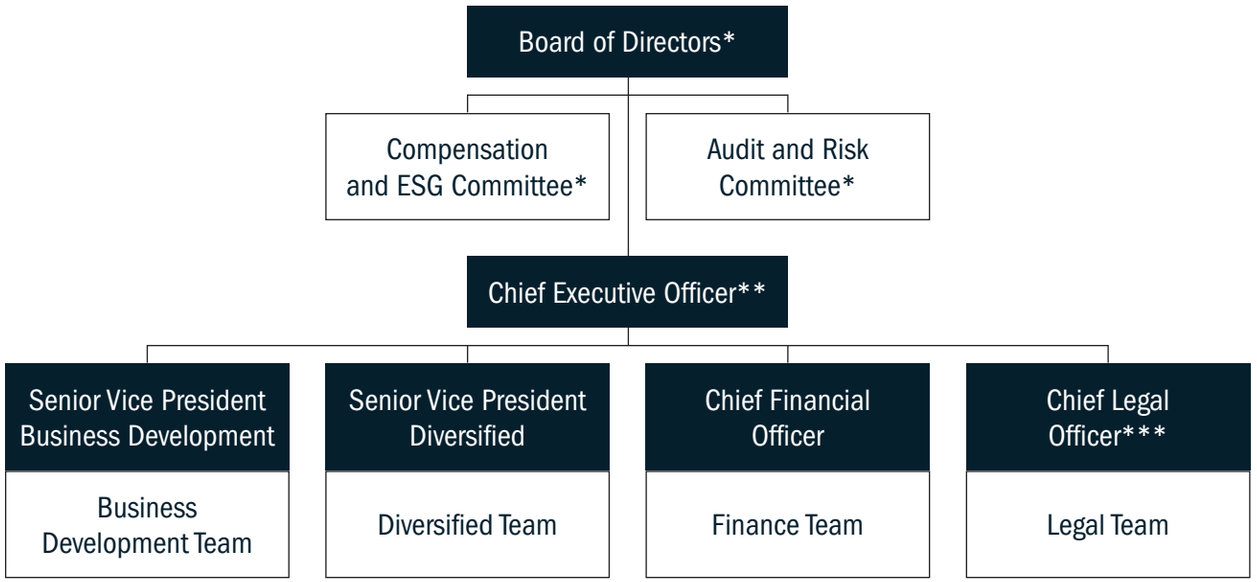
- Business Development (Senior Vice-President, Business Development)
- Diversified (Senior Vice-President, Diversified)
- Finance (Chief Financial Officer)
- Legal (Chief Legal Officer)

"The Board and its Committees provide oversight of our strategic approach to climate change and our ESG risks, which includes climate-related risks and opportunities affecting our business."

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Our Board oversight and management leadership of ESG and climate-related issues is depicted in the chart below.



* Board and Committees have oversight over ESG and climate-related risks and opportunities
** Chief Executive Officer has responsibility for leadership on ESG and climate-related matters
*** Chief Legal Officer has executive responsibility over ESG and climate-related matters

Board and Management Engagement

All of our senior executives regularly attend Board and Committee meetings, including to provide updates on royalty and stream acquisition opportunities, which include ESG and climate-related considerations. To the extent that a materially adverse ESG or climate-related issue or consideration arises during the due diligence process in respect of a royalty and stream opportunity, management and the Board may decide not to proceed with the opportunity. Recently, our company has passed on otherwise prospective opportunities because of ESG risks.

The Board and its Committees also frequently meet with senior management to determine our strategy with respect to our risks and exposures. Most recently, in February 2021, management met with the CESGC to discuss diversity and inclusion goals and targets for the company and, in November 2021, management met with the ARC to discuss ESG-related risks and strategy.

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ESG and Climate-Related Accountability

Starting in 2020, "Proactive ESG Leadership" was adopted as a specific corporate goal used to evaluate management's performance for executive compensation decisions, in recognition of the importance of managing ESG issues, including climate-related issues, to our business and the greater emphasis on ESG that the CESGC would apply in evaluating management's performance. On an annual basis, the CESGC will evaluate management's performance in connection with ESG due diligence processes, reporting and compliance, community contributions, diversity and inclusion and ESG rankings.

For further details as to this corporate goal and its subcomponents, please refer to the chart below.

ESG Objectives for Evaluating Management		
ESG Due Diligence ESG due diligence is critical in growing the Corporation's business	**ESG Reporting and Compliance** ESG initiatives should be adopted to be responsive to shareholders and stakeholders	**Contributions and Community Outreach** The Corporation should make a positive impact in the local communities in which its assets are located as well as locally
Management will be evaluated on whether an appropriate level of ESG due diligence was presented to the Board in connection with new investments Management will also be evaluated on a look-back basis in the event of an ESG issue at an existing asset to determine if such issue was reasonably forseeable through due diligence	Management will be evaluated on keeping the Board informed as to ESG initiatives and effective shareholder outreach Management will also be evaluated on the successful implementation of Board approved ESG initiatives, many of which can be multi-year projects	Management will be evaluated on its successful execution of ESG contributions which will include pro-active outreach to operators Management will also be evaluated on their personal engagement in making positive contributions to the local community

Diversity and Inclusion Diversity and inclusion are key components to the Corporation's success	**ESG Rankings** ESG rankings recognize management's efforts with respect to ESG
Management will be evaluated on its progress in the area of diversity and inclusion including in recruiting, internal promotions and disclosed diversity goals	Management will be evaluated based on the Corporation's ESG rankings by the major agencies followed by institutional shareholders Management will not be evaluated for matters solely within the Board's purview

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Engagement with Shareholders

Say-on-Pay

Each year our shareholders are given the opportunity to vote on an advisory basis "for" or "against" our approach to executive compensation. Since the vote is advisory, it is not binding on the Board or the CESGC. However, the Board and, in particular, the CESGC, will consider the outcome of the vote as part of its ongoing review of executive compensation. At our 2021 Annual Meeting, 95.52% of votes were in favour of our approach to executive compensation.

Communication and Collaboration

On November 11, 2010, our Board adopted a policy entitled Board of Directors' Engagement with Shareholders on Governance Matters. The policy provides that it is important to have regular and constructive engagement directly with our shareholders to allow and encourage shareholders to express their views on governance matters directly to our Board outside of our annual meetings. These discussions are intended to be an interchange of views about governance and disclosure matters that are within the public domain and will not include a discussion of undisclosed material facts or material changes. This policy further provides that our Board will continue with developing practices to increase engagement with our shareholders as is appropriate for our shareholder base and size. This policy also provides that our Board recognizes that shareholder engagement is an evolving practice in Canada and globally and will review its shareholder engagement policy annually to ensure that it is effective in achieving its objectives.

We regularly engaged virtually and in person with our shareholders during 2021. Here are some examples of the ways that we engaged and the key topics of interest from shareholders and the investment community.

How we engage with our shareholders

- Investor and industry conferences
- Shareholder meetings
- Quarterly earnings conference calls
- Analyst days
- Investor relations correspondence
- Emails, calls and meetings

Key topics of interest in 2021

- Diversity and inclusion (see pages 52-56)
- Climate change and related risks and opportunities (see pages 30-40; Appendix C)
- Impact of COVID-19 on royalty and stream assets (see page 49)
- Hybrid and remote working arrangements (see page 50)
- Transparency and standardization of ESG reporting (see Appendices A through D)
- Capital allocation strategy (including commodity and jurisdiction) (see page 7)
- Security and cybersecurity (see pages 51 and 60)

Our shareholders and other interested parties may communicate with any member of the Board of Directors, including the Chair of the Board, and our independent directors as a group, by contacting the Chief Legal Officer & Corporate Secretary at 199 Bay Street, Suite 2000, P. O. Box 285, Commerce Court Postal Station, Toronto, Ontario, Canada M5L 1G9.

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Board member Jennifer Maki and executive Jason O'Connell attending past Annual General Meeting

Alignment: Directors & Shareholders

Minimum Equity Investment

With a view of aligning the interests of directors with those of our shareholders, each of our non-employee directors is required to hold a minimum equity investment in Franco-Nevada equivalent in value to three times their annual retainer in the form of our common shares and/or Deferred Share Units ("DSUs") held pursuant to the DSU Plan. Each director has a period of three years from the date of his/her first election by shareholders or appointment by the Board, as applicable, to satisfy the minimum equity investment requirement. The value of the equity investment of a director at any time will be based on the current market value of the common shares, and of the DSUs under the DSU Plan. Based on the annual retainer for fiscal 2021, the minimum equity investment is C$135,000. Our directors are in full compliance of such minimum equity investment requirements with substantial ownership stakes in our company.

Independence

An independent Board is comprised of directors who have no direct or indirect relationships with a company that could reasonably interfere with the exercise of the directors' independent judgement. This will avoid potential conflicts of interest and enable a board of directors to consider the best interests of its shareholders.

Our Board has concluded that eight directors (Dr. Farrow, Ms. Jensen, Ms. Maki and Messrs. Albanese, Evans, Gignac, Oliphant, and Pew) are "independent" for purposes of Board membership, as provided in NI 58-101 and by NYSE corporate governance standards, and therefore all of the directors are "independent" other than Messrs. Harquail and Brink, by virtue of their positions as former CEO and President & CEO, respectively. As a matter of best practices, our Board created the position of Lead Independent Director and appointed Mr. Evans in this role to serve while Mr. Harquail is not independent.

Our Board has also considered the independence of its directors more generally and whether they are "related" or "affiliated" as defined by various governance ratings agencies and confirms its view that Dr. Farrow, Ms. Jensen, Ms. Maki and Messrs. Albanese, Evans, Gignac, Oliphant, and Pew are not "related" or "affiliated" with our company in such a way as to affect their exercise of independent judgment.

"With a view of aligning the interests of directors with those of our shareholders, each of our non-employee directors is required to hold a minimum equity investment in Franco-Nevada..."

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Annual General Meeting in 2019

Alignment: Management & Shareholders

Minimum Equity Investment

With a view to aligning the interests of executive officers with those of our shareholders, each of our executive officers is required to hold a minimum equity investment in Franco-Nevada equivalent in value to a multiple of such executive officer's then current base salary, depending on such executive officer's level of responsibility. The requirement is to be satisfied in the form of our common shares and Restricted Share Units ("RSU"). Each executive officer has a period of three years from the date on which he/she commenced employment as an executive officer, to satisfy the minimum equity investment requirement. For the purpose of determining the value of the equity investment of an executive officer at any time, the value of common shares and RSUs held by such executive officer will be based on the current market value of the common shares held and of the RSUs. Each of our executives are in full compliance of such minimum equity investment requirements with substantial ownership stakes in our company.

Clawback

Our Named Executive Officers have each agreed to a clawback of their incentive compensation if our financial statements are required to be restated due to the fraudulent behaviour or other intentional misconduct of such executive officers or they are found to have engaged in intentional, egregious misconduct whether or not Franco-Nevada's financial statements are required to be restated. In each case, they have agreed to reimburse Franco-Nevada for, or forfeit, as applicable, any entitlement to any bonus or other incentive-based or equity-based compensation received by them during the 12-month period following the issuance/filing of the financial statements required to be restated or during the 12-month period prior to when the Board became aware of the misconduct, as applicable.

"The Code of Business Conduct and Ethics reflects our core values of honesty, responsibility and fairness."

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Code of Business Conduct and Ethics

Our Board has adopted a written Code of Business Conduct and Ethics (the "Code") for our directors, officers and employees. The Code reflects our core values of honesty, responsibility and fairness and addresses the following matters: compliance with laws, rules and regulations; conflicts of interest; confidentiality; corporate opportunities; protection and proper use of corporate assets; competition and fair dealing; gifts and entertainment; payments to government personnel; non-discrimination, anti-harassment and equal opportunity; health and safety; accuracy of company records and reporting; use of e-mail and internet services; loans to or guarantees of obligations of our personnel; and reporting of any illegal or unethical behaviour.

With respect to the issue of conflicts of interest in particular, our officers, directors or other insiders may hold senior positions with other entities, including entities involved in the resource industry or may otherwise be involved in transactions within the resource industry and may develop other interests outside Franco-Nevada. In the event that any such conflict of interest arises (or could potentially arise) for a director, such director will be required to disclose the conflict in a meeting of our directors and abstain from voting for or against the approval of such participation or such terms. In the event that any such conflict of interest arises (or could potentially arise) for one of our officers or other insiders, such person will be required to disclose the conflict to our Chief Legal Officer and abstain from participating in any discussions related to such matter and our Board will be apprised of such conflict. In appropriate cases, we will establish a special committee of independent directors to review a matter in which several of our directors, or management, may have a conflict.

If the conflict of interest involves a related party transaction (as defined in Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions*), our CESGC is tasked to review the transaction (provided that the conflict is not required to be dealt with by a special committee of independent directors), make recommendations to the Board of Directors for the approval of such transactions, and approve any procedures or measures to be adopted in connection therewith. Any member of the CESGC who is a party to or has a potential conflict of interest in the proposed transaction, or who has a material interest in or is party to the transaction, must abstain from any vote on that transaction. Any member of the CESGC who is a non-independent director must also abstain from voting on the proposed transaction.

Any decision made by any of such directors involving Franco-Nevada will be required to be made in accordance with their duties and obligations to deal honestly and in good faith with a view to the best interests of Franco-Nevada and our shareholders.

Although our Audit and Risk Committee has ultimate oversight over the Code, our CESGC monitors compliance with the Code and is responsible for granting any waivers from the application of the Code and reviews management's monitoring of compliance with the Code. To date, no such waivers have been granted. Under the Code, our personnel are expected to talk to supervisors, managers or other appropriate personnel, including our Chief Legal Officer, about observed illegal or unethical behaviour and when in doubt about the best course of action in a particular situation. Our Chief Legal Officer is tasked with coordinating training on the substance of the Code for all our personnel when appropriate and at least once annually. All of our personnel are required to co-operate in internal investigations of misconduct. In situations where such personnel prefer to place an anonymous report in confidence, they are encouraged to use the Franco-Nevada Compliance Line, hosted by a third-party hotline provider, Navex Global EthicsPoint.



Franco-Nevada Board and management team on-site in Oklahoma in 2018

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Business Integrity Policy

Our Board has a Business Integrity Policy for our directors, officers and employees, which is intended to supplement the Code. This Business Integrity Policy is intended to ensure that we do not receive an improper advantage in our business dealings and that all payments and expenses are properly recorded in our financial books and records. Among other things, the policy provides guidance on dealing with our agents, contractors and with public officials, acceptance of gifts, making political contributions and dealing with certain types of payments, including charitable donations and sponsorships. In accordance with our Business Integrity Policy, on an annual basis, we will publicly disclose details of political contributions or lobbying expenditures, if any, made by our company or our personnel on behalf of our company. No such contributions or expenditures have been made or incurred since our IPO.

As we are not a financial institution nor a designated company under domestic or international anti-money laundering legislation ("AML Laws"), AML Laws do not apply to our company and our business. Notwithstanding, in accordance with our Business Integrity Policy, we will continue to monitor AML Laws and, to the extent that AML Laws become applicable to our company or our business, we will establish and maintain practices, procedures and policies necessary to ensure compliance with such applicable AML Laws.

Our employees are obligated to promptly report any violations of the policy to our Chief Legal Officer who will in turn report to our Chief Financial Officer and our Audit and Risk Committee. Our Chief Legal Officer is also tasked with coordinating training on the substance of the Business Integrity Policy for all our personnel when appropriate and at least once annually.

"Our Business Integrity Policy is intended to ensure that we do not receive an improper advantage in our business dealings."

Whistleblower Policies

Our Board has adopted employee complaint procedures for, among other things, accounting and auditing matters (contained in our Employee Complaint Procedures for Accounting and Auditing Matters) and violations of applicable laws or corporate policies (contained in our Whistleblower Policy) for our company's directors, officers and employees to enable such personnel to submit good faith complaints relating to any such matters. The procedures outline how an employee with a good faith concern can report those concerns directly to the Chief Legal Officer, in the case of the Whistleblower Policy, or directly to the Chair of the ARC, in the case of the Employee Complaint Procedures for Accounting and Auditing Matters. In situations where such personnel prefer to place an anonymous report in confidence, they are encouraged to use the Franco-Nevada Compliance Line, hosted by a third-party hotline provider, Navex Global EthicsPoint. To date, there have been no employee complaints under either policy.



Franco-Nevada's Business Development team from the Toronto office (from left to right): Matt Begeman, Eaun Gray, Chris Bell and Phil Wilson

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David Harquail (left) and Paul Brink (right) at Detour mine visit in Ontario, Canada

Policy Concerning Confidentiality, Fair Disclosure and Trading in Securities

Our Board has adopted a Policy Concerning Confidentiality, Fair Disclosure and Trading in Securities, which serves as our corporate disclosure policy and insider trading policy. This policy applies to our directors, officers and employees to ensure that such personnel comply with securities legislation and the rules of applicable stock exchanges relating to insider trading, tipping and selective disclosure.

With respect to confidentiality and disclosure, this policy generally outlines principles of confidentiality and guidelines for maintaining confidentiality, disclosure principles and guidelines for disclosure (including who the authorized spokespersons are and how discussions with the investing community will occur), what constitutes material information, what is non-public information and how forward-looking information should be disclosed.

With respect to trading in our Franco-Nevada securities, this policy generally outlines prohibitions on trading, our policies on trading windows and black-out periods, required pre-approval for trades by insiders and sanctions if improper trading were to occur. This policy also prohibits the entering into of any "equity monetization" transactions or purchases of financial instruments that are designed to hedge or offset a decrease in market value of equity securities. This policy requires our personnel to report any violations immediately to our CEO or our Chief Legal Officer.

> "With respect to confidentiality and disclosure, this policy generally outlines principles of confidentiality and guidelines for maintaining confidentiality, disclosure principles and guidelines for disclosure…"

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Scope
This ESG Report includes information about Franco-Nevada Corporation and its subsidiaries ("Franco-Nevada", "we", "us" or "our"). Unless otherwise specified in this ESG Report, reference to "Franco-Nevada", "we", "us" or "our" refers to our entire corporate structure and global operations and workforce.

This ESG Report complements but does not form part of the information on the results of our operations and financial condition provided in our most recent Annual Report and governance and executive compensation information disclosed in the Management Information Circular available at www.franco-nevada.com and filed with the Canadian securities regulatory authorities on www.sedar.com or with the SEC on www.sec.gov.

Certain information is based on the public disclosure of our operators and has not been independently verified by Franco-Nevada.

Reporting Period
All data and examples contained in this ESG Report reflect activities undertaken during the 2021 fiscal year, unless otherwise noted.

ESTMA
Franco-Nevada supports efforts to increase transparency and accountability in the mining and energy industries. Please refer to Franco-Nevada's enrollment with Extractive Sector Transparency Measures Act ("ESTMA"):

www.franco-nevada.com/investors/ESTMA

NYSE Rules
As a foreign private issuer listed on the New York Stock Exchange ("NYSE") and a company listed on the Toronto Stock Exchange (the "TSX"), we are generally permitted to follow the corporate governance practices and guidelines applicable to Canadian issuers under Canadian corporate and securities laws, including National Instruments 52-110 and 58-101 and National Policy 58-201, as well as the rules of the TSX. We are, however, required by Section 303A.11 of the NYSE Listed Company Manual to identify any significant ways in which our corporate governance practices differ from those required to be followed by U.S. domestic companies under NYSE listing standards. There are no significant differences between our corporate governance practices as compared to the NYSE standards.

Currency
All amounts in this document are in U.S. dollars unless otherwise noted.

Feedback
We'd like to hear what you think about our ESG Report or any aspect of our ESG and sustainability efforts. Please send any questions or comments to info@franco-nevada.com.

Printed Copies
We encourage our stakeholders to refer to the paperless version of this ESG Report available on our website. To request a paper copy of this ESG Report, please email: info@franco-nevada.com.

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Stillwater mine in Montana

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ESG Performance Table[1]

	Unit	2021	2020	2019
WORKFORCE[2]				
Full time employees ("FTE")[3]	#	36	35	38
FTE – Women	# (%)	18 (50%)	17 (49%)	17 (45%)
FTE – Visible minorities	# (%)	15 (42%)	14 (40%)	14 (37%)
FTE – Diverse Persons[4]	# (%)	22 (61%)	21 (60%)	21 (55%)
Senior management (VP and higher)	#	11	10	12
Women in senior management positions	# (%)	1 (8%)	Nil (Nil)	Nil (Nil)
Visible minorities in senior management positions	# (%)	4 (33%)	2 (20%)	2 (17%)
Diverse Persons in senior management positions	# (%)	4 (33%)	2 (20%)	2 (17%)
Board members	#	10	11	10
Independent directors	# (%)	8 (80%)	9 (82%)	9 (90%)
Women on Board of Directors	# (%)	3 (30%)	3 (27%)	2 (10%)
Visible minorities on Board of Directors	# (%)	Nil	Nil	Nil
Diverse Persons on Board of Directors	# (%)	3 (30%)	3 (27%)	2 (10%)

1 Unless otherwise noted, the figures in this ESG Performance Table relate to Franco-Nevada Corporation and all of its subsidiaries. "NR" means such information was not recorded by our company for the applicable year.
2 Workforce figures are determined as at December 31 of each applicable year.
3 Full time employees (FTE) for all of our office operations, in Toronto, Barbados, United States and Australia.
4 "Diverse Persons" includes women, Black, Indigenous and other people of colour, individuals who identify as LGBTQ+ and people with disabilities.

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ESG Performance Table

	Unit	2021	2020	2019
LABOUR				
Collective bargaining agreements	#	Nil	Nil	Nil
Strikes or lock-outs	#	Nil	Nil	Nil
Labour violations or fines (e.g. age limits, wages, maximum hours and days)	#	Nil	Nil	Nil
Human rights violations	#	Nil	Nil	Nil
Reports of violence or harassment	#	Nil	Nil	Nil
FTEs making greater than minimum wage	%	100	100	100
FTEs receiving vacation pay, sick pay and parental leave pay and receive health and other benefits	%	100	100	100
Total FTE turnover	#	1	4	1
Voluntary turnover of FTEs[5]	#	1	4	1
Involuntary turnover of FTEs	#	Nil	Nil	Nil
New FTE hires	#	2	1	5
Internal FTE promotions	#	5	4	Nil
Employees receiving annual performance reviews	%	100	100	100
HEALTH & SAFETY				
Workplace incidents relating to FTEs or contractors reported	#	Nil	Nil	Nil
Lost days due to personnel or contractor workplace injuries	#	Nil	Nil	Nil
Workplace personnel or contractor fatalities	#	Nil	Nil	Nil
Instances of occupational diseases among our personnel or contractors	#	Nil	Nil	Nil
Health & safety fines, penalties, litigation, liabilities or settlements	#	Nil	Nil	Nil

5 Includes transition of executives of the Company and its subsidiaries to non-executive directorship roles.

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ESG Performance Table

	Unit	2021	2020	2019
CLIMATE & ENVIRONMENT				
Board members having climate expertise	#	6	6	-NR-
Scope 1 - Total GHG emissions from fuel	tCO_2e	Nil	Nil	Nil
Scope 2 - Total GHG emissions from electricity and steam[6]	tCO_2e	36.0	49.0	62.0
Scope 3 - Total GHG emissions from indirect sources	tCO_2e	33.4	44.1	91.2
• from purchased goods and services (Scope 3 Category 1)	tCO_2e	11.0	4.1	12.2
• from waste and wastewater (Scope 3 Category 5)[7]	tCO_2e	2.2	2.3	6.1
• from business travel (Scope 3 Category 6)	tCO_2e	11.5	28.9	57.1
• from employee commuting (Scope 3 Category 7)	tCO_2e	8.7	8.8	15.8
Total GHG emissions	tCO_2e	69.4	93.1	153.2
GHG reductions from carbon offsets purchased[8]	tCO_2e	(86.8)	(116.4)	Nil
Carbon neutrality	Yes/No	Yes	Yes	No
COMMUNITY & OTHER CONTRIBUTIONS				
Community and operator energy transition contributions actually funded[9]	$	683,882	531,577	539,667

6 Scope 2 emissions relate only to our Toronto and Barbados office and for 2021 covers 88.9% (32 of 36 FTE) of our company (2019 – 89.5%; 2020 – 88.6%).

7 Scope 3 Category 5 emissions (from water and wastewater) relate only to our Toronto and Barbados office and for 2021 covers 88.9% (32 of 36 FTE) of our company (2019 – 89.5%; 2020 – 88.6%).

8 Please refer to pages 32 and 119 for descriptions of our annual purchase of carbon offsets for 125% of our reported emissions.

9 Excludes (i) charitable donations by company employees, including relating to Franco-Nevada's annual United Way campaign, and (ii) commitments made in a calendar year but not funded. Franco-Nevada has made additional commitments exceeding $1 million, which have not yet been funded.

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	Unit	2021	2020	2019
GOVERNMENT & LOBBYING				
Facilitation payments	$	Nil	Nil	Nil
Political donations	$	Nil	Nil	Nil
Lobbying expenditures	$	Nil	Nil	Nil
Known government ownership	%	Nil	Nil	Nil
COMPLIANCE, DISPUTES, FINES AND LITIGATION				
Cases of non-compliance or breaches of our corporate policies	#	Nil	Nil	Nil
Instances of whistleblower complaints	#	Nil	Nil	Nil
Environmental fines, penalties, litigation, liabilities or settlements	#	Nil	Nil	Nil
BRIBERY & ANTI-CORRUPTION				
Incidents of discipline or dismissal among staff or consultants due to non-compliance with anti-corruption policies	#	Nil	Nil	Nil
Anti-bribery, or anti-corruption fines, penalties, litigation, liabilities or settlements	#	Nil	Nil	Nil
Cost of fines, penalties or settlements in relation to bribery or corruption	$	Nil	Nil	Nil
INFORMATION SECURITY				
Significant cybersecurity breaches	#	Nil	Nil	Nil
Board members having cybersecurity expertise	#	3	3	-NR-
FINANCIAL				
Revenue (million)	$	1,300.0	1,020.2	844.1

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APPENDIX B

Operators' Emissions[1][2][3]

Operator	Asset	Emissions (tCO_2e)								
		2020			2019			2018		
		Scope 1	Scope 2	Total	Scope 1	Scope 2	Total	Scope 1	Scope 2	Total
Agnico Eagle Mines Limited	Canadian Malartic (Canada - Quebec)	218,268.0	847.0	219,115.0	227,041.0	1,482.0	228,523.0	204,664.0	1,567.0	206,231.0
Alamos Gold Inc.	Island Gold (Canada - Ontario)	12,954.0	2,020.0	14,974.0	13,743.0	2,253.0	15,995.0	12,581.0	2,177.0	14,758.0
Ariana Resources plc	Kiziltepe (Turkey)	2,764.0	2,538.0	5,302.0	5,475.0	2,870.0	8,346.0	5,100.0	3,046.0	8,146.0
Barrick Gold Corporation	Hemlo (Canada - Ontario)	30,955.0	5,072.0	36,027.0	37,953.0	6,077.0	44,030.0	45,879.0	5,560.0	51,439.0
BHP Group Limited	Mt. Keith (Australia - W. Australia)	90,188.2	172,546.2	262,734.4	84,387.2	163,843.0	248,230.2	105,125.5	207,119.9	312,245.5
Coeur Mining, Inc.	Guadalupe-Palmarejo (Mexico)	10,704.0	311,057.0	321,760.0	10,740.0	322,692.0	333,432.0	8,442.0	271,988.0	280,430.0
Diversified Minerals Pty Ltd	Henty (Australia - Tasmania)	542.0	1,281.0	1,823.0	991.0	1,730.0	2,721.0	795.0	1,877.0	2,672.0
Endeavour Mining Corporation	Karma (Burkina Faso)	46,408.0	-	46,408.0	39,664.0	-	39,664.0	41,294.0	-	41,294.0
	Sabodala (Senegal)	199,047.0	-	199,047.0	159,996.0	-	159,996.0	202,801.0	-	202,801.0
EP Minerals LLC	EaglePicher (USA - Nevada)	NA	NA	NA	NA	NA	NA	NA	NA	NA
Equinox Gold Corp.	Castle Mountain (USA - California)	957.0	416.0	1,373.0	-	-	-	-	-	-
	Mesquite (USA - California)	78,616.0	8,778.0	87,394.0	68,147.0	13,060.0	81,206.0	79,677.0	21,903.0	101,579.0
First Quantum Minerals Ltd.	Cobre Panama[4] (Panama)	2,187,011.0	73,279.2	2,260,290.2	1,991,271.0	149,383.8	2,140,654.8	-	-	-

(1) Figures in this table are estimated greenhouse gas emissions of producing mining assets where we have royalty and stream interests. Unless otherwise noted, such information has been provided by McKinsey MineSpans (outside-in modeled data - all rights reserved). Such data only relates to mine production and excludes emissions attributable to mine construction, pre-stripping, underground development relating to non-operational activities, care and maintenance of assets, and mine rehabilitation.

(2) Emission data (i) is provided on a 100% basis, notwithstanding that the applicable operation may be jointly owned by the referenced operator and (ii) applies to the entire project.

(3) "NA" means that data is not publicly available and has not been modeled by McKinsey MineSpans.

(4) Commenced commercial production in 2019. Emissions reported in 2018 by First Quantum were related to mine construction and pre-production stripping and were not modeled by McKinsey MineSpans (refer to footnote 1).

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Operator	Asset	Emissions (tCO_2e)								
		2020			2019			2018		
		Scope 1	Scope 2	Total	Scope 1	Scope 2	Total	Scope 1	Scope 2	Total
Glencore Plc	Antapaccay (Peru)	297,744.4	166,004.3	463,748.7	306,001.9	215,354.7	521,356.6	295,687.9	183,909.3	479,597.2
Harmony Gold Mining Company Limited	MWS (South Africa)	5,829.0	236,537.0	242,367.0	6,739.0	280,078.0	286,817.0	6,566.0	156,653.0	163,220.0
Hecla Mining Company	Fire Creek/Midas (USA - Nevada)	8,196.0	14,258.0	22,454.0	7,819.0	15,493.0	23,312.0	9,978.0	20,487.0	30,466.0
Industrias Peñoles, S.A.B. de C.V.	Milpillas (Mexico)	7,153.5	37,704.4	44,857.9	11,571.9	68,118.2	79,690.1	11,784.6	67,868.8	79,653.4
KGHM International Ltd.	Robinson (USA - Nevada)	193,805.3	116,926.8	310,732.1	190,309.8	127,830.6	318,140.4	189,868.3	135,062.9	324,931.2
	Sudbury-McCreedy West Mine (Canada - Ontario)	1,284.5	3,748.4	5,032.9	1,926.7	5,549.6	7,476.3	-	-	-
Kinross Gold Corporation	Bald Mountain (USA - Nevada)	121,554.0	44,495.0	166,049.0	112,988.0	52,891.0	165,879.0	119,294.0	13,044.0	132,339.0
	Tasiast (Mauritania)	295,687.0	-	295,687.0	298,392.0	-	298,392.0	284,243.0	-	284,243.0
Kirkland Lake Gold Ltd.	Detour Lake (Canada - Ontario)	241,626.0	19,647.0	261,273.0	231,832.0	19,781.0	251,614.0	216,458.0	19,426.0	235,884.0
	Kirkland Lake (Canada - Ontario)	89.0	9,850.0	9,939.0	92.0	10,743.0	10,835.0	100.0	12,157.0	12,258.0
Laneway Resources Limited	Agate Creek (Australia - Queensland)	3,442.0	7,146.0	10,589.0	612.0	1,357.0	1,969.0	-	-	-
Lundin Mining Corporation	Candelaria (Chile)	279,650.2	279,610.2	559,260.4	323,346.0	335,372.2	658,718.2	303,707.4	339,556.8	643,264.2
Millmerran Power Management Pty Ltd	Millmerran (Commodore Coal Mine) (Australia - Queensland)	129,943.0	3,585.0	133,528.0	127,031.0	3,525.0	130,556.0	125,830.0	3,469.0	129,299.0

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Operator	Asset	Emissions (tCO_2e)								
		2020			2019			2018		
		Scope 1	Scope 2	Total	Scope 1	Scope 2	Total	Scope 1	Scope 2	Total
Nevada Gold Mines LLC	Gold Quarry (USA - Nevada)	1,290,660.0	-	1,290,660.0	1,186,081.0	-	1,186,081.0	544,138.0	-	544,138.0
	Goldstrike (USA - Nevada)	1,132,308.0	-	1,132,308.0	892,984.0	-	892,984.0	815,139.0	-	815,139.0
	South Arturo (USA - Nevada)	1,805.0	10,396.0	12,202.0	3,156.0	3,930.0	7,086.0	27,977.0	18,872.0	46,849.0
Newmont Corporation	Musselwhite (Canada - Ontario)	36,917.0	2,386.0	39,303.0	2,093.0	235.0	2,327.0	37,063.0	3,849.0	40,911.0
	Subika (Ghana)	3,739.0	18,134.0	21,873.0	3,455.0	21,872.0	25,327.0	3,188.0	35,754.0	38,941.0
Northern Star Resources Limited	South Kalgoorlie (New Celebration) (Australia - W. Australia)	12,980.0	20,022.0	33,003.0	11,659.0	18,494.0	30,153.0	9,665.0	16,089.0	25,753.0
	Yandal (Julius/Red Lake) (Australia - W. Australia)	117,103.0	-	117,103.0	114,596.0	-	114,596.0	103,250.0	-	103,250.0
Pan American Silver Corp.	Timmins West (Canada - Ontario)	15,754.0	12,616.0	28,370.0	13,488.0	13,749.0	27,237.0	13,559.0	13,811.0	27,369.0
Peabody Energy Corp	Bowen Basin (Moorvale) (Australia - Queensland)	139,211.0	14,443.0	153,654.0	163,782.0	25,498.0	189,280.0	180,183.0	31,250.0	211,433.0
Perseus Mining Limited	Edikan (Ghana)	80,721.0	30,051.0	110,773.0	79,823.0	37,265.0	117,087.0	93,144.0	56,115.0	149,259.0
	Sissingue (Côte d'Ivoire)	37,946.5	-	37,946.5	38,063.0	-	38,063.0	25,013.2	-	25,013.2
Pretium Resources Inc.	Brucejack (Canada - British Columbia)	20,676.0	1,291.0	21,967.0	20,608.0	1,366.0	21,974.0	15,919.0	1,141.0	17,061.0
Mineral Resources Limited	South Kalgoorlie (Mt Marion Lithium) (Australia - W. Australia)	81,345.5	-	81,345.5	66,506.7	11,977.6	78,484.3	62,671.8	11,543.9	74,215.7
Regis Resources Limited	Duketon (Australia - W. Australia)	96,495.0	89,762.0	186,257.0	106,806.0	89,806.0	196,612.0	91,365.0	98,366.0	189,731.0
Remelius Resources Limited	Agnew (Vivien Gold Mine) (Australia - W. Australia)	7,440.0	6,701.0	14,140.0	8,623.0	7,599.0	16,222.0	9,332.0	8,181.0	17,513.0

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Operator	Asset	Emissions (tCO_2e)								
		2020			2019			2018		
		Scope 1	Scope 2	Total	Scope 1	Scope 2	Total	Scope 1	Scope 2	Total
Rio Tinto	Carol Lake (Canada - Newfoundland & Labrador)	394,058.6	-	394,058.6	407,055.8	-	407,055.8	342,910.6	-	342,910.6
Sibanye-Stillwater Ltd.	Pandora (South Africa)	NA	NA	NA	NA	NA	NA	NA	NA	NA
	Stillwater (USA - Montana)*	63,303.0	110,272.0	173,575.0	37,345.0	101,385.0	138,730.0	31,314.0	97,246.0	128,560.0
Southern Peaks Mining LP	Condestable (Peru)	6,116.9	8,553.9	14,670.8	6,777.2	23,095.8	29,873.0	6,718.2	19,227.3	25,945.5
SSR Mining Inc.	Marigold (USA - Nevada)	99,919.0	38,217.0	138,136.0	72,921.0	39,215.0	112,136.0	68,339.0	43,399.0	111,738.0
Teck Resources Limited	Antamina (Peru)	381,951.4	166,304.3	548,255.7	442,276.2	172,630.8	614,907.0	448,880.7	174,787.4	623,668.1
Vale S.A.	Northern System (Brazil)	994,423.8	128,895.2	1,123,319.0	849,653.7	136,078.7	985,732.4	1,346,719.5	109,164.5	1,455,884.0
	Southestern System (Brazil)	1,442,456.0	117,214.0	1,559,669.8	1,714,017.4	126,676.5	1,840,694.0	2,421,019.6	194,348.1	2,615,367.7
	Sossego (Brazil)	108,333.0	-	108,333.0	116,930.8	-	116,930.8	178,415.3	-	178,415.3
Victoria Gold Corp.	Dublin Gulch (Eagle) (Canada - Yukon)	25,440.0	3,539.0	28,979.0	9,412.0	1,669.0	11,081.0	-	-	-
Western Areas NL	Flying Fox (Australia - W. Australia)	4,132.1	14,628.1	18,760.2	5,664.7	18,441.0	24,105.7	5,667.7	18,760.4	24,428.1
Westgold Resources Limited	Cue Gold (Day Dawn) (Australia - W. Australia)	53,786.0	-	53,786.0	51,547.0	-	51,547.0	44,854.0	-	44,854.0
Wiluna Mining Corporation	Matilda (Australia - W. Australia)	52,433.0	-	52,433.0	51,782.0	-	51,782.0	56,735.0	-	56,735.0
Yamana Gold Inc.	Cerro Moro (Argentina)	41,500.0	-	41,500.0	49,894.0	-	49,894.0	26,113.0	-	26,113.0

* Emission data sourced from operator's CDP reports.

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TCFD Disclosure

This year's disclosure below and in parts of the ESG Report above (as referenced below) is our second consecutive year reporting in line with the Task Force on Climate-related Disclosures ("TCFD"). We continue to aim to provide increased transparency in our TCFD reporting. In early 2022, we conducted a gap analysis by reviewing our current climate strategy and TCFD disclosure contained in last year's ESG Report in order to identify areas for improvement and to ensure we are aligned with TCFD recommendations and best practices. This process has resulted in several year-over-year improvements to our climate strategies and procedures as well as to our TCFD disclosure, which are described in this ESG Report.

Governance

Our governance around climate-related risks and opportunities

Board Oversight

The Board and its Committees provide oversight of our strategic approach to climate change and our ESG risks, which includes climate-related risks and opportunities affecting our business. A number of our Board members have skills and competencies in climate-related matters, including David Harquail, Tom Albanese, Derek Evans, Catharine Farrow, Maureen Jensen, and Elliott Pew.

The following Committees of the Board have oversight of ESG and climate-related risks, opportunities and disclosures, which are embedded in the Committees' Charters:

- Compensation and ESG Committee ("CESGC"): Our CESGC develops and recommends to the Board our approach to ESG issues, including climate-related issues, reviews the adequacy of our ESG practices and policies and recommends any changes to the Board, approves the adoption of any ESG-related standards or initiatives, adopts ESG-related corporate goals used to evaluate management's performance for executive compensation decisions and engages with our stakeholders in respect of ESG issues.
- Audit and Risk Committee ("ARC"): Our ARC oversees our risk management, including climate change risks.

The Board and its Committees frequently meet with senior management to determine our strategy with respect to our risks and exposures. Most recently, in February 2021, management met with the CESGC to discuss diversity and inclusion goals and targets for the company and, in November 2021, management met with the ARC to discuss ESG-related risks and strategy.

Management's Role

The Board and its Committees oversee senior management, who are responsible for the management of ESG and climate-related risks and for the execution of ESG and climate-related opportunities. Our Chief Executive Officer is responsible for leadership on ESG and climate-related matters and our Chief Legal Officer has executive responsibility over such matters. Climate-related risks and opportunities are overseen by the following members of our senior executive team having stewardship over our organization's units (including within our subsidiaries), each being responsible for implementing our ESG strategy and managing risks within their units:

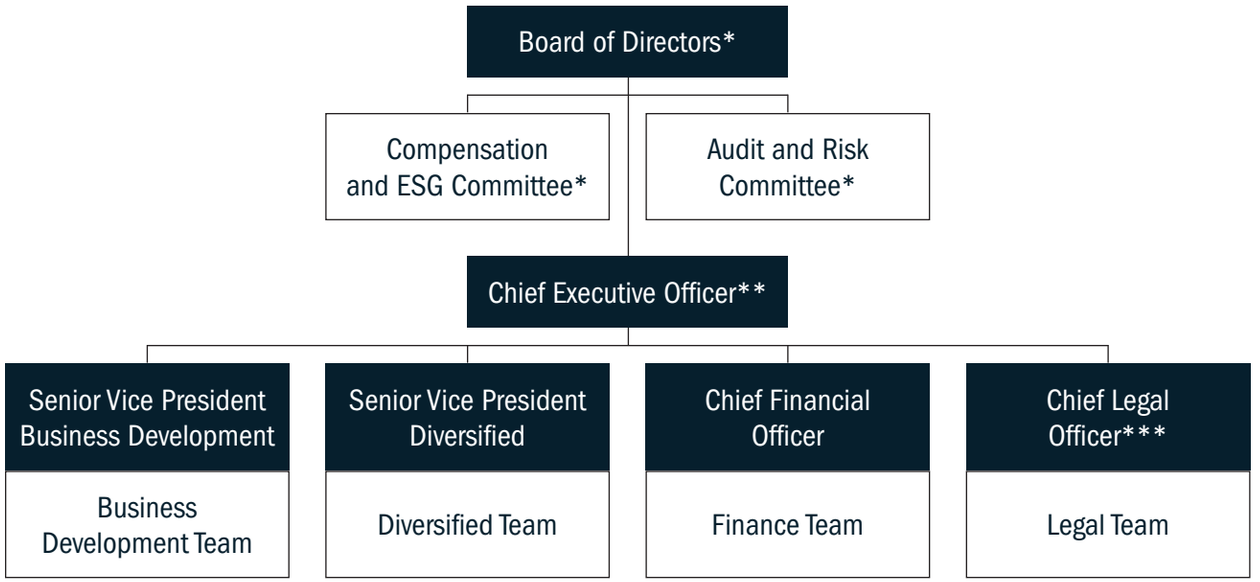
- Business Development (Senior Vice-President, Business Development)
- Diversified (Senior Vice-President, Diversified)
- Finance (Chief Financial Officer)
- Legal (Chief Legal Officer)

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

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Our Board oversight and management leadership of ESG and climate-related issues is depicted in the chart below.



* Board and Committees have oversight over ESG and climate-related risks and opportunities
** Chief Executive Officer has responsibility for leadership on ESG and climate-related matters
*** Chief Legal Officer has executive responsibility over ESG and climate-related matters

Board and Management Engagement

All of our senior executives regularly attend Board and Committee meetings, including to provide updates on royalty and stream acquisition opportunities, which include ESG and climate-related considerations. To the extent that a materially adverse ESG or climate-related issue or consideration arises during the due diligence process in respect of a royalty and stream opportunity, management and the Board may decide not to proceed with the opportunity. Recently, our company has passed on otherwise prospective opportunities because of ESG risks.

The Board and its Committees also frequently meet with senior management to determine our strategy with respect to our risks and exposures. Most recently, in February 2021, management met with the CESGC to discuss diversity and inclusion goals and targets for the company and, in November 2021, management met with the ARC to discuss ESG-related risks and strategy.

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ESG and Climate-Related Accountability

Starting in 2020, "Proactive ESG Leadership" was adopted as a specific corporate goal used to evaluate management's performance for executive compensation decisions, in recognition of the importance of managing ESG issues, including climate-related issues, to our business and the greater emphasis on ESG that the CESGC would apply in evaluating management's performance. On an annual basis, the CESGC will evaluate management's performance in connection with ESG due diligence processes, reporting and compliance, community contributions, diversity and inclusion and ESG rankings.

For further details as to this corporate goal and its subcomponents, please refer to the chart below.

ESG Objectives for Evaluating Management		
ESG Due Diligence ESG due diligence is critical in growing the Corporation's business	**ESG Reporting and Compliance** ESG initiatives should be adopted to be responsive to shareholders and stakeholders	**Contributions and Community Outreach** The Corporation should make a positive impact in the local communities in which its assets are located as well as locally
Management will be evaluated on whether an appropriate level of ESG due diligence was presented to the Board in connection with new investments Management will also be evaluated on a look-back basis in the event of an ESG issue at an existing asset to determine if such issue was reasonably forseeable through due diligence	Management will be evaluated on keeping the Board informed as to ESG initiatives and effective shareholder outreach Management will also be evaluated on the successful implementation of Board approved ESG initiatives, many of which can be multi-year projects	Management will be evaluated on its successful execution of ESG contributions which will include pro-active outreach to operators Management will also be evaluated on their personal engagement in making positive contributions to the local community

Diversity and Inclusion Diversity and inclusion are key components to the Corporation's success	**ESG Rankings** ESG rankings recognize management's efforts with respect to ESG
Management will be evaluated on its progress in the area of diversity and inclusion including in recruiting, internal promotions and disclosed diversity goals	Management will be evaluated based on the Corporation's ESG rankings by the major agencies followed by institutional shareholders Management will not be evaluated for matters solely within the Board's purview

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Climate Strategy

The actual and potential impacts of climate-related risks and opportunities on our business, strategy, and financial planning

Climate-Related Risks

As we have a small workforce operating solely within office environments, we are not directly exposed to most climate-related risks that mining and energy operators face. Notwithstanding, the climate-related risks of the operators of the projects in which we hold royalty and stream interests can pass through to us. For example, our operators' risks may include occurrences of any climate-related incidents, trends or developments that have the potential to adversely impact (1) production at an operation and, by extension, royalty or stream payments or deliveries to our company, and/or (2) the reputation of an operator and, in turn, of our company as we have invested in the operator and/or impacted operation. Additionally, risks related to changes in the market price of commodities that underlie our royalty and stream interests, which changes may be driven by climate-related events, trends or sentiments, can impact our revenues.

As demonstrated in Resilience of our Portfolio below and on page 35 of this ESG Report, exposure to these risks is substantially mitigated for our company. Notably, of the four major categories of financial impact set out by the TCFD (Revenues, Expenditures, Assets and Liabilities, and Capital and Financing)*, the impacts of climate-related risks may affect our Revenues (Income Statement) and our Assets (Balance Sheet) but are unlikely to increase our Expenditures (Income Statement) or Liabilities (Balance Sheet) and are unlikely to materially adversely impact our access to Capital and Financing (Balance Sheet).

The following discussion describes our operators' climate-related risks, the potential financial impact for our operators and their corresponding financial impact to our company. Given the breadth and diversity of our investment portfolio and due to the fact that most of our royalty and stream investments are perpetual or have long durations, we have exposure to each of the risks below over short, medium and long term horizons and such risks are identified and are part of our climate-related strategy and decision making, as appropriate. Certain acute physical risks will typically involve a short-term impact (less than 1 year), chronic physical risks, regulatory and legal risks, market risks and reputational risks can lead to medium-term (1 to 5 years) and long-term (5 years+) impacts.

In 2022, we worked with Critical Resource to expand upon last year's disclosure relating to climate-related risks impacting our operators and our company. In particular, Critical Resource has provided assessments, which are summarized in the tables below, of:

- Physical climate risks specific to certain jurisdictions where we have a high concentration of assets and/or material assets. In conducting its geographic physical risk assessment for Ontario, Nevada, Panama, Chile and Peru, Critical Resource applied SSP1-2.6 (low emissions scenario) and SSP5-8.5 (high emissions scenario) for 2030 and 2050 and relied on publicly available information and projections, including the World Bank's Climate Change Knowledge Portal. The assessment is high level in nature (e.g. physical risks applying generally across the country or applicable jurisdiction and not necessarily relating to any of Franco-Nevada's particular assets) and does not address any additional risks or mitigating factors (e.g. topographical, sunk capital costs to build a mine, relative contribution of mine to a country's GDP, etc.) specific to Franco-Nevada's assets in these jurisdictions.

- Socio-political, regulatory and legal risks, market risks and reputational risks that might impact key commodities in our commodity mix (gold, silver, PGMs, iron ore, energy (oil, gas, NGL) and nickel) in the transition to a low-carbon economy.

* "Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures", Task Force on Climate-related Financial Disclosures (June 2017).

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Physical Risks

Description of Physical Risks	Potential Financial Impact for:	
	Our Operators	Our Company
SUMMARY		
Acute: Extreme weather events caused by global warming (e.g. droughts, floods, hurricanes, etc.).	These events may lead to production delays and cessation of operations.	• Short-term delay (deferral) of **Revenues**
Chronic: Gradual shifts in weather conditions (e.g. water scarcity, shifts in rainfall patterns, rising sea levels, etc.).	These shifts may lead to recurring production delays and cessations of operations and increased operating costs to adapt to climate changes, which may lead to projects being abandoned or placed into care and maintenance if adaptation costs erode anticipated profitability.	• Longer-term and potentially recurring delays (deferrals) of **Revenues** • Potential impact to valuation of **Assets** on balance sheet (e.g. impairment or write-off of assets)
BY JURISDICTION		
CHILE		
• Reduction in annual precipitation rates is likely to exacerbate Chile's pre-existing issues of water stress as well as the frequency and length of droughts • Despite an overall trend towards decreasing precipitation, extreme rainfall events are expected to intensify • Chile is projected to experience lower rates of warming than the global average, yet rising temperatures still pose risks	**Main risks**: Health and safety of employees; social license to operate as increasing temperatures and decreasing rainfalls leads to loss of biodiversity **Financial impacts to operations**: Reduction in revenue due to production delays; increased operational costs (i.e. repairs to operations, energy costs)	**Revenue** could be impacted in the short, medium or long-term due to interruptions to production caused by physical climate hazards. Risk of stranded **Assets**: Low-medium
NEVADA		
• Nevada is at high risk of extreme heat, with the increased severity and frequency of heat waves posing a significant risk to people and projects • There is a high likelihood that rising temperatures will increase the severity and intensity of droughts • The risk of wildfires will increase, while flooding and storms may also become more common	**Main risks**: Health and safety of employees; social license to operate given water scarcity issues caused by extreme heat **Financial impacts to operations**: Reduction in revenue due to production delays; increased operational costs (i.e. repairs to operations, energy costs)	**Revenue** could be impacted in the short, medium or long-term due to interruptions to production caused by physical climate hazards. Risk of stranded **Assets**: Low

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Description of Physical Risks	Potential Financial Impact for:	
	Our Operators	Our Company
BY JURISDICTION (continued)		
PERU		
• Temperatures are projected to rise in Peru, creating an increased risk of extreme heat, while increased rainfall also raises the risk of flooding, landslides and storms • The impact of climate change on precipitation rates is expected to vary considerably across Peru • Glacial retreat is occurring at an accelerated rate in Peru, increasing the risk of floods and landslides • Climate change could exacerbate existing water stress, creating challenges for mining operations	**Main risks**: Health and safety of employees; social license to operate given water scarcity issues caused by extreme heat and droughts **Financial impacts to operations**: Reduction in revenue due to production delays; increased operational costs (i.e. repairs to operations, energy costs)	**Revenue** could be impacted in the short, medium or long-term due to interruptions to production caused by physical climate hazards. Risk of stranded **Assets**: Low
PANAMA		
• Panama's vulnerability to droughts and tropical storms is expected to increase as climate change impacts the El Niño/La Niña phenomenon • Episodes of extreme heat and the occurrence of wildfires are projected to rise, increasing health and safety risks • Flooding and landslides could pose a significant risk, but the impact of climate change on these hazards is uncertain	**Main risks**: Health and safety of employees, damage to infrastructure; supply chain disruptions **Financial impacts to operations**: Reduction in revenue due to production delays; increased operational costs (i.e. repairs to operations, energy costs)	**Revenue** could be impacted in the short, medium or long-term due to interruptions to production caused by physical climate hazards. Risk of stranded **Assets**: Medium
NORTHERN ONTARIO		
• Episodes of extreme heat, wildfires, water stress and drought are projected to increase • Rising temperatures in Ontario will reduce the risk of extreme cold • Changes to precipitation levels are expected, but the possible impacts on mining operations appear limited	**Main risks:** Health and safety of employees; damage to infrastructure; supply chain disruptions **Financial impacts to operations:** Reduction in revenue due to production delays; increased operational costs (i.e. repairs to operations, energy costs)	**Revenue** could be impacted in the short, medium or long-term due to interruptions to production caused by physical climate hazards. Risk of stranded **Assets**: Low

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Socio-Political, Regulatory and Legal Risks

Description of Socio-Political, Regulatory and Legal Risks	Potential Financial Impact for:	
	Our Operators	**Our Company**
SUMMARY		
Policy, regulatory and legal changes in a jurisdiction that seek to promote adaptation to climate change and/or constrain the activities of operators and operations that contribute to adverse effects of climate change.	These regulatory and legal changes may require extensive capital expenditures by operators to accommodate or conform to such changes, which may lead to projects being abandoned or placed into care and maintenance if such mandatory expenditures erode anticipated profitability.	• Potential delay (deferral) of **Revenues** if mandatory adaptation results in delays or cessation of operations • Potential impact to valuation of **Assets** on balance sheet (e.g. impairment or write-off of assets)
BY COMMODITY		
Increased pricing of GHG emissions: Regulation of emissions, such as through carbon taxation or cap-and-trade schemes, can significantly increase costs for businesses. As more countries set net-zero emissions goals and increasingly ambitious 2030 targets, it is possible that carbon pricing regulations could become more widely implemented and/or made more stringent globally. The impact of these regulations will differ depending on the location of the assets and the carbon intensity of production, which varies significantly both within and between commodities.	***Commodities at highest risk: All commodities***	
	Increased carbon taxes are likely to increase operators' operating expenditures, which may have an impact on their balance sheet and valuations. Some high-carbon assets might become uneconomic at certain levels of carbon taxes and could lead to early retirement of assets.	• Potential delay (deferral) of **Revenues** if there are cessations of operations while assets are uneconomic due to carbon taxes contributing to high costs that are not offset by profits • Potential impact to valuation of **Assets** on balance sheet (e.g. impairment or write-off of assets) if uneconomic assets become stranded
Mandates on and regulation of existing products and services: If carbon-intensive industries are stigmatised for their contributions to climate change, the use of products and services from these industries could be curbed by new regulations.	***Commodities at highest risk: Energy (oil, gas, NGLs)***	
	Given the contribution of fossil fuels to climate change, regulation and mandates on the use of these products, including derivatives such as gasoline and plastics, may be subject to regulation from policy makers (e.g. ban on gas-powered cars in city centers, increased focus on reducing single-use plastics), which could impact demand for products.	• Potential reduction of **Revenues** if demand for carbon-intensive commodities is restricted due to widespread regulation of products

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Description of Socio-Political, Regulatory and Legal Risks	Potential Financial Impact for:	
	Our Operators	Our Company
BY COMMODITY (continued)		
Enhanced emissions reporting obligations: As governments seek to improve emissions data and meet their respective long-term emissions goals, there may be increased obligations to report on energy usage and emissions and/or to obtain independent external assurance for such data. Companies may be required to comply with detailed mandatory TCFD or other reporting legislation as a result.	***Commodities at highest risk: All commodities***	
	Companies may face growing pressure to report their emissions in compliance with mandatory disclosure regimes, which will increase costs. Such companies could also encounter financial losses as a result of fines if they are unwilling or unable to comply with new regulations.	• Potential increase to **Operating Expenditures** with growing demand to collect data, produce emissions reports, obtain external assurance, etc.
Exposure to litigation: The expansion of climate-related legislation creates litigation risks for those companies that are unable to keep up with the pace of developments. Companies in heavy industries, such as mining and oil and gas, could also face legal action due to their relatively higher levels of emissions/emissions intensities, with some claimants also seeking to link climate change to other sustainability concerns, such as human rights.	***Commodities at highest risk: Energy (oil, gas, NGLs)***	
	Legal actions against Energy producers could increase operating costs (e.g. through payment of legal fees, fines, settlements, or insurance fees), reduce demand for products, and cause reputational damage. Energy producers in North America and Europe have already faced legal challenges on various grounds, with accusations ranging from misleading investors to infringing on the rights of nature and the right of life of future generations.	• Corresponding direct impact to **Revenues** upon reduction of demand for commodities due to reputational damage to entire sectors or industries • Potential impact to valuation of **Assets** on balance sheet (e.g. impairment or write-off of assets) if increased operating costs cause uneconomic assets to become stranded

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Market Risks

Description of Market Risks	Potential Financial Impact for:	
	Our Operators	Our Company
SUMMARY		
Shifts in supply and demand for certain commodities based on their real or perceived impact on the climate.	Reductions in commodity prices may impact the applicable operator's bottom line and in serious cases may ultimately render a project uneconomic, which may lead to projects being abandoned or placed into care and maintenance until commodity prices recover.	• Corresponding direct impact to **Revenues** (e.g. our sales) and potential long-term delay (deferral) of **Revenues** if project placed on care and maintenance
BY COMMODITY		
Changing customer behaviour: Demand for certain commodities is expected to reduce as a result of the energy transition, which may impact prices. While this trend could be the same across a single commodity, in some cases the significance of this risk will vary depending on the carbon intensity of specific assets. In the latter case, it is possible that the market will start to fragment between low-carbon and high carbon products, with some stakeholders willing to pay a premium for low-carbon products.	***Commodities at highest risk: Energy (oil, gas, NGLs)***	
	Energy producers may encounter reduced demand for their products due to changing customer behaviour in the energy transition. The level of risk and timeframe will vary depending on the carbon production intensity of assets – for instance, low-carbon gas is projected to be competitive in many jurisdictions for longer than high-carbon intensity oil. Other non-energy producers may be impacted but this shift is more likely to be specific to the carbon intensity of a given asset than a blanket trend witnessed across the commodity group.	• Potential reduction of **Revenues** if demand for carbon-intensive commodities or assets are reduced due to changing customer behaviour • Potential impact to valuation of **Assets** on balance sheet (e.g. impairment or write-off of assets) if decrease in demand causes uneconomic assets to become stranded

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Reputational Risks

Description of Reputational Risks	Potential Financial Impact for:	
	Our Operators	Our Company
SUMMARY		
Changing public perceptions of an operator's climate-related activities and their contributions to or detractions from the transition to a low-carbon economy.	May affect access to capital or the ability to raise new debt or refinance existing debt, which may lead to projects changing hands or being temporarily or permanently abandoned.	• Potential delay (deferral) of **Revenues** if operator's inability to raise capital or finance debt results in operations changing hands • Potential impact to valuation of **Assets** on balance sheet (e.g. impairment or write-off of assets)
BY COMMODITY		
Stigmatization of sector: Growing scrutiny of the climate impacts of different sectors has created the perception that some industries are inherently 'dirty' and 'polluting', creating a stigma around certain activities.	***Commodities at highest risk: All commodities***	
	Stigmatisation of sectors could lead to reduced demand and lower prices for products and services. Of particular risk of stigmatization will be 'heavy industry' commodity producers, including energy producers. This risk can be mitigated by operators and industries deploying energy efficient and low-carbon technologies in the production process and the lower carbon emitting producers, even within a stigmatised industry, will be rewarded while there is still demand for their products.	• Potential reduction of **Revenues** if demand for carbon-intensive commodities or assets are reduced due to stigmatization of sectors • Potential impact to valuation of **Assets** on balance sheet (e.g. impairment or write-off of assets) if decrease in demand and/or lower prices causes uneconomic assets to become stranded

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Description of Reputational Risks	Potential Financial Impact for:	
	Our Operators	**Our Company**
BY COMMODITY (continued)		
Shifts in consumer preferences: Climate change could lead to a moral shift in customer preferences, with stakeholders becoming increasingly aware of their own carbon footprint and new regulations and policies incentivising lower-carbon lifestyles.	***Commodities at highest risk: Energy (oil, gas, NGLs) and gold***	
	Energy operators are most vulnerable to this risk as customers are likely to receive incentives to reduce use of these commodities due to their climate impacts. Gold and other commodities that are not considered to be essential to industry or the energy transition may come under greater scrutiny, potentially resulting in reduced demand.	• Potential reduction of **Revenues** if demand for carbon-intensive commodities or assets are reduced due to shift in preferences • Potential impact to valuation of **Assets** on balance sheet (e.g. impairment or write-off of assets) if decrease in demand and/or lower prices causes uneconomic assets to become stranded
Increased stakeholder concern or negative stakeholder feedback: With stakeholders having growing access to information about company performance, those companies perceived to be causing environmental and social harms could encounter increased scrutiny over their impacts. In some cases, increased stakeholder concerns could pose a significant threat to a company's social license to operate and require proactive mitigation.	***Commodities at highest risk: All commodities***	
	Operators producing commodities that are not critical to the energy transition and/or typically have high-carbon intensity will be most vulnerable to this risk, with energy producers being particularly exposed. This may impact operator's access to capital and asset valuations significantly impacted if negative stakeholder concern erodes operators' social license to operate.	• Potential reduction of **Revenues** if demand for carbon-intensive commodities or assets are reduced due to negative feedback or concern • Potential impact to valuation of **Assets** on balance sheet (e.g. impairment or write-off of assets) if erosion of social license causes uneconomic assets to become stranded

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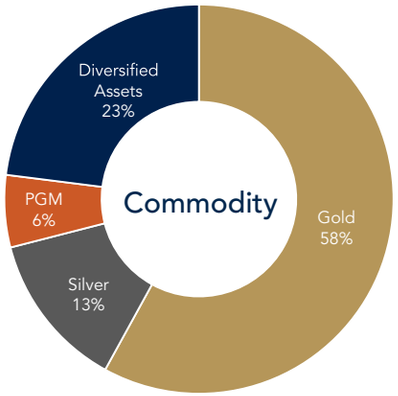
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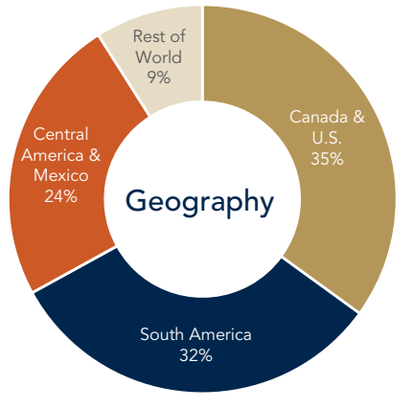
Resilience of Our Portfolio

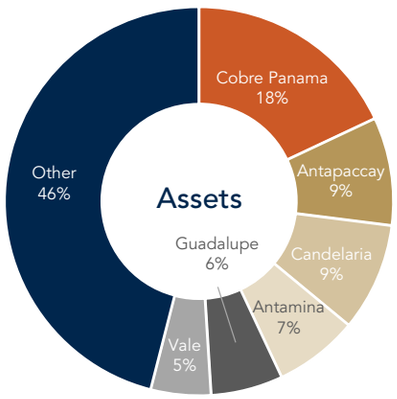
Our exposure to climate-related risks (described in detail in our TCFD disclosures in Appendix C to this ESG Report) is substantially mitigated by the diversification of our royalty and stream portfolio. No one operator or asset contributed more than 18% of our total 2021 revenues, which mitigates operator-specific or localized climate-related risks (e.g. reputational, acute physical and local regulatory and legal risks). We also receive revenues from various commodity types produced in a multitude of jurisdictions, which mitigates risks impacting broader regions and markets (e.g. chronic physical, country-wide regulatory and legal, and market risks). While we do have significant exposure to gold, broader market and reputational climate-related risks which may impact the gold industry are further mitigated through our rigorous due diligence process geared toward investing in best-in-class operators, many of whom have already set long-term climate-related goals and commenced low-carbon transitions.

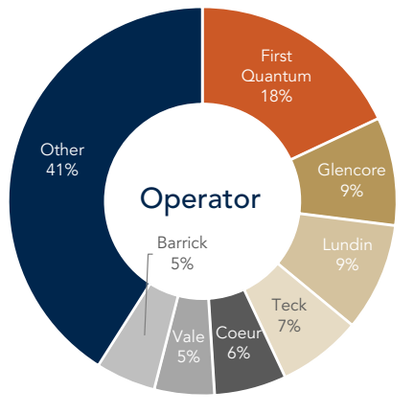
Certain mitigation factors are also inherent with our business model. For example, as a royalty and stream company, we are a free cash flow business without direct exposure to operating, capital or closure costs.

- In the short and medium term, any climate-related cessation of production at an operation in which we have a royalty or stream interest can be viewed as deferral of revenue for our company realizable upon re-commencement of production.
- Most of our assets are non-cost bearing. In the long term, other than an asset becoming uneconomic, we are generally insulated from rising costs, including those related to carbon pricing, associated with the transition to a low carbon economy.









Due to the breadth and diversification of our portfolio, our exposure to climate-related events, trends or sentiments adversely impacting a particular project or operator or more broadly adversely affecting a commodity type or jurisdiction is reduced. Climate risk exposure is further mitigated by factors inherent in our business portfolio, including those eliminating cost exposure in respect of our assets, and our high standards and rigorous due diligence processes geared toward investing in best-in-class operators and operations.

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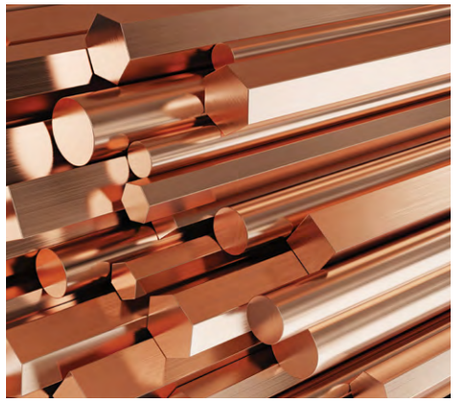
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Climate Opportunities

As a royalty and streaming company, we are well positioned to participate in climate-related opportunities arising in connection with the transition to a low-carbon economy. The following describes climate-related opportunities that we have already embraced in our portfolio and that we expect will continue to be available to our company in the short, medium and long-term.

Products and Services

Our investments in commodities used for low emission products and services may increase revenues and bring competitive advantage due to the increased demand for such products and services from shifting consumer preferences.



Copper:

With superior electrical and thermal conductivity, copper will play a significant role in enhancing energy efficiency and decarbonizing the planet. A 2017 World Bank Report* counted dozens of metals which could see a growing market with the increasing reliance on renewable and sustainable energy sources. Copper ranked first (tied with aluminum and nickel) among all metals for its prevalence in low-carbon technologies, including in wind, solar photovoltaic, carbon capture and storage, nuclear power, light emitting diodes, electric vehicles and electric motors.

Our company's principal sources of revenue are from copper mines, including our four core assets (Cobre Panama, Antapaccay, Antamina and Candelaria) where we receive precious metal by-products from copper concentrates and, in 2021, we acquired another precious metal stream from the Condestable copper mine in Peru. Strong demand for copper increases the prospects of greater production from these operations. We also have royalties on a number of prospective copper development projects, including Rosemont and Copper World (Hudbay), Alpala (SolGold), Taca-Taca (First Quantum) and NuevaUnión (Teck and Newmont) projects. We expect that in the future there will be further opportunities for our company to finance copper operations given the metal's utility in the transition to a low-carbon economy.



Natural Gas:

The use of natural gas for energy results in fewer emissions of nearly all types of air pollutants and carbon dioxide than burning coal or petroleum products. For this reason, while there are undeniably more emissions produced than clean energy sources, natural gas is viewed by some as a "bridge" fuel as renewable energy sources become increasingly more cost-effective and prevalent. In developing regions, natural gas is replacing wood and coal used for heating and cooking, which will improve health conditions. In developed countries, efficient distributed natural gas-fired combined heat and power systems will reduce emissions.

Our company's recent additions to our energy portfolio has seen a shift from U.S. oil to natural gas plays, including our 2019 royalty acquisition on Range Resources liquids-rich natural gas properties in the Marcellus shale in Pennsylvania and our 2020 royalty portfolio acquisition in the Haynesville shale, Texas, one of the most active gas plays in North America. Natural gas accounted for approximately 38% of our energy revenues in 2021, a significant increase from prior years.

* "The Growing Role of Minerals and Metals for a Low-carbon Future", World Bank Group, June 2017.

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Battery Metals:

Technologies involved in the clean energy transition are emerging and advancing rapidly through innovation and increased deployment. According to a 2020 World Bank Report*, the production of certain battery metals will have to increase by nearly 500% by 2050 to meet the growing demand for clean energy technologies and over 3 billion tonnes of these minerals and metals will be needed to deploy wind, solar and geothermal power, as well as the energy storage required to transition to a low-carbon economy.

While most of the global demand for nickel is for the production of stainless steel, nickel sulphate, a highly purified nickel compound that helps deliver higher energy density in lithium-ion batteries, extending the driving range for electric vehicles, is expected to become the second largest application for nickel in 2030. Our company has royalties on nickel projects, including Mount Keith nickel mine in Australia, Eagle's Nest deposit in the Ring of Fire in Ontario, Canada and Crawford Nickel-Cobalt project in Ontario, Canada. These projects are poised to benefit from increasing demand for nickel and we expect to see more opportunities to finance nickel and other battery metal projects both domestically and abroad.

* "Minerals for Climate Action: The Mineral Intensity of the Clean Energy Transition", World Bank Group, 2020.

"Our company has royalties on nickel projects, including Mount Keith nickel mine in Australia, Eagle's Nest deposit in the Ring of Fire in Ontario, Canada and Crawford Nickel-Cobalt project in Ontario, Canada."



Iron Ore:

Steel is essential to every aspect of modern life and is a key component for low-carbon technologies from electric vehicles to wind turbines. Known as a hard-to-abate sector having high emissions and energy-intensive production, the low-carbon development of the iron and steel industry will be crucial in the transition to a low-carbon economy and for the achievement of climate goals.

Our company has exposure to low-carbon footprint iron ore operations and innovative operators through our equity ownership in Labrador Iron Ore Royalty Corporation (which has minority ownership of Iron Ore Company of Canada ("IOC") and holds royalties over IOC's operations in Newfoundland and Labrador) and our royalty debentures covering Vale's Northern and Southeastern System operations in Brazil.

IOC pellets and concentrate are high grade products with world leading low alumina and ultra-low phosphorus, beneficial to the iron and steel industry. These pellets are high quality with a clean chemistry, which helps to lower the carbon footprint, compared to lower quality grades and forms of iron ore, when used in the iron and steel industry. In early 2021, IOC announced an initiative that will explore the viability of transforming iron ore pellets into low-carbon hot briquetted iron, a low-carbon steel feedstock, using green hydrogen generated from hydro electricity in Canada.

Vale supplies iron ore products that require less energy use in steel blast furnaces, reducing emissions. One example is its Brazilian Blend Fines, a blend of ores produced in Carajás and Minas Gerais, with a higher iron content and fewer contaminants. Vale has recently partnered with Kobe Steel and Mitsui & Co. with the objective to offer low-carbon solutions and technologies to the steel industry.

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Resilient Operators

Our investments in organizations, projects and initiatives developing adaptive capacity to respond to climate change to better manage climate-related risks and seize opportunities may improve our own reputation, market valuation and resilience to the transition to a low-carbon economy.

Many of the assets in our portfolio are operated by best-in-class operators. The ingenuity and technical skills of these operators, including relating to sustainable practices, processes and technologies, often provide them with a competitive advantage, reducing their costs and their operating risks and ultimately reducing their cost of capital.

Mining and energy operators, including most of our key operators described above in the Operators section of this ESG Report, contributing to approximately two-thirds of our 2021 revenues have proactively set targets to reduce carbon emissions, with some committing to the long-term achievement of net-zero emissions.

We continue to look for opportunities to invest in other best-in-class operators and, as a capital provider, potentially facilitate their low-carbon transitions. Below we have highlighted the resourcefulness of certain of our operators, their efforts to reduce their carbon footprints, and their commitments to combating climate change, which exemplify the types of operators and operations that we look to invest in.



Continental Resources' solar panels at West Blaine recycling facility, which Franco-Nevada is helping to finance

"Mining and energy operators, including most of our key operators described above in the Operators section of this ESG Report, contributing to approximately two-thirds of our 2021 revenues have proactively set targets to reduce carbon emissions, with some committing to the long-term achievement of net-zero emissions."

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Carbon Sequestration at Weyburn

(Franco-Nevada has royalty interests and a working interest at Weyburn)

We have royalty interests and a working interest on Whitecap Resources' Weyburn Unit in southeast Saskatchewan, which is a CO_2 injection enhanced oil recovery development.

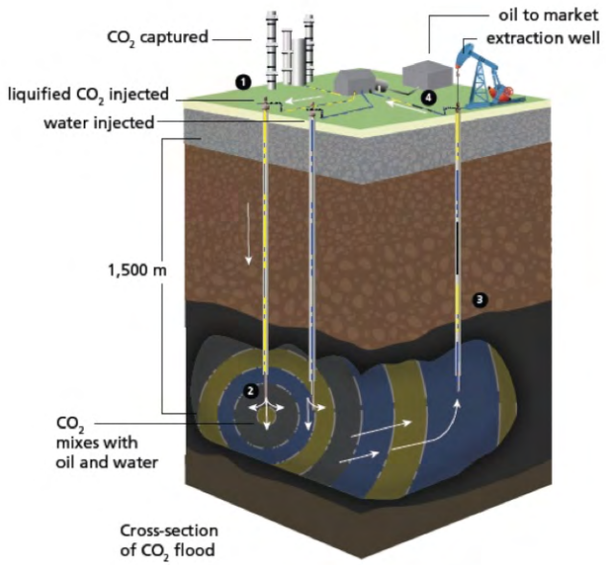
CO_2 is transported as a liquid from two separate industrial sources. At the source, the CO_2 is captured and compressed before transmission via pipeline to Weyburn. The CO_2 in liquid form is then injected at high pressure into the Weyburn Unit. The gas stream that is recovered with the oil production is processed for natural gas liquids and the remaining CO_2 volume is reinjected into the formation on an ongoing basis. Accordingly, with minor adjustment for losses, all of the CO_2 purchased and transported by pipeline for injection at Weyburn constitutes additional CO_2 volumes stored each year.

Since its inception in 2000, more than 37 million tonnes of CO_2 from two separate industrial sources have been captured and stored 1.5 km underground, the equivalent of taking 8 million cars off the road for an entire year. In addition to having carbon storage benefits, injecting CO_2 helps oil come to the surface more easily and improves the efficiency of production, maximizing the ultimate recovery of oil originally in place.



Utilizing emissions-reduction processes at Weyburn

Enhanced Oil Recovery CO_2



Mining and energy operators utilizing lower emission and emissions reduction processes and technologies demonstrate their adaptability to climate change. As decarbonisation continues to take centre stage, we will continue to look to partner with and invest in these companies and projects, which involvement will improve our own sustainability profile.

"Since its inception in 2000, more than 37 million tonnes of CO_2 from two separate industrial sources have been captured and stored 1.5 km underground, the equivalent of taking 8 million cars off the road for an entire year."

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Continental Resources Carbon Capture and Sequestration Project

(Franco-Nevada has a strategic royalty acquisition joint venture with Continental)

In March 2022, Continental Resources announced that it would be investing $250 million over the next two years to help Summit Carbon Solutions build a $4.5 billion carbon capture and sequestration project. It is anticipated that the project will capture and transport via pipeline 8 million metric tonnes per year of CO_2 from 31 ethanol plants across the US Midwest. That carbon will then be sequestered in subsurface geologic formations in North Dakota, where Continental Resources will leverage its geologic expertise gained from its extensive oil and gas drilling operations in the Bakken Shale.

The project aims to bring operations online the first half of 2024 and will have the capability of expanding to ultimately transport up to 20 million metric tonnes per year of CO_2.

Mt. Keith Solar Farm and Carbon Capture

(Franco-Nevada has royalty interests on the Mt. Keith nickel operation)

In July 2021, BHP announced its plans to build a 27.4 MW solar farm at its Mt. Keith nickel operations, BHP's first off-grid large-scale renewable energy project across its global operations, which will replace power currently supplied by diesel and gas. The solar farm, where construction is currently underway, will significantly reduce BHP's Scope 2 emissions at Mt. Keith.

In October 2021, BHP also announced plans to conduct trials at the Mount Keith tailings dam at Nickel West, which could store about 40,000 tonnes of CO_2 from the atmosphere per year. BHP's initial research has indicated that enhancing the mineral carbonation rate of the tailings dam could significantly increase its capacity to store CO_2.



Solar panels at Rosemont Mine in Arizona

"In March 2022, Continental Resources announced that it would be investing $250 million over the next two years to help Summit Carbon Solutions build a $4.5 billion carbon capture and sequestration project."

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Climate Scenario Analysis

A scenario analysis is an important tool for our company and our stakeholders to better understand our strategy for climate-related risks and opportunities and to assess how this strategy positions our company in a low-carbon future. The TCFD recommends that organizations conduct at least one climate scenario analysis at 2°C (i.e. average global temperatures of 2°C above pre-industrial levels) or lower to evaluate the potential resiliencies of strategic plans and to identify options for increasing business resiliency to plausible climate-related risks and opportunities through adjustments to strategic and financial plans.

We have chosen to apply a 2°C scenario, focusing particularly on the implications and outcomes for our existing gold and energy assets that generated approximately three-quarters of our 2021 revenues, and the climate-related risks and investment opportunities relating to these commodities. The scenario analysis assumes that our strategy will be focused upon growing our exposure to gold and other precious metals, but also with investments in other metals when good opportunities become available.



Pump jack and cattle herd at Weyburn in Saskatchewan

To guide our 2°C scenario analysis, we have also incorporated certain data and assumptions from the International Energy Agency's ("IEA") 2020 Sustainable Development Scenario (the "SDS")*, which are summarized in the Highlights and Assumptions table below. The SDS demonstrates a plausible path until 2050 to concurrently achieve universal energy access, set a path towards meeting the objectives of the Paris Agreement on climate change and significantly reduce air pollution. Although ambitious, demanding a set of dramatic new actions from governments, companies, investors and citizens, this scenario and its extended time horizon (prior IEA scenarios stopped at 2040) aligns with the increasing commitments of our mining and energy operators to achieve "net-zero" emissions by 2050. It also applies the most stringent assessment of the resilience of our company's business model and strategy in the face of climate-related risk.

* World Energy Outlook, 2020, International Energy Agency, October 2020.

> "A scenario analysis is an important tool for our company and our stakeholders to better understand our strategy for climate-related risks and opportunities and to assess how this strategy positions our company in a low-carbon future."

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2°C Scenario: Highlights and Assumptions

Energy Efficiency and Availability	Fossil Fuels	Emissions
• By 2030, rapid progress is made in innovation and the deployment of low-carbon fuels and energy technologies. • The proportion of renewables in global electricity generation grows from just over 25% in 2019 to more than 50% in 2030 • By 2030, low-carbon sources of electricity accounts for almost two-thirds of total generation worldwide. The emissions intensity of industrial activity is reduced 40% from 2019 intensities. Electric vehicles comprise 40% of new vehicle sales. • Supported by government policy and the non-profit sector and the increase in decentralized energy solutions, universal access to energy is achieved by 2030.	• The proportion of fossil fuels in the primary energy mix, which has remained above 80% since the 1950s, falls to 70% in 2030. • Demand for oil peaks pre-COVID in 2019. Reductions in oil use over the period to 2030 mean that global oil demand never returns to 2019 highs. Although demand for oil is more resilient in sectors such as petrochemicals, total oil demand in 2030 is 12% lower than in 2019. • Global natural gas demand exceeds 2019 levels throughout the mid-2020s. It peaks soon after with demand returning to 2019 levels by 2030. • Lower demand for fossil fuels leads to modestly reduced prices through 2030. There is less need to produce fossil fuels from resources higher up the supply cost curve. • There are widespread and successful effort to reduce the emissions intensity of oil and gas production, and sources with lower emissions intensities are increasingly preferred for development.	• Global output of CO_2 emissions peaks pre-COVID in 2019. Concentrations of the major air pollutants drop dramatically to 2030. • CO_2 pricing is established in nearly all advanced economies. In addition, several developing economies are assumed to put in place schemes to limit CO_2 emissions. • The CO_2 emissions reduction trends that were visible prior to 2030 (e.g. efficiency, electrification and move away from fossil fuels) continue to 2050. • Emissions outputs and trends through 2030 are consistent with achieving net-zero energy sector CO_2 emissions globally by 2070. A number of industries, sub-sectors and countries achieve net-zero by 2050 or in advance of 2070. • Carbon capture, utilisation and storage processes and technologies play a large role in continuing the pace of emissions reduction after 2030.

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2°C Scenario: Outcomes for Our Operators

Risk	Outcomes for Operators
Acute and Chronic Physical Risks	• Extreme and intermittent weather events persist and increase over time. As climate change is limited to 2°C, such events are manageable and are less harmful than in above 2°C scenarios that fail to align with "net-zero" targets. • Certain events and weather patterns cause production delays and cessations for certain operations. Such risks are unlikely to materially impact or impair broader gold and energy markets.
Socio-Political, Regulatory and Legal Risks	• Stringent climate-related policy and regulatory changes are enacted by governments, particularly from those countries and regions pledging alignment with "net-zero" emissions. Increased capital expenditures are required by some operators to accommodate and conform to mandatory changes and transitions. • Carbon pricing policies are implemented globally with certain governments imposing caps on carbon. Low-carbon energy producers are rewarded and given a competitive advantage. Carbon pricing increases the costs of many mining operations impacting the viability of some operations with higher cost structures and/or large carbon footprints. • Greater climate impacts will increase sensitivity to the environmental impacts of mining operations, making the permitting of new mines increasingly difficult.
Market Risks	• A reduction in overall demand for oil occurs due to gradual behavioural transition to low-carbon goods and services and access to more sustainable, lower-cost and decentralized energy sources. Decreased prices adversely impact revenues of energy producers, although most operations continue to be profitable, with lower cost producers remaining resilient to fulfil reduced demand, including in sectors such as petrochemicals. • Prices and demand for natural gas remains consistent, given perception as a sustainable alternative or "bridge fuel". • Gold has a continued role as a "safe haven" in a financial landscape that can at times be increasingly volatile.
Reputational Risks	• Broader reputational implications for energy industry in low-carbon transition is mitigated for those pledging "net-zero" and executing low-carbon transitions, including reliance on renewable energy sources. • There are impacts on the ability of energy producers to access equity capital or raise debt, but this does not extend to sustainable, low-carbon producers. • Gold operators committing to and achieving staged decarbonization retain access to equity capital and debt.

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2°C Scenario: Outcomes for Franco-Nevada

General Outcomes

- Extreme and persistent weather events and patterns causing production delays and intermittent cessations of production at gold and energy operations in which we hold royalty and stream interests, will only have the effect of a deferral of our revenue over short or medium-term horizons, realizable in the longer term upon recommencement of operations.
- Inevitable increased capital and operating costs (including carbon pricing costs) due to mandatory changes and transitions resulting from policy and regulatory reform will be borne by our operators. Subject to instances where higher cost projects are rendered uneconomic and are temporarily or permanently abandoned, we will continue to have no exposure to costs of operations in which we hold royalty and stream interests.

Energy Outcomes

- Lower demand for oil will reduce the level of drilling activity on a number of our energy portfolio investments, reducing the rate of production from those assets. While the rate of return on these assets will be lower, subject to certain assets being permanently abandoned due to decreased demand, much of the resource will still be exploited over time due to the demand for fossil fuels in the continuing transition to low-carbon energy sources.
- Our current capital allocation strategy for energy opportunities will remain the same. We will not look to grow the energy mix in our portfolio through acquisition to manage our exposure to fossil fuel related climate risk.

Gold Outcomes

- Greater climate impacts will increase sensitivity to the environmental impacts of mining operations, making the permitting of new mines increasingly difficult. This may result in development of brownfields assets over which we have existing royalty interests.
- Carbon pricing increases the costs of many mining operations impacting the viability of some operations with higher cost structures and/or large carbon footprints. Most of the projects over which we have royalty and stream interests have strong economics and such projects are not expected to be stranded due to rising costs.
- The gold industry is energy intensive and there will be reputational risks for operators that do not decarbonize their operations. Many of our gold operators are best-in-class and have taken steps towards making low-carbon transitions. To the extent that our gold operators make strides towards decarbonization through increased access to low-cost large-scale renewable energy that will reduce their carbon footprint heavily weighted to electricity, this will mitigate climate-related reputational risk for such operators, and indirectly for our company, due to decreased reliance on fossil fuels.
- The effort to tackle climate change and to cover losses created by climate change will require substantial government capital. This will increase government deficits and debt loads. Gold's appeal will be preserved due to its "safe haven" role and as a hedge against the devaluation of national currencies.
- In addition, gold's increasing utilization in emerging low-carbon technologies, including gold catalysts and photovoltaics, will modestly add to demand.

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Risk Management

Our processes used to identify, assess, and manage climate-related risks

Our company does not operate mines, develop projects or conduct exploration. Rather, our business model is focused on growing and managing our portfolio of royalty and streams with the view to holding onto these perpetual or long-life interests for extended time horizons. Since our IPO in 2007, we have not made any material divestment of the assets in our portfolio.

It follows that the crucial period for the identification and assessment of ESG risks, including climate-related risks, is at the outset, prior to acquiring royalty and stream assets. We have adopted a comprehensive due diligence process when choosing investments and potential operating partners. This due diligence review involves utilizing the extensive experience of our multi-disciplinary management team and board of directors to evaluate ESG and climate risks specific to a mining or energy operation and the plans adopted by the operator to manage such risks. In early 2022, we subscribed to McKinsey MineSpans a data platform providing more than 1,000 cost and supply points per mine for over 3,800 mines globally. Access to this service will facilitate the institutionalization of the review of climate and other ESG data prior to making investments.

We also routinely engage external experts to assess risks, including climate-related physical, regulatory, market and reputational risks. The climate-related considerations relating to a specific opportunity will vary considerably depending on the commodity-type, jurisdiction, operator, operation, etc. but, by way of example, these may include water scarcity, power supply and environmental permitting considerations. For an in-depth discussion of our due diligence process, please refer to pages 9-10 in this ESG Report.

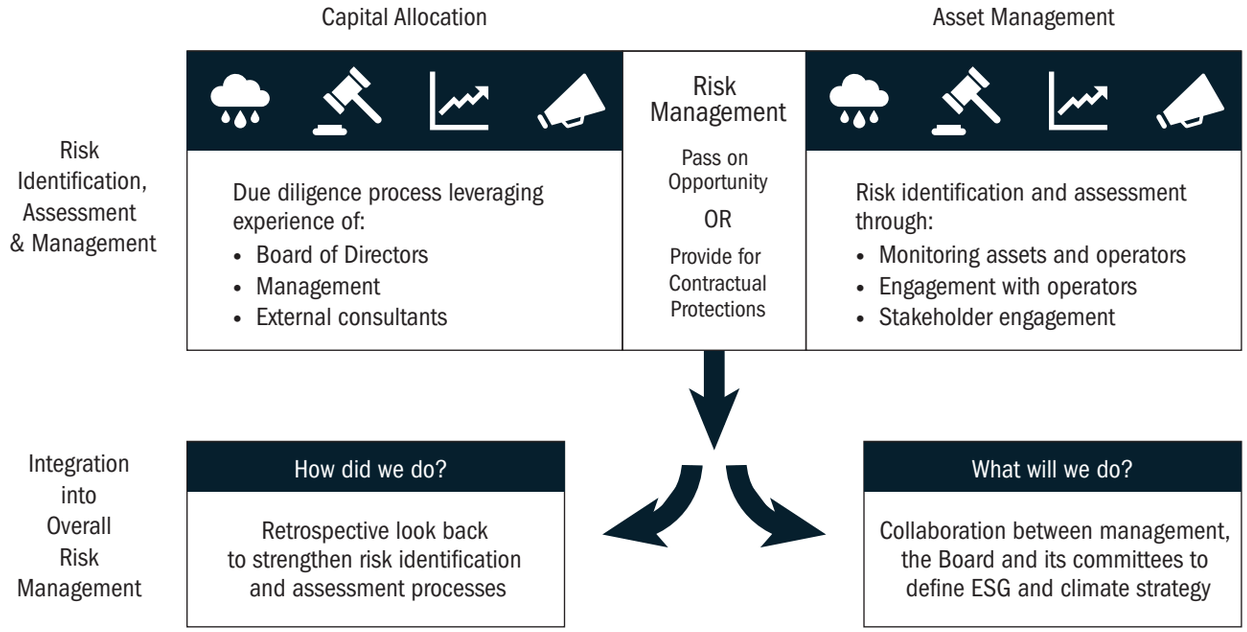
If ESG risks, including climate-related risks, identified in our due diligence processes are assessed and deemed to be material or adverse to the prospects of the operator or project or to our royalty or stream interest, this may result in our decision not to proceed with an investment. We have recently passed on otherwise prospective opportunities because the ESG risks were too substantial. If we elect to proceed with an investment, we endeavour to include in our contractual arrangements, provisions including reporting obligations, audit and inspection rights, operating covenants, transfer restrictions and remedies, which help manage and mitigate climate-related risks. For an in-depth discussion of these contractual protections, please refer to page 11 in this ESG Report.

Once we have acquired an asset, the process of identifying and assessing ESG risks, including climate-related risks, involves regular engagement with our operators, leveraging the aforementioned contractual reporting obligations and our audit and inspection rights, in order receive regular updates. If any ESG or climate-related event or occurrence transpires at an operation, we offer to provide assistance to the operator. We also regularly engage with our own stakeholders to provide what transparency we can of ESG and climate-related risks impacting our assets and to respond to any significant concerns. This helps identify, assess and mitigate reputation risks.

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As discussed in Governance section above in this Appendix C, the Board and its Committees frequently meet with senior management to discuss our company's ESG and climate-related risks and exposures. This collaborative effort is aimed at defining our ESG and climate strategy going forward, particularly in respect of our capital allocation. Management, the Board and its Committees also apply a "look-back" in the event of an ESG or climate-related event or issue arising at an existing asset to determine if such issue was (or should have been) accurately identified and assessed in due diligence. This retrospective approach identifies any gaps in our due diligence and in turn strengthens our risk identification and management processes.



Metrics & Targets

The metrics and targets used to assess and manage relevant climate-related risks and opportunities

Our company's operational emissions, calculated in accordance with the GHG Protocol Corporate Accounting and Reporting Standard, are set out on pages 32-33 in this ESG Report. In sum, in 2021 we produced no (nil) Scope 1 GHG emissions, 36.0 tCO_2e of Scope 2 GHG emissions and 33.4 tCO_2e of Scope 3 GHG emissions for an aggregate total of 69.4 tCO_2e.

In accordance with the Greenhouse Gas Protocol Technical Guidance for Calculating Scope 3 Emissions (Category 15: Investments), inclusion of GHG emissions generated from the operations in which we have royalty and stream investments is optional but not required. We do not operate, develop or conduct exploration for such operations, nor do we do exercise control over such operations given the passive nature of our investments and such emissions are excluded from our organizational boundary and our Scope 3 emissions. Notwithstanding, we have included in this ESG Report (refer to Appendix B: Operators' Emissions) estimated emission data relating to the producing mining operations where we hold royalty and stream investments, which information has been provided by McKinsey MineSpans.

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As a royalty and stream company, subject to the limited contractual protections contained in our royalty and stream arrangements (refer to page 11 in this ESG Report for further detail) we do not exercise control over the operations (including the emissions and carbon footprints) of our operators. It follows that our targets used to assess and manage climate-related risks and opportunities can only extend to our own actions and initiatives. Our climate-related targets and 2021 performance related to such targets are as follows:

Capital Allocation to Responsible Resource Development:

We are convinced of the long-term appeal of gold in the transition to a low-carbon economy and our top priority is to add best-in-class gold assets to our portfolio.

- **Target**: We aim to allocate our capital with a focus upon gold and other precious metals, and to make opportunistic investments in other metals. We will not look to grow the energy mix in our portfolio through acquisition to manage our exposure to fossil fuel related climate risk.
- **Performance**: In 2021, approximately 77% of revenue was generated from gold and gold equivalents with 58% from gold. While we successfully invested in precious metal assets, including acquiring a gold and silver stream on the Condestable mine in Peru and a royalty on the Seguela gold project in Cote d'Ivoire, we also made significant opportunistic investments in diversified assets during the year, including the acquisition of debentures entitling Franco-Nevada to a royalty over iron ore production from Vale's Northern System, Southeastern System and on certain copper and gold assets in Brazil and we acquired an additional royalty on Hudbay's Rosemont copper project in Arizona.

Operationally Carbon Neutral:

Our initiatives to reduce our carbon footprint in our office workplaces (e.g. notice-and-access, reduction in paper size, etc.) are described in this ESG Report (refer to pages 30-33). For the emissions that we cannot reduce or eliminate, we seek to purchase carbon offsets to offset our emissions.

- **Target**: We are committed to achieving carbon neutrality annually for our global operations.
- **Performance**: In 2021, we achieved carbon neutrality for our global operations for a second consecutive year.

Climate-Related Initiatives:

Our relationships formed in the industry and with the existing operators of the projects in which we have royalty and stream interests will position us to assist our operators in financing projects to reduce their carbon footprint.

- **Target**: We aim to provide financing support to operators for initiatives to reduce their carbon footprint.
- **Performance**: In 2021, we advanced our efforts to finance our operators' low-carbon transition projects. We committed $450,000 to help finance Continental Resources' solar-powered water recycling project in Oklahoma and $150,000 of such commitment was funded in 2021 (refer to page 46 of this ESG Report). We expect to make further progress through 2022.

Enhanced Climate-Related Transparency:

With the ever-evolving sustainability movement, we seek to provide increased transparency in our sustainability reporting and continue to address pertinent climate-related issues that are important to our stakeholders.

- **Target**: We will continue to improve annual climate-related disclosure, providing increasing transparency.
- **Performance**: For 2021, we significantly enhanced our climate-related disclosure, with the strengthening of our TCFD-aligned climate disclosure and offering other new disclosure, including providing fulsome emissions data for our operating mining assets, as provided by McKinsey MineSpans (see Appendix B of this ESG Report).

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APPENDIX D

SASB Disclosure

In the continuously evolving ESG landscape, we are committed to providing transparency in our sustainability reporting by providing meaningful information to our shareholders and continuing to enhance our disclosure, including with the following, which is our company's first effort to align to the Sustainability Accounting Standards Board ("SASB") framework.

SASB created the Sustainable Industry Classification System® (SICS®) to group like companies based on their sustainability-related risks and opportunities. As of the date of this ESG Report, Franco-Nevada is classified in the "Financials" Primary SICS Sector and the "Asset Management & Custody Activities" Primary SICS Industry. While the SICS "Extractives & Minerals Processing" classification may appear to be appropriate, its accounting metrics are geared towards mining and energy operators and producers and not royalty and streaming companies that are not involved in operations. The "Asset Management & Custody Activities" assigned classification is, in our view, the most appropriate for our business model of the available SICS sectors and industries. Notwithstanding, certain SASB accounting metrics applicable to investment managers, dealers, brokers and custodians are not applicable to Franco-Nevada's business as a royalty and streaming company. In accordance with SASB's "report or explain" framework, we have endeavoured to explain why certain standards are not applicable to our company and information has been modified or omitted. We have reached out to SASB to discuss the possibility of a more appropriate SICS industry and set of standards applicable to royalty and streaming companies and hope to make meaningful progress on this initiative in the near term.

All disclosure included or referenced below is being provided for Franco-Nevada Corporation and our subsidiaries (collectively, "we", "us", "our", "Franco-Nevada", or the "Company"). Such information is as of, or for the year-ended December 31, 2021 unless otherwise noted. The inclusion of information contained in this disclosure should not be construed as a characterization regarding the materiality or financial impact of that information.

In the continuously evolving ESG landscape, we remain committed to providing transparency in our sustainability reporting by providing meaningful information to our shareholders and continuing to enhance our disclosure, including with the following, which is our company's second consecutive year of disclosure aligned with the Sustainability Accounting Standards Board framework.

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SASB Disclosure

Asset Management & Custody Activities - Sustainability Accounting Standards

Code	Accounting Metric
Transparent Information & Fair Advice for Customers	
FN-AC-270a.1	(1) Number and (2) percentage of covered employees with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings
FN-AC-270a.2	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of financial product-related information to new and returning customers
FN-AC-270a.3	Description of approach to informing customers about products and services
Employee Diversity & Inclusion	
FN-AC-330a.1	Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees
Incorporation of ESG Factors in Investment Management & Advisory	
FN-AC-410a.1	Amount of assets under management, by asset class, that employ (1) integration of environmental, social, and governance (ESG) issues, (2) sustainability themed investing, and (3) screening
FN-AC-410a.2	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment and/or wealth management processes and strategies
FN-AC-410a.3	Description of proxy voting and investee engagement policies and procedures
Business Ethics	
FN-AC-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations
FN-AC-510a.2	Description of whistleblower policies and procedures

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SASB Disclosure

Code	Accounting Metric
Systemic Risk Management	
FN-AC-550a.1	Percentage of open-end fund assets under management by category of liquidity classification
FN-AC-550a.2	Description of approach to incorporation of liquidity risk management programs into portfolio strategy and redemption risk management
FN-AC-550a.3	Total exposure to securities financing transactions
FN-AC-550a.4	Net exposure to written credit derivatives
Activity Metrics	
FN-AC-000.A	(1) Total registered and (2) total unregistered assets under management (AUM)
FN-AC-000.B	Total assets under custody and supervision

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SASB Disclosure

Transparent Information & Fair Advice for Customers

FN-AC-270a.1

(1) Number and (2) percentage of covered employees with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings

Franco-Nevada Corporation and its subsidiaries are not brokerages or dealers and our business and employees are not subject to FINRA, IIROC and related rules, regulations or filing requirements. Accordingly, we did not have any "covered employees", as such term is defined in the SASB Standards, in the reporting period (fiscal 2021). Notwithstanding, we are aligned with the SASB disclosure standards having disclosed the number (nil) and percentage (0%) of all of our employees with a record of investigations, complaints, litigations, or other regulatory proceedings. Also refer to Appendix A to this ESG Report for further information.

FN-AC-270a.2

Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of financial product-related information to new and returning customers

As a royalty and streaming company, Franco-Nevada does not have customers akin to a typical investment dealer, broker or custodian. Notwithstanding, we are aligned to the SASB disclosure standards having disclosed the monetary losses (nil) as a result of legal proceedings (nil) associated with marketing and communication of any and all information generally. Also refer to Appendix A to this ESG Report for further information.

FN-AC-270a.3

Description of approach to informing customers about products and services

As indicated above, as a royalty and streaming company, we do not have customers, products or services in a traditional sense. Rather, our primary focus relates to our approach to communicating with and informing Franco-Nevada' shareholders about our business. Refer to pages 64-66 of this ESG Report, which describes our process of engaging, communicating and collaborating with our shareholders and other stakeholders.

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SASB Disclosure

Employee Diversity & Inclusion

FN-AC-330a.1

Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees

Quantitative Summary of Racial/ Ethnic and Gender Representation

The racial/ethnic group and gender representation among our company's and its subsidiaries workforce (consisting of 36 employees in four offices) is included in the table below. Also refer to pages 53-54 of this ESG Report for further information.

	BIPOC*	Other	N/A**
Senior Executive Management (5 - CEO, CFO, CLO, SVPs)	2	3	0
Other Executive Management (6 - President (FNB), VPs)	2	4	0
Non-Executive Management (6 - Directors, Controller)	2	4	0
All Other Employees (19)	9	10	0
Total	15	21	0

* BIPOC = Black, Indigenous, and People of Colour

** N/A = not available or not disclosed

	Female	Male	N/A*
Senior Executive Management (5 - CEO, CFO, CLO, SVPs)	0	5	0
Other Executive Management (6 - President (FNB), VPs)	1	5	0
Non-Executive Management (6 - Directors, Controller)	2	4	0
All Other Employees (19)	15	4	0
Total	18	18	0

* N/A = not available or not disclosed

Diversity and Inclusion Policies, Programs and Initiatives

For a detailed description of our policies, programs and initiatives for fostering diversity and inclusion across our global operations, refer to pages 52-57 of this ESG Report.

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SASB Disclosure

Incorporation of ESG Factors in Investment Management & Advisory

FN-AC-410a.1

Amount of assets under management, by asset class, that employ (1) integration of environmental, social, and governance (ESG) issues, (2) sustainability themed investing, and (3) screening

As a royalty and stream company, we do not exercise control over or have direct influence on the projects over which we have an interest. We do not have any "assets under management", as defined by SASB, and we do not provide supervisory or management services in respect of any of our investments. Consequently, this quantitative SASB standard relating to assets under management in respect of securities portfolios supervised or managed by investment advisors is not applicable to our company and such information is not included in our disclosure.

Please refer to our responses to the following SASB accounting metric (FN-AC-410a.2) for our approach to incorporating ESG factors in our investment processes and strategies, which are conducted in all of our new royalty and stream acquisitions.

FN-AC-410a.2

Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment and/or wealth management processes and strategies

ESG Considerations in Due Diligence Process

We believe that proper consideration of ESG risks in connection with the companies, projects and jurisdictions in which we seek to invest will enhance long-term performance of our company and in turn generate real value for our shareholders. Accordingly, we conduct a rigorous review of ESG issues and risks during our due diligence process when evaluating all royalty and stream opportunities. As each opportunity varies considerably based upon the commodity-type, jurisdiction, nature of the royalty or stream interest (e.g. whether such interest relates to a historical third-party arrangement or is being newly created), among other things, we apply a flexible approach to our ESG due diligence review and frequently rely on local ESG consultants for their expert guidance. Please refer to pages 9-10 of this ESG Report, which describes our due diligence process, including specific ESG factors assessed, when making investment decisions.

Mitigating ESG Risks in Contractual Arrangements

In order to mitigate ESG risks, when negotiating all new investments we endeavour to include provisions to afford our company with access to ongoing reporting in respect of a project, audit and inspection rights, and security and remedies. Additionally, we include operating covenants (e.g. requirement of operators to conduct operations in accordance with responsible practices and applicable law) and transfer restrictions intended to ensure that we remain partnered with a responsible actors when it comes to ESG-related issues. Refer to page 11 of this ESG Report, which describes in further detail these contractual protections.

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SASB Disclosure

ESG Policies and Committee Charters
Refer to following policies and committee charters (each available on our website) that govern the incorporation of ESG factors in our investment decisions and other aspects of our business:

- Investment Principles Policy (Environmental, Social and Governance) – sets out our commitment to responsible investing and further describes our approaches to integrating ESG factors in our investment and asset management processes;
- Compensation and ESG Committee Charter – specifies such committee's oversight over our company's approach to ESG issues, the adequacy of our ESG practices and policies, the adoption of any ESG-related standards or initiatives, adopts ESG-related corporate goals used to evaluate management's performance for executive compensation decisions and the engagement with stakeholders in respect of ESG issues; and
- Audit and Risk Committee Charter – specifies such committee's oversight over risk management, including ESG and climate change risks, the review of our principal risks and exposures, and the effective management, monitoring and control of such risks by reviewing management's assessment of the significant risks and exposures impacting our company, including ESG and climate change risks.

ESG Oversight and Implementation; Climate-Related Scenarios and Risk Profiling
Refer to our Task Force on Climate-related Financial Disclosures section of this ESG Report in Appendix C for:

- details regarding our company's board and management oversight over ESG (including climate-related) policies, programs and risk mitigation and management's day-to-day implementation of ESG factors and considerations;
- a description of our climate-related scenario analyses to determine our company's risk profile, which incorporates our understanding and assumptions of ESG trends applicable to the mining and energy industries; and
- an assessment of climate-related risks and opportunities and how these inform our investment strategies.

FN-AC-410a.3

Description of proxy voting and investee engagement policies and procedures

As a royalty and streaming company, our equity holdings do not represent a material portion of our business and the management of security portfolios and active engagement with investee companies are each not applicable to our company. Refer to Note 20 in our Audited Financial Statements for the year ended December 31, 2021 for the total quantum ($235.1 million as at December 31, 2021) of our equity investments. For this reason, we do not have formal proxy voting and investee engagement policies and procedures and the information required in this SASB standard has been omitted.

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SASB Disclosure

Business Ethics

FN-AC-510a.1

Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations

We are aligned with the SASB disclosure standards having disclosed the total amount of monetary losses (nil) as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations. Also refer to Appendix A to this ESG Report for further information.

FN-AC-510a.2

Description of whistleblower policies and procedures

Our Whistleblower Policy and our Employee Complaint Procedures for Accounting and Auditing Matters can be found on our website. Also refer to page 68 of this ESG Report for a description of such policies and related procedures and Appendix A to this ESG Report for the number of instances of whistleblower complaints (nil) in 2021.

Systemic Risk Management

FN-AC-550a.1

Percentage of open-end fund assets under management by category of liquidity classification

Franco-Nevada does not have open-end fund assets and have therefore omitted the quantitative information required by this SASB standard regarding the categories of liquidity of our assets.

Although we are not required to, and do not, track or categorize liquidity of our asset classes, details regarding our asset classes (i.e. cash and cash equivalents, receivables, investments (including publicly traded securities) and loan receivables, royalty and streaming assets, etc.) are contained in our Consolidated Statements of Financial Position in our Audited Financial Statements for the year ended December 31, 2021 (page 5) and to the notes referenced in the statements) and may be informative as to the relative liquidity in each asset class.

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SASB Disclosure

FN-AC-550a.2

Description of approach to incorporation of liquidity risk management programs into portfolio strategy and redemption risk management

Whereas our company assesses liquidity risk of its portfolio as part of its enterprise risk management process, we are not an investment fund or brokerage and are not subject to FINRA, IIROC and related investment fund rules and requirements, including SEC Rule 22e-4. For this reason, redemption processes and redemption risk management are not applicable to our business and such information is not disclosed.

For details regarding our financial risk management, including our processes and strategies in place for managing and mitigating financial, including liquidity, risks, please refer to Note 22 in our Audited Financial Statements for the year ended December 31, 2021, the Liquidity and Capital Resources section of our Management's Discussion & Analysis for the year ended December 31, 2021 (page 25) and the Strategy and Risk Management section in our 2022 Management Information Circular (pages 43-44).

FN-AC-550a.3

Total exposure to securities financing transactions

Franco-Nevada does not have any off-balance sheet arrangements (nil) and does not have exposure to other securities financing transactions (nil) in accordance with U.S. Securities Financing Transactions Regulation (SFTR).

FN-AC-550a.4

Net exposure to written credit derivatives

Franco-Nevada does not have exposure (nil) to written credit derivatives. Please refer to Note 2(h) in our Audited Financial Statements for the year ended December 31, 2021 for a description of our financial instruments.

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SASB Disclosure

Activity Metrics

FN-AC-000.A

(1) Total registered and (2) total unregistered assets under management (AUM)

Franco-Nevada does not have any registered assets (nil) under the SASB definition of Registered AUMs. Accordingly, all (100%) of our assets are unregistered assets, all of which are our company's control and supervision. For details regarding our assets, please refer to our Consolidated Statements of Financial Position in our Audited Financial Statements for the year ended December 31, 2021 (page 5 and to the notes referenced in the statements).

FN-AC-000.B

Total assets under custody and supervision

Please refer to the note above for SASB standard FN-AC-000.A. All of our company's assets are under our supervision. For details regarding our assets, please refer to our Consolidated Statements of Financial Position in our Audited Financial Statements for the year ended December 31, 2021 (page 5) and to the notes referenced in the statements).

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APPENDIX E

UN Global Compact: Communication on Progress

Human Rights

Progress on the Ten Principles in 2021

PRINCIPLES

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: Make sure that they are not complicit in human right abuses.

POLICIES

- Human Rights Policy
- Investment Principles Policy (Environmental, Social and Governance)
- Supplier Code of Conduct
- Whistleblower Policy

DESCRIPTION OF ACTIONS IN 2021

- We transitioned our workforce to working remotely and adopted hybrid work arrangements for our employees to continue to provide flexibility and reduce commuting time and health risk exposure
- We renewed our partnership with Compañía Miñera Antamina S.A. in sponsoring Enseña Peru, an initiative aimed at improving education at existing schools in the country and providing educational opportunities to children
- We ensured that all of our consultants and service providers agreed to comply with our Supplier Code of Conduct, which sets out our standards with respect to human rights
- When making investments, we conducted thorough ESG-related due diligence, including the human rights record of the applicable operator and operation
- We closely monitored for any human rights issues or controversies for our existing assets

MEASUREMENT OF OUTCOMES IN 2021

- There were no workplace incidents, labor violations, or reports of violence or harassment in our workplace (see Appendix A of this ESG Report)
- There were no noted or reported human rights incidents relating to our suppliers (see Appendix A of this ESG Report)

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UN Global Compact: Communication on Progress

Labour

Progress on the Ten Principles in 2021

PRINCIPLES

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: The elimination of all forms of forced and compulsory labor;

Principle 5: The effective abolition of child labor; and

Principle 6: The elimination of discrimination in respect of employment and occupation.

POLICIES

- Human Rights Policy
- Diversity and Inclusion Policy
- Non-Discrimination, Anti-Harassment & Equal Opportunity Policy
- Travel Safety Policy
- Health and Safety Policy
- Investment Principles Policy (Environmental, Social and Governance)
- Supplier Code of Conduct
- Whistleblower Policy

DESCRIPTION OF ACTIONS IN 2021

- We updated our Human Rights Policy to formalize our commitment to the fundamental labour standards and rights at work set out in the International Labour Organization's Declaration on Fundamental Principles and Rights at Work
- We updated our Diversity and Inclusion Policy to include a new goal of achieving 40% Diverse Persons at the Board and senior management level (on an aggregated basis) by 2025
- We adopted a Travel Safety Policy that aims to raise awareness of possible risks associated with travel and seeks to minimize these through appropriate measures
- We became an Influence Level Partner of The Prosperity Project's Annual Gender Diversity Data Tracking Initiative
- We established our Diversity Leadership Council, comprised of members of our management team from our Toronto and Barbados offices
- We established the Franco-Nevada Diversity Scholarship, a program aimed to promote diversity in the mining industry, which was awarded to a student entering mining engineering at the University of Toronto
- We ensured that all of our consultants and service providers agreed to comply with our Supplier Code of Conduct, which sets out our standards with respect to labour and employment rights
- When making investments, we conducted thorough ESG-related due diligence, including the labour and employment record of the applicable operator and operation
- We closely monitored for any labour issues or controversies for our existing assets

MEASUREMENT OF OUTCOMES IN 2021

- There were no workplace incidents, labor violations, or reports of violence or harassment in our workplace (see Appendix A of this ESG Report)
- There were no noted or reported labor incidents (including incidents of discrimination, forced labor, child labor, or not upholding fundamental freedoms) relating to our suppliers (see Appendix A of this ESG Report)
- Achieved Diversity and Inclusion Policy target of having 30% of our Board represented by women (see page 53 of this ESG Report)

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UN Global Compact: Communication on Progress

Environment

Progress on the Ten Principles in 2021

PRINCIPLES

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: Undertake initiatives to promote greater environmental responsibility; and

Principle 9: Encourage the development and diffusion of environmentally friendly technologies.

POLICIES

- Investment Principles Policy (Environmental, Social and Governance)
- Supplier Code of Conduct

DESCRIPTION OF ACTIONS IN 2021

- Further strengthened our climate disclosure and increased transparency in our environmental reporting, including the inclusion of TCFD and SASB-aligned reporting
- Increased involvement in various environmental and community initiatives, including our commitment to fund Continental Resources solar-powered water recycling project in Oklahoma
- When making investments, we conducted thorough environmental due diligence and we enhanced our environmental due diligence capabilities through our subscription to McKinsey MineSpans
- We ensured that all of our consultants and service providers agreed to comply with our Supplier Code of Conduct, which sets out our standards relating to environmental matters

MEASUREMENT OF OUTCOMES IN 2021

- Second consecutive year of environmental reporting aligned with TCFD and SASB frameworks (see Appendices C and D of this ESG Report)
- Our Scope 2 GHG emissions, Scope 3 GHG emissions and total GHG emissions were reduced year-over-year (see pages 32-33 of this ESG Report)
- Relied upon notice-and-access (paperless) delivery procedures for certain materials sent to our shareholders and reduced the size and weight of the paper for our management information circular (see page 31 of this ESG Report)
- There were no environmental fines, litigation or liabilities relating to our workplace (see Appendix A of this ESG Report)
- There were no noted or reported environmental incidents relating to our suppliers (see Appendix A of this ESG Report)

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UN Global Compact: Communication on Progress

Anti-Corruption

Progress on the Ten Principles in 2021

PRINCIPLES

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

POLICIES

- Business Integrity Policy
- Code of Business Conduct and Ethics
- Policy Concerning Confidentiality, Fair Disclosure and Trading in Securities
- Supplier Code of Conduct
- Whistleblower Policy
- Employee Complaint Procedures for Accounting and Auditing Matters

DESCRIPTION OF ACTIONS IN 2021

- We ensured that all of our consultants and service providers agreed to comply with our Supplier Code of Conduct, which sets out our standards with respect to anti-corruption and ethical business practices
- When making investments, we conducted thorough ESG-related due diligence, including any history of corruption of the applicable operator and operation
- We closely monitored for any issues or controversies relating to corruption of our operators or at operations where we have a royalty or stream interest

MEASUREMENT OF OUTCOMES IN 2021

- No whistleblower complaints under the Whistleblower Policy or the Employee Complaint Procedures for Accounting and Auditing Matters (see Appendix A of this ESG Report)
- There were no facilitation payments, political donations, lobbying expenditures made by our company (see Appendix A of this ESG Report)
- There were no noted or reported cases of corruption (including extortion or bribery) relating to our suppliers (see Appendix A of this ESG Report)

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KPMG: Independent Limited Assurance Report

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INDEPENDENT LIMITED ASSURANCE REPORT

To the Board of Directors of Franco-Nevada Corporation ("Franco-Nevada"):

We have undertaken a limited assurance engagement of the description of implementation of Franco-Nevada's Responsible Gold Mining Principles Policy ("RGMP Policy") presented in the table on pages 14 and 15 under the section titled "Description of Implementation" of Franco-Nevada's 2022 ESG Report (the "Report") as at December 31, 2021.

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

SPECIFIC PURPOSE OF SUBJECT MATTER AND APPLICABLE CRITERIA
There are no mandatory requirements for the preparation, publication or review of management's description of implementation of the RGMP Policy. As such, Franco-Nevada has created and applied internally developed RGMP Policy Measures (the "Applicable Criteria") which are listed in the table on pages 14 and 15 of the Report.

The Description of Implementation has been prepared in accordance with the Applicable Criteria and as a result may not be suitable for another purpose.

MANAGEMENT'S RESPONSIBILITIES
Management is responsible for the preparation and presentation of the Description of Implementation in accordance with the Applicable Criteria, current as at the date of this report. Management is also responsible for determining Franco-Nevada's objectives in respect of RGMP Policy performance and reporting, and for establishing and maintaining appropriate performance management and internal control system from which the reported information is derived.

PRACTIONER'S RESPONSIBILITIES AND PROFESSIONAL REQUIREMENTS
Our responsibility is to express a limited assurance conclusion on the subject matter information based on evidence we have obtained. We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 *Assurance Engagements Other than Audits or Review of Historical Financial Information*, issued by the International Auditing and Assurance Standards Board. This standard requires that we plan and perform our engagement to obtain limited assurance, in accordance with the Applicable Criteria.

The nature, timing and extent of procedures performed depends on our professional judgment, including an assessment of the risks of material misstatement, whether due to fraud or error, and involves obtaining evidence about the Description of Implementation.

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ASSURANCE APPROACH
We planned and performed our procedures to obtain all of the evidence, information and explanations we considered necessary in order to form our conclusion as set out below. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Description of Implementation and applying analytical and other evidence gathering procedures, and evaluating the evidence obtained. Our procedures included:

- Inquiries of those responsible for completing the activities to self-assess implementation of Franco-Nevada's internally developed RGMP Policy;
- Assessing the suitability and application of the criteria in respect of the Description of Implementation;
- Reviewing relevant evidence and other documentation to support management's statements;
- Inquiries with relevant staff at the corporate level to understand the data collection and reporting processes for the Description of Implementation; and
- Evaluation of the overall presentation of the Description of Implementation in the Report to determine whether the information presented is consistent with our overall knowledge of, and experience with, Franco-Nevada's RGMP Policy implementation.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

PRACTITIONER'S INDEPENDENCE, QUALITY CONTROL
We have complied with the relevant rules of professional conduct/code of ethics applicable to the practice of public accounting and related to assurance engagements, issued by various professional accounting bodies, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies *International Standard on Quality Control 1* and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

SIGNIFICANT INHERENT LIMITATIONS
Non-financial information, such as the Description on Implementation, is subject to more inherent limitations than financial information, given the qualitative characteristics of the underlying subject matter and methods used for determining this information. The absence of a significant body of established practice on which to draw allows for the selection of different but acceptable evaluation techniques, which can result in materially different measurements and can impact comparability. It is important to read Franco-Nevada's internally developed RGMP Policy Measures presented in the table on pages 14 and 15 of the Report.

CONCLUSION
Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Description of Implementation as described above and disclosed in the Report as at December 31, 2021, has not been prepared and presented, in all material respect, in accordance with the Applicable Criteria, current as at the date of this report.

Yours faithfully,

KPMG LLP

April 11, 2022

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Carbon Neutral Initiative

Carbon Neutral for Global Operations (2021)			
		Type of Carbon Offset Purchased from Supplier	
Emissions Eliminated	Carbon Offset Supplier	Gold Standard-Certified Offsets (50%)	CSA Standard-Certified Offsets (50%)
All emissions* for our global operations**	Less Emissions • A Bullfrog Power company • Canadian (Toronto-based) supplier of independently audited high quality carbon offsets • Previously ranked as the highest quality offset provider by the David Suzuki Foundation and the Pembina Institute	Gold Standard-certified emission reductions (CERs): A global standard for projects in developing countries that verifiably achieve GHG emissions reductions at the source and create positive impacts on social networks and their local economy. Follows the United Nations' Clean Development Mechanism (CDM) protocols for CERs.	CSA Standard-certified offsets: A global standard for voluntary GHG emissions reduction projects. Follows the United Nations' CDM methodologies and enables projects located in developed countries (and therefore outside the jurisdiction of the Gold Standard CDM certification program) to meet equivalent performance standards and deliver high quality emissions reductions.

* Represents all of our estimated reported global emissions in 2021, or 69.4 tCO_2e (equal to total Scope 2 emissions of 36.0 tCO_2e plus total Scope 3 emissions of 33.4 tCO_2e), which are calculated subsequent to year-end. As indicated in the Global Carbon Footprint section in this ESG Report, our global operations do not have Scope 1 (direct) emissions as our offices rely on electricity and steam for energy and heating, which are included under our Scope 2 (indirect) emissions.

** As indicated in the Global Carbon Footprint section in this ESG Report, due to constraints owing to lack of information for certain leased premises in Perth, Australia (1 employee) and Colorado, United States (3 employees), our reported data for electricity and steam (each Scope 2 emissions) and water and waste (each Scope 3 emissions) relate only to our Toronto and Barbados office and covers 88.9% (32 of 36 employees) of our company. We grossed up our emissions (proportionate to our reported emissions for our Toronto and Barbados office) and purchased offsets representing 125% of our grossed up emissions to provide for a buffer to ensure that all of our company's global operational emissions were covered, including to account for certain minimal but unquantifiable emissions which some of our employees may periodically contribute to.

Franco Nevada

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WORLD GOLD COUNCIL