

2020

Environmental, Social and Governance (ESG) Report





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Franco-Nevada

Our aspiration is to make Franco-Nevada the “go to” gold stock for the generalist investor.

We are the leading gold-focused royalty and stream company with the largest and most diversified portfolio of royalties and streams by commodity, geography, revenue type and stage of project. The portfolio is actively managed to maintain a focus on precious metals (gold, silver and PGM) and a diversity of revenue sources with a target of not more than 20% from energy (oil, gas and NGLs).

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. Our business model is focused on managing and growing our portfolio of royalties and streams. The advantages of this business model are:

- Exposure to commodity price optionality;
- A perpetual discovery option over large areas of geologically prospective lands;
- No additional costs other than the initial investment;
- Limited exposure to many of the risks associated with operating companies;
- A free cash-flow business with limited cash calls;
- A high-margin business that can generate cash through the entire commodity cycle;
- A scalable and diversified business in which a large number of assets can be managed with a small stable overhead; and
- Management that focuses on forward looking growth opportunities rather than operational or development issues.

We have a long-term investment outlook and recognize the cyclical nature of the industry. We have historically operated by maintaining a strong balance sheet so that we can make investments during commodity cycle downturns.

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 many of the risks of operating companies. Since our Initial Public Offering over twelve years ago, we have increased our dividend annually and our share price has outperformed the gold price and all relevant gold equity benchmarks.

The Franco team from all of our offices



Our Commitment

We are committed to responsible mining and oil & gas extraction in all aspects of our investments including with respect to environmental, social and governance ("ESG") issues.

Our business is investing in the business of others and we do not directly operate any of our assets. The projects on which we have royalties and streams are owned and operated by independent mining and oil & gas companies which are typically publicly listed (our "Operators"). As our management is not responsible for the day-to-day operational or development decisions at a project, we are able to focus on growth and new investments. Our approach has generated real value for shareholders and has allowed us to acquire royalties and streams on projects operated by some of the best Operators in the mining and oil & gas industries. We are proud of our track record and the accomplishments of our Operators which we've highlighted in this report.

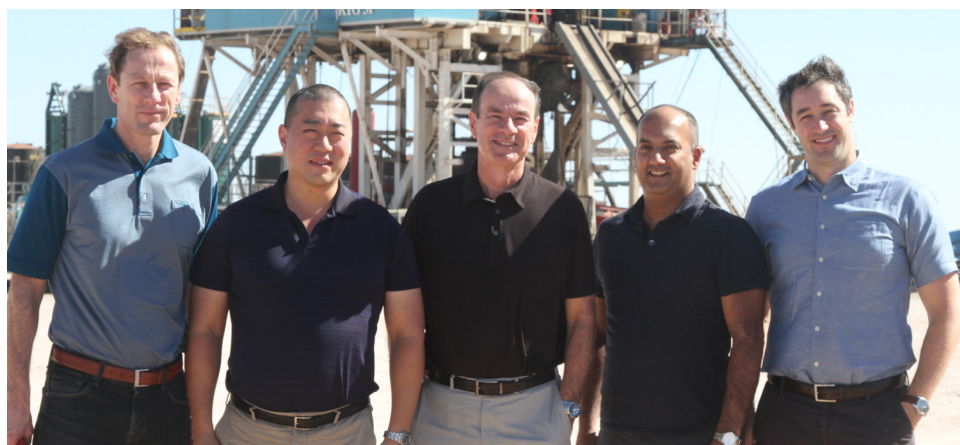
We operate solely within office environments with a small workforce. We have 38 full-time employees located at our head office in Toronto and in Barbados, the United States and Australia. The health and safety of our employees are of utmost priority. Due to the COVID-19 pandemic, as of the date of this report, we have instituted work from home arrangements for Franco-Nevada staff until further notice. For further details as to the measures we have taken to combat the virus and preserve the health and safety of our employees, please refer to the Labour, Health and Safety section on page 26 of this report.

Given the size and workplace settings of our company, our direct impact on the environment is very small. Notwithstanding, we are doing our part to address environmental degradation and climate change through reducing our own environmental footprint and by managing the environmental and social impacts of our investing activities.

We primarily seek to address ESG issues initially through the due diligence process when making new investments and where possible through our contractual rights in our royalty and stream agreements. We have also adopted internal policies which guide our investment process and our ongoing relationships with our Operators, suppliers and shareholders.

We are proud to have made meaningful social contributions at our corporate and individual levels and we intend to consider additional partnerships with our Operators to support appropriate environmental and social initiatives in the communities associated with our interests.

We endeavour to broaden and improve upon our disclosure of material ESG issues and we welcome any feedback from our shareholders.



We are committed to responsible mining and oil & gas extraction in all aspects of our investments including with respect to environmental, social and governance issues.



Senior management team on site in Texas (Midland Basin)



Commitment to the
Responsible Gold Mining
Principles

WORLD GOLD COUNCIL 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.

In September 2019, Franco-Nevada officially committed to the Responsible Gold Mining Principles ("RGMPs"). The RGMPs were established by the WGC as a framework setting out clear expectations for consumers, investors and the down-stream supply chain as to what constitutes responsible gold mining. 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.

In furtherance of this commitment, we have established certain internal controls, including, among other things, (i) due diligence and additional contractual provisions in respect of the RGMPs for new investments, (ii) aligning corporate policies with the RGMPs, and (iii) ongoing disclosure of our conformance with the RGMPs. We are also in the process of engaging an independent external assurance provider. In the coming months and going forward on an annual basis, such provider will provide a report as to the design and effectiveness and implementation of our internal controls. Such reports will be included in subsequent ESG reports.

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



* Effective May 6, 2020.



UNITED NATIONS 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. The Global Compact is collaborative with other frameworks—for example, the Global Reporting Initiative (GRI)—to ensure that its standards are aligned with other initiatives.

Commencing in 2021, as part of our commitment to the Global Compact, we will release a Communication on Progress on an annual basis describing the practical actions that the company has taken and the qualitative and quantitative results of the company in furtherance of the ten principles.

The Global Compact is based on ten principles organized around four themes (human rights, labour, environmental and anti-corruption).

WE SUPPORT



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.





Commerce Court West
King Street entrance atrium

ONGOING COMMITMENTS

SASB

The Sustainable Accounting Standards Board (SASB) is a U.S.-based non-profit organization which has established standards for the recognition and disclosure of ESG impacts. SASB identifies sustainability topics at an industry level, which may be material (depending on a company's specific operating context) to a company within that industry and provides standardized accounting metrics to account for performance on such topics.

Given our business model as a royalty and streaming company with 38 employees working in office environments, we are not exposed to the same sustainability issues and risks as a mining or energy operator or producer. For instance, certain SASB disclosure topics and related accounting metrics attributable and deemed to be material to Metals & Mining companies (our prescribed SASB industry group) such as air quality, water management, hazardous materials management, biodiversity impacts, security arrangements and community relations are not directly applicable to us.

TCFD

The Task Force on Climate-Related Financial Disclosures (TCFD) seeks to develop consistent climate-related financial risk disclosures for companies in their annual financial filings. 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.

This initiative 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. As such, TCFD can be used as an opportunity to demonstrate competitive advantage, by explaining how one's company is proactively pursuing the opportunities of a transition to a low carbon economy.

Several of the operators of projects in which we hold royalties or streams, including Barrick, Glencore, Gold Fields and Teck, have recently publicly supported TCFD, agreeing to work towards implementing the TCFD's recommendations in coming years. We applaud these initiatives and are supportive of the TCFD.

We recognize our shareholders' desire for companies to adopt these frameworks and we are assessing how to best implement the SASB and TCFD frameworks or provide comparable meaningful disclosure. As part of this initiative, we plan on conducting a materiality assessment of climate change and other ESG-related risks, as appropriate. We expect to provide additional disclosure in our next ESG report. Our business model does, however, mitigate climate change risk. We have limited exposure to many of the risks faced by operating companies. We benefit from climate change risk mitigation measures adopted by our third party operators and the impact of climate change risk on any given operation is not as significant to us as our interest is generally a small economic interest within a diverse portfolio of assets.



- Continuing our efforts for two-way engagement with stakeholders and rating agencies and remaining responsive to recommendations and suggested improvements for our ESG practices.
- Transparency through continued improvement of our ESG disclosure in accordance with applicable international standards and best practices.
- Assessing and implementing leading principles and standards that are applicable to our company, such as the recently adopted World Gold Council's Responsible Gold Mining Principles and the UN Global Compact's Ten Principles, for continued enhancement of our ESG practices and disclosure.
- Exploring further opportunities to compile and disclose information and ESG metrics, including from certain of our operators to enhance information available to our shareholders.

**We will
endeavour
towards...**



(Above) Franco-Nevada opening the TSX

(Right) Members of our Barbados team



(Above) 10th Franco-Nevada Annual Meeting

OUR ACCOMPLISHMENTS



Ranked #1 by Sustainalytics
out of 104 precious metals companies



In 2019, Franco-Nevada received an
MSCI ESG Rating of "AA"



Ranked #1 among precious and base metals companies
in Canada in the Globe and Mail's 2019 Board Games.

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 the long-term performance of our company and in turn generate real value for our shareholders. As such, we include ESG factors in our investment process.

In recent years, the growing global recognition of the implications of environmental degradation and climate change has become clear. We share our shareholders' concerns that this issue needs to be appropriately managed. While we intend to continue to seek to reduce our own direct environmental impact, our largest contribution and the most significant environmental risks and opportunities arise in respect of our investing activities.

When evaluating new opportunities, we identify, assess and, where possible, mitigate our risks prior to entering into royalty and stream agreements. Our management 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, oil & gas, 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.

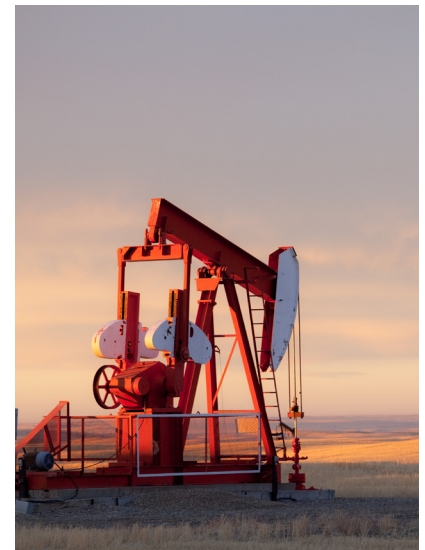
The due diligence process will vary in each case as necessary or appropriate in the circumstances, all applied on a risk-adjusted basis and varying based on the jurisdiction, type of mineral, and whether the project is an exploration, advanced or producing project, among other things. The due diligence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

- 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
- determining whether the Operators are committed to, and in compliance with, the RGMPs, to the extent applicable
- country 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.

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.



When evaluating new opportunities, we identify, assess and, where possible, mitigate our risks prior to entering into royalty and stream agreements.



ESG-RELATED DUE DILIGENCE

When conducting due diligence, ESG issues are considered as these are critical to the long-term success of a project, which, in turn, is key to our success. We will typically assess the following as part of our due diligence:

- 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
- workplace standards, protections and policies
- community initiatives and engagement and prior consultation with indigenous peoples
- safety and human rights records
- closure plans
- climate change risks 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 carbon reduction and biodiversity protection
- energy 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") or other relevant standards

When engaging in exploration efforts as part of advancing a property or to conduct due diligence in advance of undertaking an investment, we undertake to be guided by the principles and guidance for a framework of responsible exploration as set forth by the E3PLUS program of the Prospectors and Developers Association of Canada.

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.

Franco team conducting due diligence on site at Antapaccay project in Peru



ONGOING ASSET MANAGEMENT

When we acquire existing royalties, we do not have the ability to negotiate any new terms. When negotiating new investments, we endeavour to negotiate such arrangements 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.



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 and with applicable laws, including environmental laws and ESG-related industry standards.



OPERATING COVENANTS: Given our business model, following our initial acquisition of royalties or streams, our involvement in our Operators' development and operation of the applicable projects will be limited. 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 mining principles.



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.



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 many 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.



We have a comprehensive risk-management process whereby the risks of the business are analyzed and reviewed by our executive team and our Board, together with strategic opportunities and issues.



Franco team conducting site visit

After making investments, we continue to address ESG-related risks through our asset management process.

Our Operators highlighted in this report have adopted the following standards, unless noted otherwise in the pages below.

Expressed support for universal human rights

Respect employees' right to free association and collective bargaining

Banning of forced labour and underage workers

UN Global Compact member

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

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

OUR OPERATORS

Our Operators



We hold royalties and streams over projects that are operated by some of the largest and most recognized Operators in the world.

Below, we have highlighted selected accomplishments of certain of our Operators and have provided links to the various sustainability reports or websites that they produce on a regular basis. The information provided below has been sourced from the respective Operator's sustainability reports or websites. We are proud of the accomplishments and the ongoing commitment to responsible production that our Operators have demonstrated.

We are proud of the accomplishments and the ongoing commitment to responsible production that our Operators have demonstrated.





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

First Quantum has implemented a bio-diversity plan to protect and conserve the sensitive bio-diversity of the project area.

<https://www.first-quantum.com/Corporate-Responsibility/Reports/default.aspx>

Cobre Panama is one of our largest revenue contributors. The project commenced commercial production September 1, 2019.

The Cobre Panama project is situated on the Meso-american Biological Corridor, 120 kilometers west of Panama City with about 5,900 hectares of land expected to be impacted directly by the project. As such, 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 Standards 6 to protect and conserve the sensitive bio-diversity of the project area.

First Quantum has targeted three specific areas with its bio-diversity plan in regards to the Cobre Panama project.

- First Quantum has committed to landscape-scale support and funding in three protected areas currently threatened by habitat loss in the Mesoamerican Biological Corridor. The three protected areas are Santa Fe National Park (72,636 hectares), Omar Torrijos National Park (25,275 hectares) and a protected area yet to be established in the District of Donoso (150,000 hectares).
- Three reforestation projects in and around the project are part of the bio-diversity initiative by First Quantum. The three initiatives include the 2,400 hectares of reforested areas to date, reforestation inside protected areas that can be permanently protected with the goal of restoring native forests and finally the Mining Rehabilitation Program which will initially stabilize land disturbed by mining activities and then aim to develop a self-sustaining forest cover across the mining footprint.
- The final targeted area is species of concern which addresses the management needs of individual species for which the protect areas plan and reforestation plan may not be sufficient. Each species of concern has a specific focus with individual actions to ensure net positive impact.

View of Cobre Panama port (March 2019)

* Whereas First Quantum complies with industry standards, including IFC Performance Standard 6, 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.





<https://www.lundinmining.com/responsible-mining/sustainability-reports-pdf>

The Candelaria Mining Complex produces copper concentrates from open pit and underground mines located near Copiapó in the Atacama Region of Chile. As the operation is located in the Atacama Region, water usage and conservation is extremely important.

Lundin has recognized this and highlighted the importance of the Copiapó River groundwater source to local communities and the fact that the area has been legally declared a zone of water scarcity. As such, the Candelaria Complex developed and operates a state-of-the-art water desalination facility at its port, Punta Padrones, to supply site-operation water requirements. As a result, this reduces the pressure on water resources in the Region. Candelaria continues to maintain a strong focus on improving water stewardship opportunities, culminating in the establishment of a connection to the municipal system for potable supply in September 2016 and ceasing routine use of groundwater from the Copiapó Valley wells for consumption by employees.

Community involvement is another important facet at the Candelaria operation and one in which Lundin is continually investing in. Lundin has engaged with residents of nearby communities, such as Tierra Amarilla, Caldera and Copiapó, to understand their interests, concerns and long-term priorities for community development. Lundin Mining's Candelaria Mine established Inventa, a community based innovation program, to develop solutions to pressing environment and social issues that directly affect the Tierra Amarilla, Caldera and Copiapó communities. Inventa includes two components: Inventa Comunidad and Inventa Accelerator. Inventa Comunidad begins with a series of entrepreneurial camps where community members develop ideas. The program culminates in a competition with local judges to select the most promising business ideas. Chosen entrepreneurs receive preliminary financing, training and technical assistance to develop their business idea. For the Inventa Accelerator program, they receive further financing, business advice and technical support to help them secure external investment and launch their businesses.

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

Lundin has engaged with residents of nearby communities, such as Tierra Amarilla, Caldera and Copiapó, to understand their interests, concerns and long-term priorities for community development.



(above) **Candelaria site visit by some of our Board members**



(right) **Garden at Candelaria**

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

Glencore has been active in the area supporting a number of initiatives with the aim to deliver long-lasting socio-economic benefits including health, education and agriculture.

<https://www.glencore.com/sustainability/reports-and-presentations>

Antapaccay is located in Peru's Espinar province which is one of the poorest regions in Peru with many homes lacking basic necessities, such as running water. Glencore has been active in the area supporting a number of initiatives with the aim to deliver long-lasting socio-economic benefits including health, education and agriculture.

Glencore's operating subsidiary, Compañía Minera Antapaccay S.A. ("Compañía Antapaccay"), built and equipped a hospital in partnership with local and regional government as well as the Health Ministry. This hospital, which Compañía Antapaccay continues to support and fund, has been fully integrated into the public health network.

Education has been a core initiative for the Antapaccay operation with a number of programs implemented. Compañía Antapaccay supports the Education for a New Life program which focuses on reducing illiteracy and works on basic math and communication skills. Compañía Antapaccay estimates that 7% of the local population, of which 75% are women, cannot read. The program to date has encouraged over 1,000 people, of which 90% are women, to read and write. The Espinar Specialised Educational Resource Central (CREE) is another supported program which gives children and teenagers additional resources to develop specific skills and abilities. This has been expanded to the CREE Mobile School, a program on wheels, to allow the program to reach more rural areas.

Compañía Antapaccay has provided substantial resources since 2013 in an effort to develop the local livestock sector in the region. The operation provides veterinary assistance, genetic improvement programs for cattle and sheep and water canals. The project runs the PLACME dairy project to support local milk producers which is just one of eight dairy plants with HCAP certification in Peru. This certification guarantees that the products produced are safe and meet national standards.



(above) Franco team during a due diligence visit to Antapaccay



(right) Cattle in Antapaccay region



<https://www.teck.com/responsibility/approach-to-responsibility/sustainability-report>

Our silver stream agreement at Antamina covers Teck's 22.50% interest in Compañía Minera Antamina S.A. ("CMA"). CMA is the joint venture company that operates the Antamina mine which includes BHP Billiton (33.75%), Glencore (33.75%), Teck (22.5%) and Mitsubishi Corporation (10%) as shareholders. CMA has its own management team and board of directors solely focused on the single operation with extensive resources dedicated to Environmental Management, Social Management, Health & Safety and Corporate Governance.

CMA's technical and environmental standards are part of an Environmental Management System based on the international standard ISO 14001. CMA has also integrated its Health & Safety system with the ISO 14001 Environmental certification into an overall Integrated Management System. The Health & Safety program is certified under the OHSAS 18001 international standard, which establishes a Health and Safety Management System in the workplace under a set of procedures and high work standards.

In regards to Social Management, CMA has decided to undertake an active role in managing the development of an operational area of influence, which encompasses the areas of 6 provinces and 20 districts, with a population of over 115,000 people in Southern Peru. CMA has made significant social investments and has mobilized investment for executing irrigation projects, educative and road infrastructure using the Public Works for Taxes mechanism, agreements to promote technological innovation and agreements with other private companies to improve educational quality. As highlighted below on page 22, we have partnered with CMA in supporting Enseña Peru, which is just one of many initiatives that CMA is involved with at the local level.

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

**Franco-Nevada has
partnered with CMA
in supporting Enseña
Peru, which is just one
of many initiatives
that CMA is involved
with at the local level.**



**Evening pit activity
at Antamina**

Barrick

Asset: **Goldstrike, Hemlo, South Arturo**
Country: **USA, Canada, USA**
2019 Revenue: **\$41.2 million***

BARRICK

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

In Ontario, Barrick has agreements in place with Pic Mobert First Nation and Biigtigong Nishnaabeg, which provide a foundation of positive working relationships, specifically with regard to information sharing, environmental impacts, community/cultural support, youth support, capacity building, training and employment.

<https://www.barrick.com/sustainability>

The Goldstrike complex (which includes the South Arturo mine) in northern Nevada exists within what was the traditional territory of the Western Shoshone people while the Hemlo mine in northern Ontario is within close proximity of both the Pic Mobert and Biigtigong Nishnaabeg (formerly Pic River First Nations).

Barrick believes that the Western Shoshone Tribes and Bands that are located near the Nevada operations should realize long-term benefits from the development of mineral resources. Barrick previously entered into an agreement with a group of Western Shoshone Tribes and Bands which is aimed at maintaining regular, ongoing engagement between Barrick and these Western Shoshone communities and sharing a spectrum of benefits derived from Barrick's and its joint venture's operations with this group. Barrick and more recently Nevada Gold Mines maintains a program of frequent engagement with the Western Shoshone communities, including quarterly meetings hosted by one of the tribes or bands. These meetings include council members, elders, members of various Advisory Committees, and Nevada Gold Mines staff and relevant consultants.

In Ontario, Barrick has agreements in place with Pic Mobert First Nation and Biigtigong Nishnaabeg, which provide a foundation of positive working relationships, specifically with regard to information sharing, environmental impacts, community/cultural support, youth support, capacity building, training and employment. An Implementation Committee has been formed with both First Nations consisting of representatives from the First Nation and the mine. The groups meet every six weeks to facilitate dialogue and maintain interactive relationships.

In October 2015, a memorandum of understanding was signed with the Métis Nation of Ontario. The memorandum's objective is to establish a mutually beneficial, cooperative, productive, and ongoing working relationship between Barrick and the Métis Nation of Ontario in respect of the Hemlo mine.

Hemlo site and reclamation



* Includes 2019 revenue from Goldstrike and South Arturo, which projects were divested to Nevada Gold Mines LLC (Barrick's joint venture with Newmont) in July 2019.

Newmont

Asset: **Gold Quarry, Ahafo** (Subika)
Country: **USA, Ghana**
2019 Revenue: **\$33 million***



<https://www.newmont.com/sustainability/reports/default.aspx>

Newmont is the operator at the Ahafo (Subika) gold mine on which we have a net smelter return royalty interest. In July 2019, Newmont and Barrick created the Nevada Gold Mines LLC joint venture and Newmont divested its Gold Quarry asset to the new venture, which will operate such project.

In 2019, Newmont was named the Metals and Mining sector leader by the Dow Jones Sustainability World Index (DJSI World) for the fifth year in a row. Newmont was the first gold company named to the index in 2007, and has been included on the DJSI North America Index every year since 2006.

Newmont has made numerous commitments on a voluntary basis to relevant global, national and regional organizations and initiatives to inform and improve on its sustainability programs. Newmont participates in the United Nations Global Compact and the United Nations Guiding Principles on Business and Human Rights, amongst others, on the global initiatives front. Regarding international reporting standards, Newmont commits to the International Cyanide Management Code, International Organization for Standardization–ISO 14001 and 31000, AccountAbility's AA1000 Assurance Standard and GRI (formerly Global Reporting Initiative).

At Ahafo (Subika) at the end of 2018, local community members represented 41.7 percent of the total workforce, exceeding Newmont's target of 35 percent. With the expansion plans for the Subika underground and Ahafo mill expansion, Newmont in 2017 implemented a community recruitment program and also offered local community members training on health, safety and environmental practices. Upon completion, participants were eligible to apply for unskilled positions, with 101 people hired out of the 104 who participated in the training.

In 2018, Newmont contributed approximately \$943,000 to the Newmont Ahafo Development Foundation (NADeF), which supports sustainable socioeconomic development projects in the 10 communities near the Ahafo mine. Newmont has contributed a total of \$26.1 million since 2007. Since its inception, NADeF has supported more than 100 education, health, human resource development and infrastructure projects.

We have royalty interests on the Gold Quarry gold mine in Nevada, United States and the Subika gold mine in Ghana

At Ahafo (Subika), local community members represented 41.7 percent of the total workforce, exceeding Newmont's target of 35 percent.

* Includes Gold Quarry revenue for 2019, which project was divested to Nevada Gold Mines LLC (Newmont's joint venture with Barrick) in July 2019.

Gold Quarry pit in Nevada



Range Resources Corporation*

Asset: **Marcellus Royalty**
Country: **United States**
2019 Revenue: **\$18 million**



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

Production facilities are continuously evaluated through a robust leak detection and repair program, which helps identify new and innovative methods to manage emissions.

Marcellus operation in Pennsylvania

<https://csr.rangeresources.com>

In 2019, Range announced a goal of zero emissions across its operations through the development and application of innovative emissions-reducing (including methane emissions and other volatile organic compounds) technologies and implementation of industry-leading best practices.

Range selects and tests facility components to minimize potential leaks and implements best-in-class technology on all equipment utilized for natural gas production. Production facilities are continuously evaluated through a robust leak detection and repair program, which helps identify new and innovative methods to manage emissions. It also provides data that can boost Range's performance on emission controls and operational solutions. As a result, Range has experienced a 70% reduction in its leak ratio over the last three years.

Further, Range's engineers have taken a hands-on approach to work proactively with their vendors to reengineer aspects of Range's facility design based on historical data and observed trends. For example, Range designed a new thief hatch for its wet gas facilities, which eliminated potential leak points. The company has also engineered additional stages of separation to stabilize condensate and reduce volatile organic compounds and hydrocarbon emissions in the liquids-rich section of the Marcellus shale.

In 2019, As You Sow ranked Range third among the top 30 largest publicly traded oil and gas companies in North America based on management of water and chemicals in the horizontal drilling and hydraulic fracturing processes, which reflects the company's continuous deployment of best management practices.

Range's corporate giving program has invested over US\$10 million into non-profit and civic organizations in the areas where it operates, with over 10,000 employee hours spent delivering valuable resources and a helping hand to local communities. On average, the company contributes to over 300 non-profit organizations per year, serving a variety of needs.

* Certain of the standards on page 12 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.





School children benefitting from the Enseña Peru program



OUR COMMUNITY AND SOCIAL CONTRIBUTIONS

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

Luis Rivas,
Advancement Officer



Community sponsored event

ENSEÑA PERU

Since 2018, we have partnered with Compañía Minera 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 46 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 Compañía Minera Antamina S.A. has historically supported. We have committed \$300,000 in each of 2018, 2019 and 2020, to help fund the program.

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 135 teachers in the field focused primarily in the Lima city district and the Ancash Region to the north, which is the region that hosts the Antamina project. During 2018, the program had 68 professionals in the Province of Huari in the Ancash Region who worked as teachers vastly improving the academic and personal development of their students and working with communities in the districts of San Marcos, Chavín de Huántar, Huachis and San Pedro de Chaná. Enseña Peru also formed a young peoples' group called "Runayay" in the Ancash Region to supplement these efforts. Collectively, Enseña Peru calls these initiatives and the immediate improvements that they have accomplished, the "Ancash Effect".

Other recent efforts of Enseña Peru include the implementation of an event (called "Ayni") where students, directors, teachers, authorities, parents, and different organizations come together to discuss education. Another important step was the signing of an agreement with the Regional Office of Education of Ancash (Dirección Regional de Educación de Ancash) for the next two years, which will allow Enseña Peru to continue working to develop the education of children and youth in the districts of San Marcos, Chavín de Huántar, Huachis and San Pedro de Chaná.

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: <http://ensenaperu.org/>



Community engagement through Enseña Peru

Our Community and Social Contributions



In 2019, we agreed to partner with Detour Gold in committing \$100,000 in support of the Timmins and District Hospital Foundation, a regional hospital that provides services to the Indigenous and non-Indigenous communities in the Timmins area where the Detour Gold employees and their families live.



In 2019, we agreed to partner with Detour Gold in supporting Threads of Life with a \$25,000 commitment. Threads of Life is a Canadian charity dedicated to supporting families after a workplace fatality, life-altering injury or occupational disease.



In 2019, partnering with Continental Resources, we made a \$100,000 commitment to the Harold Hamm Diabetes Center, one of the world's largest and most comprehensive institutions of its kind, which integrates top-flight academic research with clinical care and disease prevention.



In 2019, we agreed to make a five year, \$10,000 per year, commitment to 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.



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 centres across the world, that share the goal of advancing the global profile and leadership of the mining and exploration industry.



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 in the past six years, we have raised over \$275,000. We are an active supporter and leader in conjunction with raising funds for the United Way.

We are committed to supporting our employees' efforts to contribute to society through non-profit charitable activities.



Pierre Lassonde



David Harquail



Paul Brink

INDIVIDUAL PHILANTHROPIC CONTRIBUTIONS

Our directors and management support philanthropic and charitable efforts using their own personal resources. Notwithstanding our corporate commitments, our overall philosophy is that Franco-Nevada is a steward of shareholders' capital and charity is a decision best made with one's personal resources rather than the shareholders. In accordance with our Corporate Responsibility Policy, we are committed to supporting our employees' efforts to contribute to society through non-profit charitable activities.

PIERRE LASSONDE

As a philanthropist, Pierre Lassonde, Franco-Nevada's Chair Emeritus*, has made generous donations to many educational institutions, including the Lassonde Entrepreneur Institute at the University of Utah and the School of Engineering at York University. He established the Lassonde Chair in Mining Engineering at the University of Toronto in 1996, followed by the Lassonde Mineral Engineering Program and the Lassonde Institute for Engineering Geosciences in 2000. Mr. Lassonde served as Chair of the Musée National des Beaux Arts du Québec from 2006 to 2016. Under his leadership an iconic new \$100 million pavilion bearing his name was inaugurated in Quebec City in 2016. Mr. Lassonde was appointed in 2015 as Chair of the Canadian Arts Council, the national granting body overseeing over \$250 million in distribution to the artistic communities of Canada. Mr. Lassonde was named in December 2018, by Les Affaires, as the most socially committed senior leader of our times. In February 2019, the Mining and Metallurgical Society of America awarded him with the Gold Medal in recognition of his career achievements.

DAVID HARQUAIL

In 2016, our Chair*, David Harquail, through his family's Midas Touch Foundation, an organization that supports charities, hospitals, education and the arts, made a \$10 million donation to support Laurentian University's Harquail School of Earth Sciences and its Mineral Exploration Research Centre (MERC). Mr. Harquail's donation, together with concurrent \$49 million federal government funding, is a step towards making Laurentian University the leading centre for mineral exploration research in the world. In 2018, Mr. Harquail's family foundation donated \$5 million to establish the Harquail Centre of Neuromodulation at Sunnybrook Health Sciences in Toronto. In addition, Mr. Harquail serves on the Campaign Cabinet for the Greater Toronto United Way and led a record increase in contributions from the resource sector in 2019.

PAUL BRINK

Paul Brink, our 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. Mr. Brink is also a member of the United Way Major Donor Circle.

* Effective May 6, 2020.

OUR IMPACT

Workplace incidents reported since our IPO (#)

Lost days due to workplace injuries since our IPO (#)

Workplace deaths since our IPO (#)

Instances of occupational diseases since our IPO (#)

Health & safety fines, litigation and liabilities
since our IPO (#)

Labour violations (i.e. age limits, wages, maximum
hours and days) since our IPO (#)

Strikes or lock-outs since our IPO (#)

Reports of violence or harassment since our IPO (#)

ZERO



Toronto team members

Our Health & Safety Policy is complemented by our Discrimination, Harassment & Equal Opportunity Policy, which provides for a procedure in the case of any incident of discrimination, harassment or violence.



Operator's employee safety session at Cobre Panama

LABOUR, HEALTH AND SAFETY

We have 38 full-time employees working 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 oil & gas operations to conduct due diligence and scheduled audits. Due to the COVID-19 pandemic, as of the date of this report, in addition to instituting work from home arrangements for Franco-Nevada staff, until further notice, we have suspended all due diligence trips and scheduled audit site visits until it is safe for our employees to travel. The management team continues to progress various due diligence processes and the monitoring of assets while working from home. The health and safety of our employees remain of utmost priority.

We have a Health & 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 & Safety Policy is complemented by our Discrimination, 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 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 including, in the procurement of goods and services in support of our offices.

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 formalizes 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

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.

Beyond the confines our company, our affiliates and our employees, as a member of the World Gold Council, we are opposed to activities which cause, support or benefit unlawful armed conflict or contribute to serious human rights abuses or breaches of international humanitarian law. Such abhorrent activities include forced labour or child labour and any activity that seriously endangers the health and safety of its workers or the surrounding community.

Related Policies
& Statements



FNV

- Health and Safety Policy
- Corporate Responsibility Policy
- Human Rights Policy
 - Discrimination, Harassment & Equal Opportunity Policy

ENVIRONMENT

CLIMATE CHANGE

FRANCO-NEVADA AND CLIMATE CHANGE

In recent years, there has been growing global recognition of the implications of environmental degradation and climate change. Climate change is one of the most important issues of our era, impacting virtually all industries and sectors of the global economy. There is undeniable evidence that certain human activities and behaviors increase the concentration of greenhouse gases in the atmosphere, causing global warming. The detrimental impacts of climate change (rising temperatures, changing weather patterns, and extreme weather events) are already being felt and, if global warming intensifies, it may adversely affect the health and safety of our communities in which our partners operate and our shareholders reside.

Franco-Nevada operates solely within office environments with a small workforce, having 38 full-time employees located at our head office in Toronto and in Barbados, the United States and Australia. As such, our direct impact on the environment is very small and our exposure to climate-related risks is diminished by our business model, focused on the growth of our diversified (by jurisdiction, commodity type, and operator) portfolio of royalty and stream interests in mining and energy operations that, by definition, do not require any participation in ongoing costs (e.g. in transitioning to renewable sources of energy, progressing to more energy efficient processes, etc.). Notwithstanding, we are committed to doing our part to address climate change through reducing our limited environmental footprint and by managing the environmental and social impacts of our investing activities.

OUR APPROACH TO CLIMATE CHANGE

Our investments principally relate to precious metal production from gold and copper mines and, to a smaller extent to oil and gas operations, with a longer-term target of managing energy revenues to be no more than 20% of our business. As we transition to a low carbon economy, we believe such commodities all have a role to play as that transition takes place over a number of decades. In each of the commodities that we invest, we seek exposure to operations that responsibly manage their ESG impacts. In addition, we recognize the ongoing evolution of best practices in the identification, assessment and management of climate-related risks and opportunities. We are committed to continuous improvement in adopting such best practices and in the transparent disclosure of climate-related issues affecting our company.

Governance & Risk Management

Our Audit and Risk Committee provides oversight of environmental and climate change risk, which includes ongoing review of management's assessment of the significant risks and exposures facing the Company, including climate-related risks where applicable.

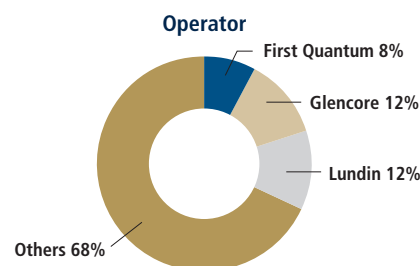
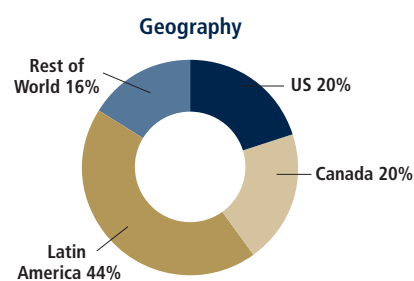
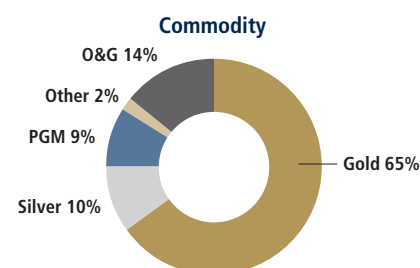
Due Diligence Process

We have adopted a comprehensive due diligence process when choosing investments and potential partners. This due diligence review includes evaluating the climate change risks specific to a mining or energy operation and the plans adopted by the operator to manage such risks. For an in-depth discussion of our due diligence process, please refer to Making Responsible Investments in this ESG Report.



Climate change is one of the most important issues of our era, impacting virtually all industries and sectors of the global economy.

Royalty and Stream Source Diversification



Further, we are committed to supporting our operators in their efforts to reduce their environmental impact, address climate change, and provide appropriate disclosure of their progress on environmental issues.



Hemlo Mine, Ontario

Best-In-Class Operators

Many of the operators of our core assets are best-in-class in terms of responsible mining and their commitment to environmental standards and transparency. In accordance with our Investment Principles Policy, our operators are expected to comply with the applicable legal and regulatory requirements of the jurisdictions in which they operate and have a track record in regard to environmental and climate change-related issues that is satisfactory to us. Further, we are committed to supporting our operators in their efforts to reduce their environmental impact, address climate change, and provide appropriate disclosure of their progress on environmental issues.

Commitment and Adherence to Principles

As a member of the World Gold Council, we formally endorse the World Gold Council's Responsible Gold Mining Principles and will use our best endeavours to encourage the adoption of such principles at any gold mining operation where we have influence. Principle ten is expressly climate change-oriented, calling for gold mining operators to improve the efficiency of their use of water and energy, recognising that the impacts of climate change and water constraints may increasingly become a threat to the locations where they work and a risk to their licences to operate.

In early April 2020, we became a United Nations Global Compact participant, confirming our support for the Compact's Ten Principles. In part derived from the Rio Declaration on Environment and Development, three of the Ten Principles are environment-based, which are in part aimed at combatting climate related issues. For example, Principle Nine directs that Businesses should encourage the development and diffusion of environmentally friendly technologies in order to diminish the generation of residues and discharge wastes and reduce day-to-day operating inefficiencies, emissions of environmental contaminants, and risks of environmental disasters.

Environmental Disclosure

We remain committed to transparency and disclosure and we report annually on our key environmental performance metrics (see *Our Impact - Environment in this ESG Report*).

Taking Action to Reduce GHG Emissions: Barrick's Hemlo mine in Canada for which Franco-Nevada has a 3% NSR and a 50% NPI

"Hemlo developed a site-wide ventilation management programme to facilitate continuous improvement and spur innovation in technology, people and systems. As a result, Hemlo was able to drive down energy consumption and GHG emissions by optimising its underground ventilation system. It implemented ventilation on demand (VOD) in targeted areas of the mine and fans without VOD were managed exclusively by trained personnel.

Hemlo also reduced heating costs by taking advantage of the mine's naturally-occurring geothermal properties. The mine was able to draw fresh air via the stopes in gold mining areas to create an air supply that did not need heating in winter, whereas in summer, ice stopes cooled the air. Energy consumption as measured by ventilation per tonne of ore fell from 96.7 kilowatt hours per tonne (kWh/t) in 2013 to 86.1kWh/t in 2015; a reduction of 24% in GHG emissions and a decrease of 10% in energy consumption over two years.

In recognition of this innovative approach to conserving energy, in 2016 Canada's Department of Natural Resources awarded Hemlo the 'Process and Technology Improvement Award.' Since 2016, mining operations at Hemlo have expanded but the mine has been able to maintain similar levels of energy intensity, demonstrating the enduring impact of these innovative solutions."

Excerpt from World Gold Council's "Gold and Climate Change: An Introduction" (June 2018)
<https://www.gold.org/goldhub/research/gold-and-climate-change-introduction>



OUR CARBON FOOTPRINT

In terms of our own environmental impact, our carbon footprint is very small. Our workforce, consisting of 38 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 greenhouse gas emissions and carbon footprint. In 2019, we successfully implemented 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.

In 2019 alone, the reduction of printing and mailing meeting materials involved in the implementation of Notice-and-Access procedures saved approximately 1.5 million pieces of paper or 180 trees. This is not even inclusive of the paper and trees saved in our ongoing reduction of printing and mailing interim and annual reports, which we encourage our shareholders to elect (in their annual proxy forms) not to receive.

In 2020, in addition to relying on Notice-and-Access again, for the limited number of management information circulars that we will print for the meeting and for internal purposes, we have reduced the size of the document and have arranged to use lighter and more environmentally-friendly paper.

In 2019, the implementation of Notice-and-Access procedures saved approximately 1.5 million pieces of paper or 180 trees.



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.

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,
Toronto

There has been growing global recognition of the implications of environmental degradation and climate change.



Commerce Court West
main lobby

Related Policies
& Statements



FNV

• Commerce Court
Sustainability Report

- * Due to certain logistical constraints, reported data for electricity and steam (each Scope 2 emissions) and water and waste (each Scope 3 emissions) relates to our Toronto and Barbados office and covers 89.5% (34 of 38 employees) of our company.
- ** Tonnes of carbon dioxide equivalent (tCO₂e) is a standard unit in carbon accounting to quantify greenhouse gas emissions.

UTILITY USAGE AND WASTE

The following sets out our annual utility usage and waste* for the years 2017 to 2019.

	Unit	2017	2018	2019
Electricity	kWh	260,382	261,685	251,242
Steam	lb	389,853	436,511	467,412
Chilled Water	ton-h	32,893	35,027	30,367
Water	m ³	926	959	985
Waste	kg	1,854	2,208	2,458

GREENHOUSE GAS EMISSIONS REPORTING STANDARDS AND CONVERSION FACTORS

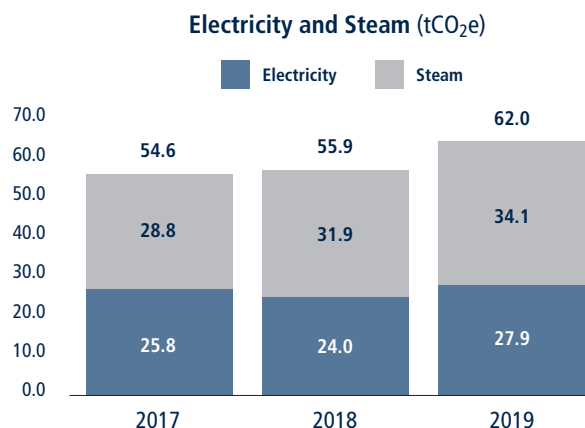
The following calculations are based on the Greenhouse Gas Protocol's Accounting & Reporting Standards, the most widely used international accounting tool for government and businesses to understand, quantify, and manage greenhouse gas emissions. Unless otherwise noted below, such reporting is on a company-wide 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 direct (Scope 1) greenhouse gas emissions. Whereas portions of Commerce Court West, our corporate head office building in Toronto, are heated by natural gas, such areas are public common areas (including the parking lot and underground commercial area) that are not related to our workspace, which is heated with steam and reported below under Scope 2 emissions.

ANNUAL INDIRECT (SCOPE 2) GREENHOUSE EMISSIONS (tCO₂e**) FROM 2017 TO 2019

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 below.

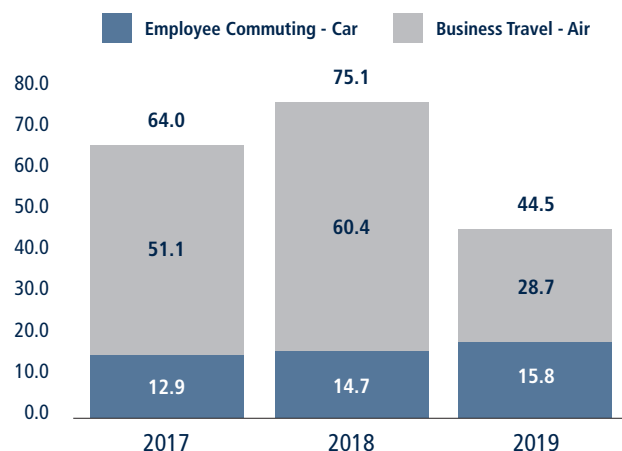




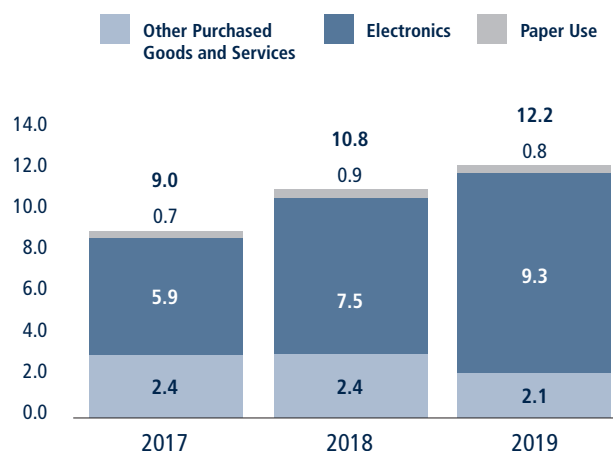
ANNUAL INDIRECT (SCOPE 3) GREENHOUSE EMISSIONS (tCO₂e) FROM 2017 TO 2019

Our indirect (Scope 3) emissions are comprised of estimated greenhouse gas emissions associated with the following: (i) work-related travel (including airplane travel and personal car mileage); (ii) purchase and use of office supplies and services (including paper, electronic devices, kitchen supplies and other office goods and services); and (iii) water and waste*.

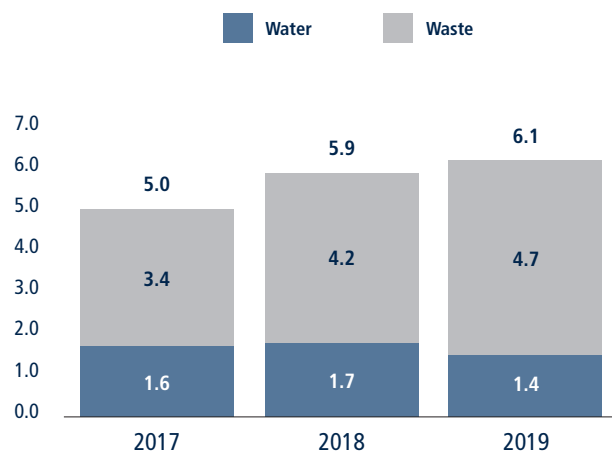
Business Travel (tCO₂e)



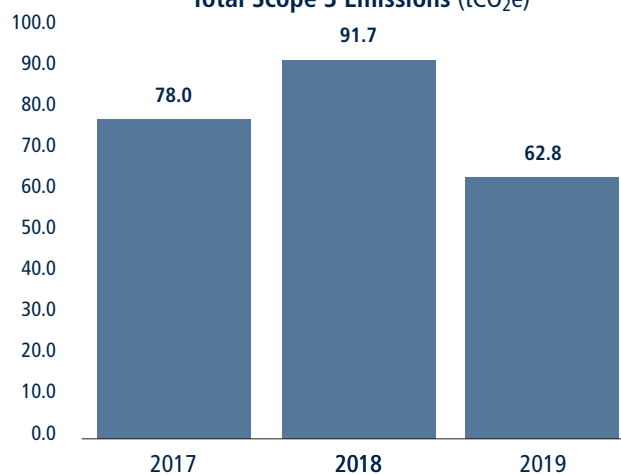
Office Supplies (tCO₂e)



Water and Waste (tCO₂e)*



Total Scope 3 Emissions (tCO₂e)



* Due to certain logistical constraints, reported data for electricity and steam (each Scope 2 emissions) and water and waste (each Scope 3 emissions) relates to our Toronto and Barbados office and covers 89.5% (34 of 38 employees) of our company.

Carbon Negative Energy Portfolio (Well-to-Pump)



Winter pumping at Weyburn Unit, Saskatchewan

CARBON NEGATIVE ENERGY PORTFOLIO

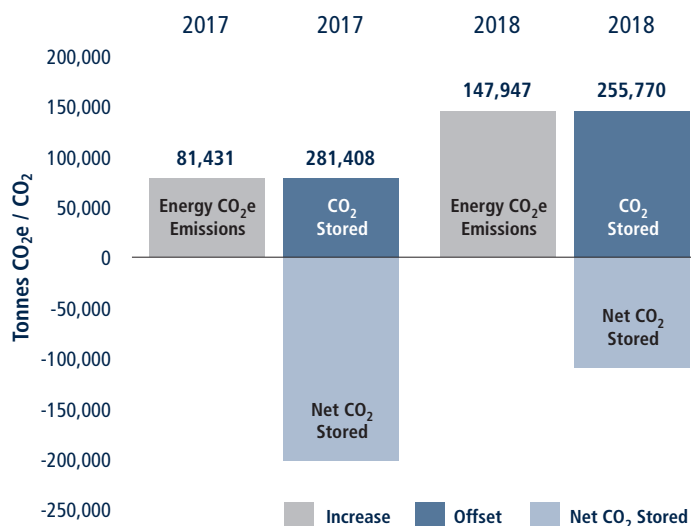
We have a working interest and royalty interests in the Weyburn Unit in southeast Saskatchewan, which is a CO₂ injection enhanced oil recovery development. Since its inception in 2000, more than 30 million tonnes of CO₂ from two separate industrial sources have been captured and stored 1.5 km underground according to Whitecap Resources, who acquired a majority interest in the Weyburn Unit in 2017. In addition to having carbon storage benefits, injecting CO₂ helps oil come to the surface more easily and improves the efficiency of production, maximizing the ultimate recovery of oil originally in place.

In each of 2017 and 2018, almost 2 million tonnes of CO₂ were injected and stored underground at Weyburn. Based upon 11.71% net revenue interest and 2.56% working interest in the project (for both of which we take product in-kind), 281,408 CO₂ tonnes and 255,770 CO₂ tonnes were stored underground in 2017 and 2018, respectively.

Our Energy portfolio's total volumes were 1,342,433 boe (1,298,361 boe WTI; 44,072 Canada Oil Sands) and 2,324,998 boe (2,163,206 boe WTI; 161,792 Canada Oil Sands) in 2017 and 2018, respectively. Based upon these volumes, our Energy portfolio's estimated CO₂e emissions were 81,431 CO₂e tonnes and 147,947 CO₂e tonnes in 2017 and 2018, respectively. Such estimation is based upon a conversion factor for GHG intensity (well-to-pump) of 58 kgCO₂e/bbl for West Texas Intermediate and 139 kgCO₂e/bbl for Canadian Oil Sands as provided by IHS CERA.

Our sequestered CO₂ significantly exceeds the estimated CO₂e emissions of our entire Energy portfolio, including both Canadian and U.S. assets acquired at and subsequent to our IPO.

2017 and 2018 Energy Portfolio CO₂e Emissions and CO₂ Stored



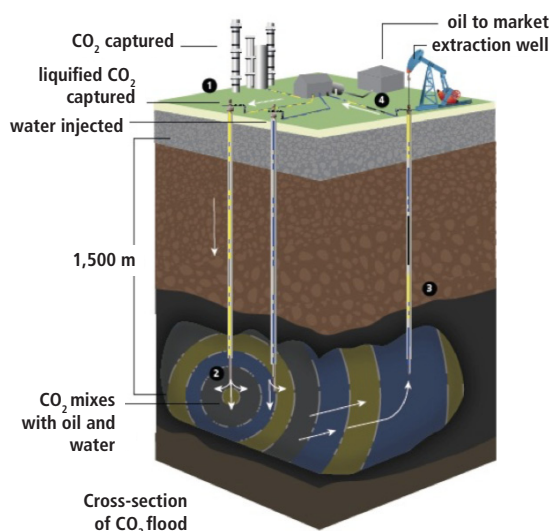


Weyburn Unit, Saskatchewan

Our sequestered CO₂ significantly exceeds the estimated CO₂e emissions of our entire Energy portfolio, including both Canadian and U.S. assets acquired at and subsequent to our IPO.

Enhanced Oil Recovery with CO₂

The CO₂ is transported as a liquid from two separate industrial sources. At the source, the CO₂ is captured and compressed before transmission via pipeline to Weyburn. The CO₂ 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 CO₂ volume is reinjected into the formation on an ongoing basis. Accordingly, with minor adjustment for losses, all of the CO₂ purchased and transported by pipeline for injection at Weyburn constitutes additional CO₂ volumes stored each year.



HOW THE PROCESS WORKS

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



Cobre Panama agriculture program

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 region 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.



Pierre Lassonde visiting the Subika Project

Related Policies
& Statements



FNV

• Diversity and Inclusion Policy



DIVERSITY & INCLUSION

We are committed to diversity among our employees, executive officers and on our Board. In 2015, our Board adopted the Diversity Policy relating to identifying women as candidates to recommend for appointment/election to the Board and for appointment/promotion to senior management positions. As discussed below, in 2019, we updated our Diversity Policy to include a target for women representatives on our Board of Directors. In 2020, the Diversity Policy was renamed the Diversity and Inclusion Policy, which was expanded to incorporate inclusionary principles and additional diversity, reflecting 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.

The Diversity and Inclusion Policy emphasizes all forms of diversity including but not limited to gender, ethnicity, geographic and other backgrounds and perspectives in identifying candidates to recommend for appointment/election to the Board and for appointment/promotion to senior management positions. Pursuant to the Diversity and Inclusion Policy, the CESGC will seek out highly-qualified candidates for Board and/or senior management positions and will specifically consider diversity criteria including gender, ethnicity, geographic and other backgrounds and perspectives when identifying candidates. This would include women, visible minorities, indigenous people and people with disabilities (which are each designated groups under the *Canada Business Corporations Act*).

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.

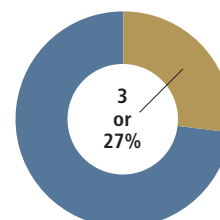
Our Board and CESGC have been considering the level of representation of women on the Board in identifying and nominating candidates for election and re-election to the Board. Over the past several years, the CESGC has been proactive and has considered and interviewed several women as potential Board members.



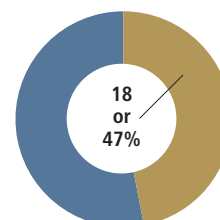
By 2022, we intend on having our Board comprised of at least 30% women directors.

Employee, Management and Board Member Diversification

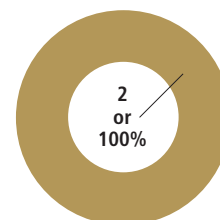
Women on Board of Directors
(as of May 6, 2020)



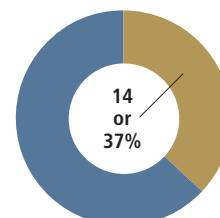
Women in Entire Company



Visible Minorities in Senior Executive Positions other than our CEO
(as of May 6, 2020)



Visible Minorities in Entire Company



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.

In 2019, we updated our Diversity Policy to include a target for women representatives on our Board of Directors. By 2022, we intend on having our Board comprised of at least 30% women directors. We are very pleased to welcome Maureen Jensen to the Board. Ms. Jensen was most recently Chair and Chief Executive Officer of the Ontario Securities Commission where numerous reforms and improvements were made under her leadership. With Dr. Farrow, Jennifer Maki and Maureen Jensen on the Board, three of our eleven (27%) directors are women.* Following David Peterson's retirement next year, we expect to achieve our goal of 30% female representation on the Board, one year ahead of our targeted timeline.

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.

We consider the level of representation of women in executive officer positions when making executive officer appointments. Between 2007 and 2012, we had two women in Named Executive Officer positions, a clear demonstration of our commitment to gender diversity at the highest executive level. One executive retired and the other decided to pursue other opportunities. After the CEO, 100% of our current executive officers are members of visible minorities reflecting our commitment to diversity more broadly*. During 2016, additional gender diversity progress was made through the hiring of a woman for a senior level position (Director of Finance) and the internal promotion of another woman to a senior level position (Controller). We will continue to seek out and consider women as candidates in all positions as they become available, including executive officer positions.

DISCRIMINATION, HARASSMENT AND EQUAL OPPORTUNITY

We have a Discrimination, Harassment and 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 Discrimination, Harassment and Equal Opportunity Policy also deals with harassment and workplace violence. This policy articulates our position with respect to: (i) diversity, equal opportunity, discrimination, harassment and threats or acts of violence; (ii) reporting inappropriate conduct, harassment and workplace violence; (iii) disciplinary measures; and (iv) the development of procedures to prevent and address human rights issues.

* Effective May 6, 2020.

Related Policies
& Statements



FNV

• Diversity and Inclusion
Policy

• Discrimination,
Harassment and Equal
Opportunity Policy



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.

We have a Supplier Code of Conduct, which sets out our expectations for organizations, including their employees and representatives who supply goods and services to us.



FNV Related Policies & Statements

• Supplier Code of Conduct



2019 Annual General Meeting

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.

Say-on-Pay

Related Policies
& Statements



FNV

- Compensation and ESG Committee Charter

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.

COMPENSATION AND ESG COMMITTEE OVERSIGHT

In March 2020, the Charter of the CESGC was amended to specifically set out the Committee's mandate with respect to ESG issues and the name of the Committee was changed from the Compensation and Corporate Governance Committee to the Compensation and ESG Committee. The amendment, which formalized the approach the CESGC has taken with respect to ESG in prior years, is available on our website.

In addition, the CESGC recognizes the importance of managing ESG issues to the success of our business and during 2019 determined that ESG-related goals should be incorporated into the compensation program, starting in 2020.

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 2019 Annual Meeting, 90.84% of votes were in favour of our approach to executive compensation and we have had greater than 86% approval in every year since inception of the Say-on-Pay regime in 2010.

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.

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.



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 2020, the minimum equity investment is \$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 interests and enable a board of directors to consider the best interests of its shareholders.

As part of the succession process, we sought the views of our shareholders and broad support was expressed for David Harquail to succeed Pierre Lassonde as Chair of the Board. The CESGC recognizes, however, that Mr. Harquail will initially not be an independent director. As a matter of best practices, the Board has decided to create the role of Lead Independent Director and appoint Derek Evans to the role while Mr. Harquail is not independent. Mr. Evans' mandate as Lead Independent Director is detailed in the Statement of Governance Practices found in our 2020 Management Information Circular.

Our Board has concluded that nine of eleven directors (Messrs. Albanese, Evans, Dr. Farrow, Gignac, Ms. Jensen, Ms. Maki, Oliphant, Peterson and Pew) are "independent" for purposes of Board membership, as provided in NI 58-101 and by NYSE listing standards. Mr. Harquail is not a non-independent Chair by virtue of his position as former CEO and Mr. Brink is not independent by virtue of his position as CEO.*

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

An independent board will avoid potential conflicts of interests and enable a board of directors to consider the best interests of its shareholders.



FNV Related Policies & Statements

- Lead Independent Director Mandate

* Effective May 6, 2020.

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.



Related Policies
& Statements

FNV

• Majority Voting Policy

We have maintained Board Committees comprised entirely of independent directors and, in 2019, we added new directors to our Audit and Risk Committee and Compensation and CESGC, bringing additional depth, experience and perspectives.

Majority Voting Policy

We have a majority voting policy which ensures that our shareholders can vote separately for each director nominee and that, if a director nominee has more “withhold” votes than votes in “favour”, the nominee will be considered not to have received the support of a majority of shareholders, even though duly elected as a matter of corporate law. Such a nominee would immediately tender his or her resignation to the Board, which the Board would be expected to accept absent of extraordinary circumstances.

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. If an executive officer has not achieved the minimum equity investment at the time of any options being exercised by the executive officer, he or she will be required to continue to hold at least 50% or such lesser number of the common shares issuable upon the exercise of such options as required to achieve the minimum equity ownership requirements and if an executive officer has not achieved the minimum equity investment at the time of any RSUs vesting, the executive officer will be required to continue to hold at least 50% or such lesser number of the common shares issuable upon the RSUs vesting required to achieve the minimum equity ownership requirements. 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 we become aware of the misconduct, as applicable.



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; discrimination, 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. 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.

Our CESC 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. 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.



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



FNV Related Policies & Statements

- Code of Business Conduct and Ethics

Board of Directors site visit in Texas (Midland Basin)

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



Lloyd Hong (Chief Legal Officer) and **Sandip Rana** (Chief Financial Officer)

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 and addresses the following matters. 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. 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 (the "ARC").

WHISTLEBLOWER POLICY

Our Board has adopted employee complaint procedures (collectively, the "Whistleblower Policy") for our directors, officers and employees to enable such personnel to submit good faith complaints relating to any of our corporate policies. The Whistleblower Policy outlines how our employees with a good faith concern about any matter regarding our policies can report those concerns directly to our Chief Legal Officer, and/or on an anonymous basis, through the Franco-Nevada Compliance Line, hosted by a third party hotline provider, Navex Global EthicsPoint. To date, there have been no employee complaints under the Whistleblower Policy.

Related Policies
& Statements

FNV

- Business Integrity Policy
- Whistleblower Policy

Facilitation payments since IPO (\$)

Political donations since IPO (\$)

Lobbying expenditures since IPO (\$)

Instances of whistleblower complaints since IPO (#)

ZERO



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.

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.



CEO David Harquail in media briefing, Beijing, China



FNV Related Policies & Statements

- Policy Concerning Confidentiality, Fair Disclosure and Trading in Securities

Scope

This Environmental, Social & Governance (ESG) Report (the "Report") includes information about Franco-Nevada Corporation and its subsidiaries ("Franco-Nevada" or "we" or "our").

This 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 Report reflect activities undertaken during the 2019 fiscal year, unless otherwise noted.

ESTMA

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

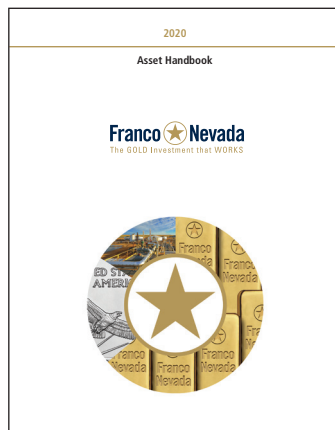
All amounts in this document are in Canadian dollars unless otherwise noted.

Feedback

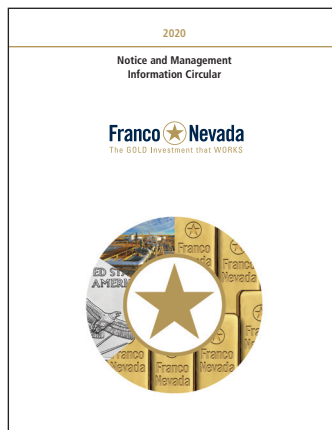
We'd like to hear what you think about our ESG Report or any aspect of our ESG and sustainability efforts. Please send any questions or comments to info@franco-nevada.com.

Now available on our website

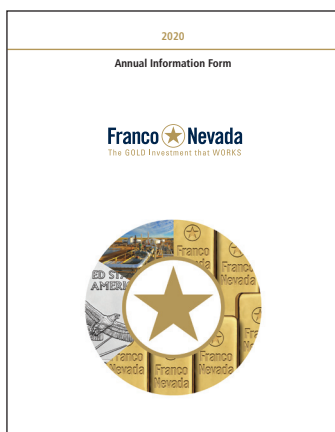
2020 Asset Handbook



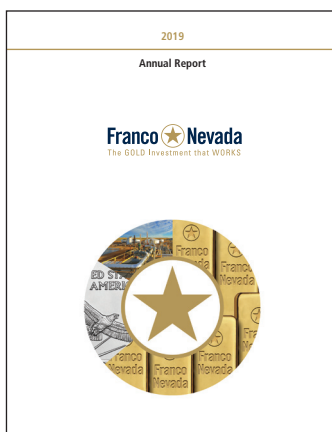
2020 Notice and Management Information Circular



2020 Annual Information Form



2019 Annual Report



To request a paper copy, please email:
info@franco-nevada.com

Franco Nevada
The GOLD Investment that WORKS

FNV TSX/NYSE



www.franco-nevada.com