

2021 Environmental, Social and Governance (ESG) Report

A decorative banner at the bottom of the page. It consists of a gold-colored horizontal bar on top, followed by a dark blue horizontal bar. Overlapping these bars are stylized gold and blue stars and arcs. The text "The GOLD Investment that WORKS" is positioned on the dark blue bar.

The GOLD Investment that WORKS

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Our Accomplishments



Ranked #1 by Sustainalytics
out of 84 precious metals companies

MSCI
ESG RATINGS



CCC	B	BB	BBB	A	AA	AAA
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In 2020, Franco-Nevada received
an MSCI ESG Rating of “AA”



Rated “Prime” by ISS ESG
in August 2020



Ranked #2 among mining companies
in Canada in The Globe and Mail's
2020 Board Games

Who We Are



The GOLD Investment that WORKS

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

Our shares are listed on the Toronto and New York stock exchanges under the symbol FNV. An investment in our shares is expected to provide investors with yield and exposure to commodity price and exploration optionality while limiting exposure to cost inflation and other operating risks. Our aspiration is to make Franco-Nevada the “go-to” gold stock. Since our Initial Public Offering over 13 years ago, we have increased our dividend annually and our share price has outperformed the gold price and all relevant gold equity benchmarks.

Franco-Nevada is the gold investment that works for all its stakeholders, including shareholders, operating partners and communities:

- We believe that combining lower risk gold investments with a strong balance sheet, progressively growing dividends and exposure to exploration success and price optionality is the right mix to appeal to investors seeking to hedge market instability.
- We build long-term alignment with our operating partners. This alignment and the natural flexibility of our royalties and streams is an effective financing tool for the cyclical resource sector.
- We work to be a positive force in all our communities, not only by sponsoring community programs, but by ensuring high governance standards, providing a safe, ethical and diverse workplace and promoting responsible mining and energy production.

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

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

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

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



Paul Brink
President & CEO



Sandip Rana
Chief Financial Officer



Lloyd Hong
Chief Legal Officer



Eاون Gray
Senior Vice President,
Business Development



Jason O'Connell
Senior Vice President,
Energy

**Senior
Management
Team**

“WE WORK TO BE A POSITIVE FORCE IN ALL OUR COMMUNITIES, not only by sponsoring community programs, but by ensuring high governance standards, providing a safe, ethical and diverse workplace and promoting responsible mining and energy production.”

Our Commitments

Our commitment to ESG starts with our Board and carries through our organization and all aspects of our business. Our Compensation and ESG Committee has specific responsibility for ESG matters, which includes oversight of our ESG commitments and setting ESG goals for management for purposes of compensation. Our Board members are all recognized experts in their fields and are deeply engaged in setting our strategy and the review of new investments to ensure ESG issues are considered.

We are committed to diversity and inclusion and ensuring that each individual has meaningful opportunities to realize their full potential. In 2019, we committed to a target of 30% women on our Board by 2022. This year we achieved this objective and our Board has now adopted a diversity goal of 40% diverse representation at the Board and top leadership levels. We are also active in furthering diversity through our sponsorship of several different initiatives.

We are committed to responsible mining and energy extraction.

- While we do not operate any mines or other assets, we recognize our role as a capital allocator. ESG is a critical factor when we make investment decisions. We hold ourselves to a high standard of due diligence in making our investments and thoroughly consider the impacts of the operation or the planned project on the environment and the benefits provided to the local communities.
- We played an active role through the World Gold Council developing the Responsible Gold Mining Principles. We proactively engage with operators around adopting these or similar standards for responsible mining when negotiating our investments. In certain cases we will seek covenants in our agreements to address specific ESG risks.
- We are proud of our track record and the accomplishments of our operators and have provided a summary profile of the operators of our larger interests in this report.

We are committed to contributing to our communities. Our Board and senior executives have a long history of personal philanthropy and we actively engage with our operators to make contributions in the communities in which our royalty and stream assets are located. We also engage in and support mining industry bodies and contribute to strengthen our own local communities. We are proud of the programs we have funded to date and are excited for the opportunity to participate in new programs and initiatives.

Climate change is a significant risk to society and we recognize the need to reduce carbon intensive activities.

- We are committed to achieving carbon neutrality for the operation of our business. We were carbon neutral in 2020 and commit to achieve this annually going forward.
- As part of our ESG due diligence for our capital allocation decisions, we consider climate-related risks and the carbon footprint of the operation.
- Mining is an energy intensive undertaking and adopting lower carbon power sources can significantly reduce the carbon footprint of the operation. We will seek opportunities to assist our operators to adapt their operations to reduce their climate impact.

We undertake to provide transparency to our shareholders into our underlying assets and activities.

- We publish an annual Asset Handbook which provides details of the operating performance and outlook of our underlying assets.
- In this ESG Report we seek to provide transparency into the ESG attributes of our major assets and asset operators. This includes a summary of public disclosure of carbon emissions data.
- We strive to continually adopt best practices in our disclosure. This ESG Report includes our first year of disclosure aligned with the TCFD and SASB frameworks.

We provide details on all of our commitments above in this ESG Report. Our goal is to continually improve and we welcome any feedback from our shareholders.

Our Approach to Climate Change



Paul Brink
President & CEO

“WE RECOGNIZE THAT CLIMATE CHANGE IS A MAJOR GLOBAL CHALLENGE AND THAT IT REQUIRES TIMELY, EFFECTIVE AND PRACTICAL ACTION. We are committed to a carbon neutral business footprint and achieved this objective for the first time in 2020. We commend the commitments by many of our operators to target reductions in their emissions.”

“We are pleased to provide, in this 2021 ESG Report, enhancements to our climate-related disclosures to align with the recommendations of the Financial Stability Board’s Task Force on Climate-related Financial Disclosures. Through ongoing engagement and collaborative processes between our Board of Directors, management, investors and investees, going forward we hope to provide increased transparency in our sustainability reporting and continue to address pertinent climate-related issues that are important to our stakeholders.”

Paul Brink
President & CEO
Franco-Nevada Corporation

Carbon Neutral for Operations

The starting point for taking action on climate change is a reduction of our own carbon footprint. For 2020, we became carbon neutral and going forward we are committed to achieving carbon neutrality annually for our global operations.

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

For 2020, we offset our global operational emissions by purchasing from Less Emissions, a Canadian supplier of high quality carbon offsets, an equal combination of (1) Gold Standard-certified emission reduction offsets produced from international projects, and (2) CSA Standard-certified emission reduction offsets from Canadian projects. The choice to source our offsets from both Canadian and international projects was intended so that we could have an impact in Canada and in developing countries.

Please refer to Appendix F to this ESG Report for further details of our 2020 carbon neutral initiative.

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



**Franco-Nevada team members
at work supporting WoodGreen
Community Services**

**Franco-Nevada team at
Trails Youth Initiatives
fundraising event**



Our Global Carbon Footprint

In terms of our own environmental impact, our carbon footprint is very small. Our workforce, consisting of 35 full-time employees, operates solely within office environments, including at our head office in Toronto in Commerce Court located at 199 Bay Street in Toronto, Ontario. Our remaining staff work in office spaces located in Barbados, the United States and Australia.

Notwithstanding our small workforce and office settings, we do whatever we can to reduce our carbon footprint and environmental impact. In 2020, 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.

Since adopting Notice-and-Access in 2019, the reduction of printing and mailing meeting materials involved in the implementation of Notice-and-Access procedures saved approximately 2.4 million pieces of paper.

In 2020, for the limited number of management information circulars that we printed for the meeting and for internal purposes, we reduced the size of the document and arranged to use lighter and more environmentally-friendly paper.

“THE IMPLEMENTATION OF NOTICE-AND-ACCESS PROCEDURES HAS SAVED approximately 2.4 million pieces of paper since adoption in 2019.”

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

Our Global Carbon Footprint (continued)

Utility Usage and Waste*

The following sets out our annual utility usage and waste for the years 2018 to 2020.

	Unit	2018	2019	2020
Electricity	kWh	261,685	251,242	204,016
Steam	lb	436,511	467,412	395,432
Chilled Water	ton-h	35,027	30,367	31,119
Water	m ³	959	985	478
Waste	kg	2,208	2,458	850

Greenhouse Gas Emissions Reporting Standards and Conversion Factors

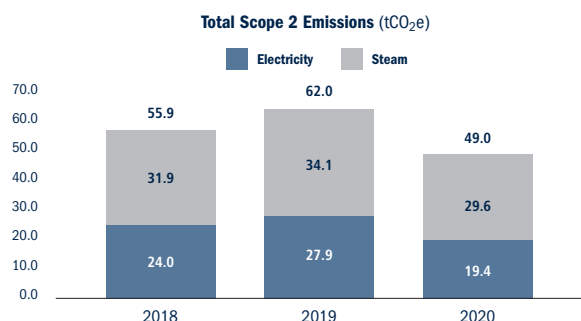
The following calculations are based on the Greenhouse Gas Protocol's Corporate Accounting and Reporting Standard, the most widely used international accounting tool for companies to understand, quantify, and manage greenhouse gas emissions. Unless otherwise noted below, such reporting is on a company-wide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

Direct (Scope 1) Greenhouse Emissions

Operating solely in office environments, our company does not have any 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. We acknowledge that some of our workforce use the parking lot and underground commercial area, although we do not have access to sufficient data from building management to calculate our share of these emissions, we have purchased carbon offsets accounting for 125% of our reported carbon emissions to factor in the use of the parking lot and underground commercial area.

Annual Indirect (Scope 2) Greenhouse Emissions (tCO₂e**) from 2018 to 2020*

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.



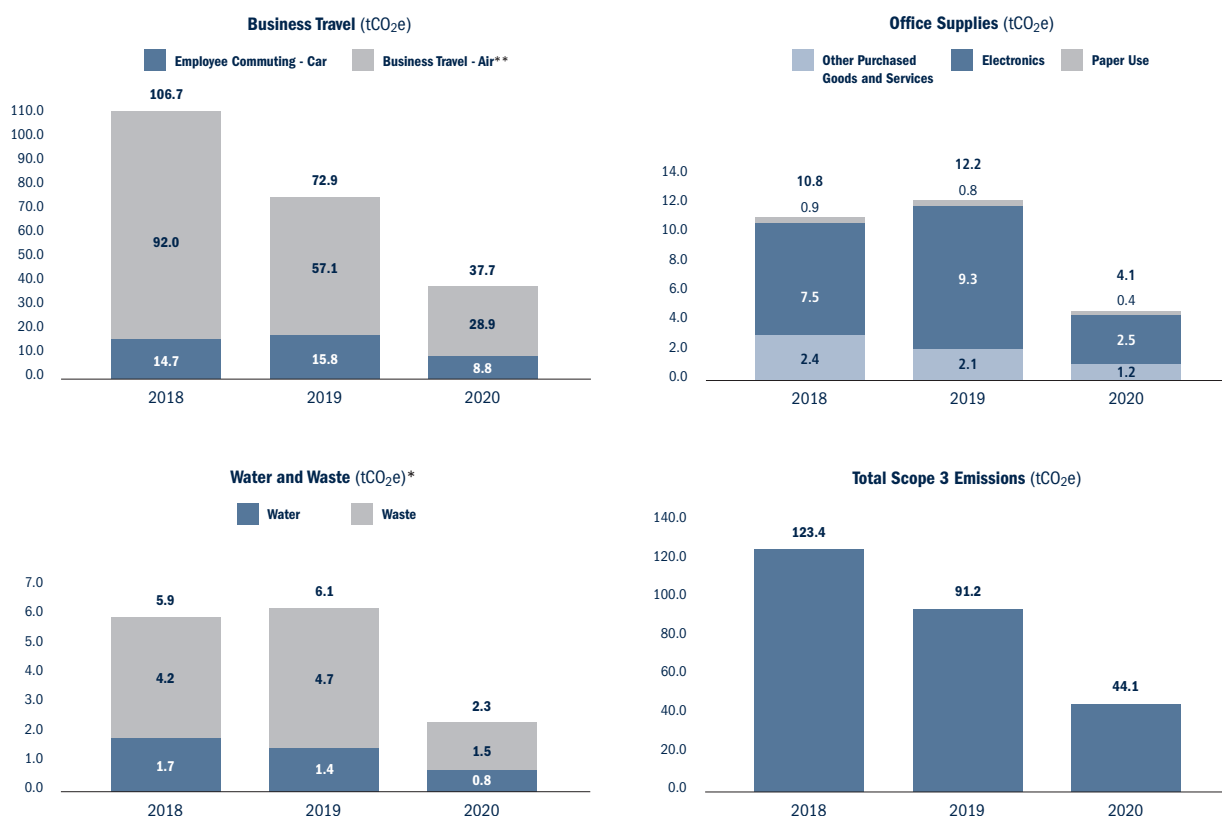
* Due to certain logistical constraints, reported data for electricity and steam (including applicable Scope 2 emissions) and water and waste (including applicable Scope 3 emissions) relates to our Toronto and Barbados office and for 2020 covers 88.6% (31 of 35 employees) of our company (2018 – 94.1%; 2019 – 89.5%). The water usage and waste data relating to our Toronto office has been generated by building management and represents our proportionate share of the building's aggregate water usage and waste.

** Tonnes of carbon dioxide equivalent (tCO₂e) is a standard unit in carbon accounting to quantify greenhouse gas emissions.

Our Global Carbon Footprint (continued)

Annual Indirect (Scope 3) Greenhouse Emissions (tCO₂e) from 2018 to 2020

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*.



* Due to certain logistical constraints, reported data for Scope 3 emissions generated from water and waste relates to our Toronto and Barbados office and for 2020 covers 88.6% (31 of 35 employees) of our company (2018 – 94.1%; 2019 – 89.5%).

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

In accordance with the Greenhouse Gas Protocol Technical Guidance for Calculating Scope 3 Emissions (Category 15: Investments), inclusion of GHG emissions generated from the operations in which we have royalty and stream investments is optional but not required and such emissions are excluded in our Scope 3 emissions. We have a diverse royalty and stream portfolio and some of our operators are private, not having the same disclosure requirements as public issuers. Some of our public operators do not report emissions on an asset-by-asset basis. We do have access to certain publicly available emission data relating to the operations where we hold royalty and stream investments, which is included in this ESG Report (refer to Appendix A: Our Operators' Emissions).

“OUR GREENHOUSE GAS CALCULATIONS ARE BASED on the Greenhouse Gas Protocol’s Corporate Accounting and Reporting Standard, the most widely used international accounting tool for companies to understand, quantify, and manage greenhouse gas emissions.”

TCFD Disclosure



The Task Force on Climate-related Financial Disclosures (TCFD) seeks to develop consistent climate-related financial risk

disclosures for companies in their financial and sustainability reporting. The TCFD considers the physical, liability and transition risks associated with climate change and what constitutes effective financial disclosures. The TCFD's focus is not on companies' impacts on the environment, it is on the environment's impact on companies and can therefore be viewed as complementary to other reporting frameworks that address the carbon footprints of companies' operations.

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

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

Last year, we recognized our shareholders' desire for companies to align with the TCFD and similar reporting frameworks and, over the past year, we have collaborated at the Board and management levels to assess the climate-related risks and opportunities impacting our company. The climate disclosure included in this year's ESG Report, including in Appendix B, is our first reporting aligned with the TCFD and represents the baseline report for future disclosures.

Going forward, we will aim to provide increased transparency in our TCFD reporting and, over the next year, we will conduct a gap analysis by reviewing our current climate strategy and disclosure to identify areas for improvement and to ensure we are aligned with TCFD recommendations and best practices.

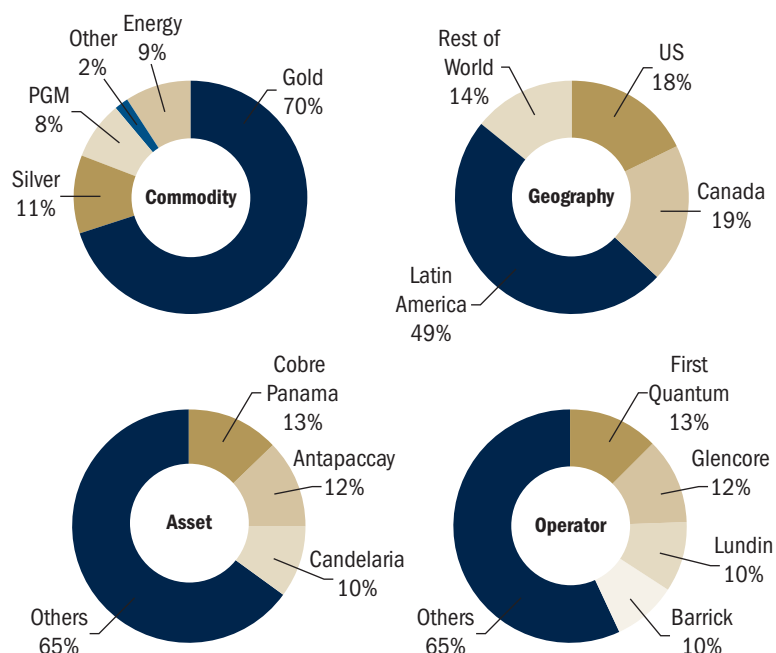
“THE CLIMATE DISCLOSURE INCLUDED IN THIS YEAR'S ESG REPORT, including in Appendix B, is our first reporting aligned with the TCFD and represents the baseline report for future disclosures.”



Miners at
Antapaccay

Resilience of Our Portfolio

Our exposure to climate-related risks (described in detail in our TCFD disclosures in Appendix B to this ESG Report) is substantially mitigated by the diversification of our royalty and stream portfolio. No one operator or asset contributed more than 13% of our total 2020 revenues, which mitigates operator-specific or localized climate-related risks (e.g. reputational, acute physical and local regulatory and legal risks). We also receive revenues from various commodity types produced in a multitude of jurisdictions, which mitigates risks impacting broader regions and markets (e.g. chronic physical, country-wide regulatory and legal, and market risks). While we do have significant exposure to gold, broader market and reputational climate-related risks which may impact the gold industry are further mitigated through our rigorous due diligence process geared toward investing in best-in-class operators, many of whom have already set long-term climate-related goals and commenced low carbon transitions.



Portfolio diversification (commodity-type, geography, asset, and operator) as percentage of 2020 revenue

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

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

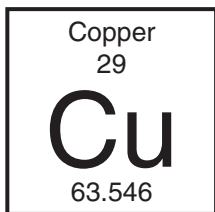
DUE TO THE BREADTH AND DIVERSIFICATION OF OUR PORTFOLIO, our exposure to climate-related events, trends or sentiments adversely impacting a particular project or operator or more broadly adversely affecting a commodity type or jurisdiction is reduced. Climate risk exposure is further mitigated by factors inherent in our business portfolio, including those eliminating cost exposure in respect of our assets, and our high standards and rigorous due diligence processes (see **Risk Management** below) geared toward investing in best-in-class operators and operations.

Climate Opportunities

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

Products and Services

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



Copper: With superior electrical and thermal conductivity, copper will play a significant role in enhancing energy efficiency and decarbonizing the planet. A 2017 World Bank Report¹ counted dozens of metals which could see a growing market with the increasing reliance on renewable and sustainable energy sources. Copper ranked first (tied with aluminum and nickel) among all metals for its prevalence in low-carbon technologies, including in wind, solar photovoltaic, carbon capture and storage, nuclear power, light emitting diodes, electric vehicles and electric motors.

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



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

Our company's recent focus for capital allocation for our energy portfolio has seen a shift from U.S. oil to natural gas plays, including our 2019 royalty acquisition on Range Resources liquids-rich natural gas properties in the Marcellus shale in Pennsylvania and our 2020 royalty portfolio acquisition in the Haynesville shale, Texas, one of the most active gas plays in North America. Natural gas accounted for approximately 33% of our energy revenues for the fourth quarter of 2020, a significant increase from prior periods. We see good potential for more natural gas royalty opportunities in the future with the rising demand for this energy source due to its role in transitioning to a low carbon economy.



Battery Metals: Technologies involved in the clean energy transition are emerging and advancing rapidly through innovation and increased deployment. According to a 2020 World Bank Report², the production of certain battery metals will have to increase by nearly 500% by 2050 to meet the growing demand for clean energy technologies and over 3 billion tonnes of these minerals and metals will be needed to deploy wind, solar and geothermal power, as well as the energy storage required to transition to a low-carbon economy.

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

1 "The Growing Role of Minerals and Metals for a Low Carbon Future", World Bank Group, June 2017.

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

*Climate Opportunities (continued)***Resilient Operators**

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

Many of the assets in our portfolio are operated by best-in-class operators. The ingenuity and technical skills of these operators, including relating to sustainable practices, processes and technologies, often provide them with a competitive advantage, reducing their costs and their operating risks and ultimately reducing their cost of capital. We continue to look for opportunities to invest in other best-in-class operators and, as a capital provider, potentially facilitate their low-carbon transitions. Below we have highlighted the resourcefulness of certain of our operators, their efforts to reduce their carbon footprints, and their commitments to combating climate change, which exemplify the types of operators and operations that we look to invest in.

Reducing GHG Emissions at Barrick's Hemlo mine in Canada

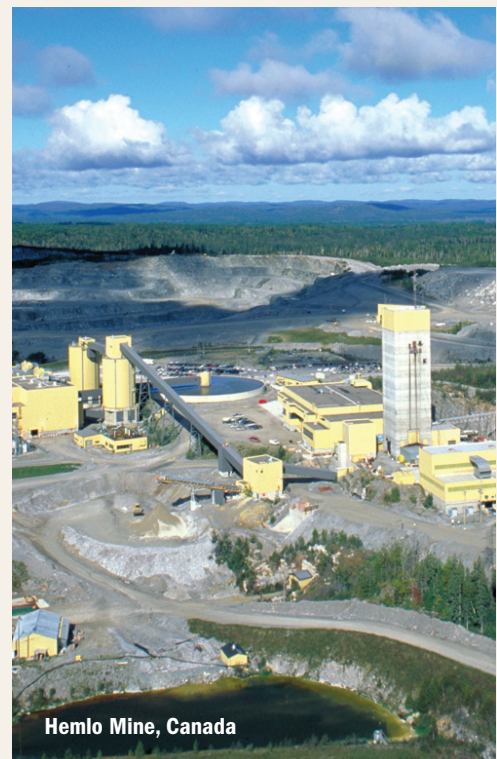
(Franco-Nevada has a 3% NSR and a 50% NPI on the down-dip portion of the orebody)

"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).



Hemlo Mine, Canada

Demonstrating

RESILIENCE

Resilient Operators (continued)

Carbon Sequestration at Weyburn

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

The transition to a low-carbon future offers unique sustainability opportunities, including in carbon storage and sequestration innovation and technologies.

We have royalty interests and a working interest on Whitecap Resources' Weyburn Unit in southeast Saskatchewan, which is a CO₂ injection enhanced oil recovery development.

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.

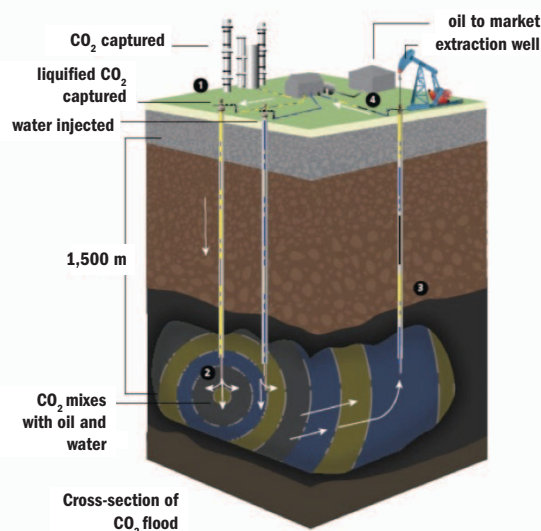
Since its inception in 2000, more than 34 million tonnes of CO₂ from two separate industrial sources have been captured and stored 1.5 km underground, the equivalent of taking 7 million cars off the road for an entire year. In addition to having carbon storage benefits, injecting CO₂ helps oil come to the surface more easily and improves the efficiency of production, maximizing the ultimate recovery of oil originally in place.

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



Utilizing lower emission reduction processes at Weyburn

Enhanced Oil Recovery with CO₂



“ SINCE ITS INCEPTION IN 2000, MORE THAN 34 MILLION TONNES OF CO₂ FROM TWO SEPARATE INDUSTRIAL SOURCES have been captured and stored 1.5 km underground, the equivalent of taking 7 million cars off the road for an entire year.”

Emission Reduction Commitments from Best-in-Class Operators

Several of our mining and energy operators have made net-zero emission commitments and have various initiatives to reduce their direct and indirect emissions. Below is a representative sample list of these commitments and initiatives by our operators.



***Committed to reducing total emissions by 40% by 2035
based on 2019 levels and net-zero by 2050***



***Committed to a 30% reduction in GHG emissions by 2030
and carbon neutrality by 2050***



***Committed to reducing GHG emissions by at least 30%
by 2030 with ultimate aim to be net-zero***



***Targeted reduction of carbon intensity by 33% by 2033
and carbon neutral commitment by 2050***



***Look to maintain current net-zero footprint with
continued carbon sequestration efforts***



Goal of net-zero direct GHG emissions by 2025

MINING AND ENERGY OPERATORS CONTRIBUTING TO MORE THAN ONE THIRD OF OUR 2020 REVENUES have proactively set targets to reduce carbon emissions, with some committing to the long-term achievement of net-zero emissions.

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, we officially committed to the Responsible Gold Mining Principles (the “RGMPs”). The RGMPs were established by the WGC as a framework that sets out clear standards as to what constitutes responsible gold mining, incorporating ESG principles aligned with the expectations of governments, investors, employees and contractors, communities, supply chain partners and civil society. The principles incorporate 51 separate ESG principles addressing the following 10 broad topics:



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

Commitment to RGMP Requirements

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

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

“WE ARE A LONG-STANDING MEMBER OF THE WORLD GOLD COUNCIL 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.”

RGMPs (continued)

Description of Progress on RGMP Policy Implementation

On March 10, 2021, we adopted our Responsible Gold Mining Principles Policy (the “RGMP Policy”) to formalize our commitment to the RGMPs. Full text of the RGMP Policy can be found on our website at franco-nevada.com/corporate/policies-mandates.

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

The **RGMP Policy Measures**, in the table below, represent our internally developed criteria in furtherance of our commitment to the RGMPs and against which we measure progress of our RGMP Policy implementation described under the **Description of Progress** in the table below. The following measures were implemented as at December 31, 2020:

RGMP Policy Measures	Description of Progress
Training. Franco-Nevada will conduct annual training sessions with its officers and other employees to promote the understanding of: Franco-Nevada’s obligations and objectives under the RGMPs, internal systems and processes in place to conform to such obligations and objectives, and the progress made and to be made by Franco-Nevada in conforming to such obligations and objectives.	We conducted RGMP training in November 2020 covering the training subject matter set out in the RGMP policy. 32 of our 35 employees (or approximately 91%)* attended the training sessions and provided written acknowledgement of their participation in the training session and of their understanding of the RGMPs and Franco-Nevada’s RGMP obligations and commitments.
Due Diligence. Franco-Nevada will identify and record RGMP implementation and conformance when evaluating new mining investments, including whether the applicable miner is a WGC member and/or has adopted the RGMPs or whether the RGMPs are not applicable to the miner (e.g. if the operator is a diversified mineral producer). If the miner has adopted the RGMPs, Franco-Nevada will identify and record the stage of implementation of and conformance with the RGMPs at the applicable mining operation.	We have developed an ESG due diligence checklist used for evaluating our royalty and stream opportunities, which includes an assessment of the applicability of the WGC and RGMPs to the miner, including the membership by the miner in the WGC, the adoption of the RGMPs by the miner, and the stage of implementation and conformance with the RGMPs by the miner. A summary of such assessment is included in an executive committee memorandum in connection with the opportunity, to the extent that a memorandum is produced in respect of the opportunity.
External Consultants. When Franco-Nevada engages technical, ESG or other third party consultants to assist Franco-Nevada with its evaluation of new mining investments, Franco-Nevada will ensure that the consultants are familiar with the RGMPs and understand Franco-Nevada’s commitments thereunder and Franco-Nevada will obtain a written acknowledgement from the consultants verifying their awareness.	Newly engaged external consultants verified in their consulting agreements that they are familiar with the RGMPs, the RGMP requirements for capital and finance providers, and Franco-Nevada’s commitments thereto.
Transparency. On an annual basis, Franco-Nevada will publicly report on the status of its conformance to its RGMP commitments and the measures described in our RGMP Policy.	This segment of our ESG Report comprises our reporting on the specific progress we have made in relation to our RGMP Policy.

* Absentee employees included two individuals on maternity leave and one individual involved solely in energy and not mining.



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

Assurance Statement

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

Planned Measures for our RGMP Policy Implementation

Our compliance with our RGMP measures is progressive and, given the recent adoption of our RGMP Policy, in certain cases we have not yet had the opportunity to implement certain measures. As indicated in the table below, we plan to implement the following measures:

Planned RGMP Policy Measures

Contractual Provisions. Franco-Nevada will endeavour to negotiate appropriate contractual provisions when making new investments with a view to having gold miners (“Gold Miners”) use commercially reasonable efforts to adopt (or to continue to adopt and implement) the RGMPs and to ensure that the Gold Miners provide sufficient transparency to facilitate Franco-Nevada’s assessment of the compliance by the Gold Miners with any agreed contractual provisions.

Monitoring. After each new royalty or stream acquisition in respect of a mining operation, Franco-Nevada will monitor whether the miner has adopted the RGMPs, the stage of implementation of and conformance with the RGMPs, and any material issues disclosed by the miner regarding such implementation and conformance.

“ IN ADDITION TO ENDORSING AND ENCOURAGING THE ADOPTION OF THE RGMPs IN ACCORDANCE WITH THE RGMP GUIDELINES, we are committed to expanding awareness and understanding of the RGMPs with our investees, directors, officers, consultants, shareholders and other stakeholders.”

UN Global Compact

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

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

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

As part of our Global Compact commitment, for the first year we have included in this ESG Report (see Appendix D), our Communication on Progress for 2020 describing the practical actions that we have taken and the qualitative and quantitative results of our company in furtherance of the ten principles. We are committed to publishing a Communication on Progress on an annual basis going forward.

OUR UN GLOBAL COMPACT COMMUNICATION ON PROGRESS FOR 2020 is included in Appendix D of this ESG Report

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.

Making Responsible Investments

Due Diligence Process

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

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

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

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

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.

Due to travel restrictions and safety precautions resulting from COVID-19, we have developed work-arounds for certain of our due diligence processes.



At Sabodala



Franco team conducting due diligence at various global locations

At Karma



At Antapaccay

ESG-Related Due Diligence

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

In 2020, we further enhanced our internal due diligence processes including refining internal ESG due diligence checklists, which helps direct our ESG due diligence review and inform our ESG due diligence informational requests made to the applicable operators. We will typically assess the following as part of our ESG-related 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
- the reputation of the Operator, locally and internationally
- workplace standards, protections and policies
- community initiatives and engagement and prior consultation with indigenous peoples
- safety and human rights records
- closure plans
- climate-related risks and opportunities specific to a project and plans adopted by the Operator to manage such risks
- impacts of development and operations on fauna, flora and biodiversity
- air emissions and dust from the project
- management by the Operator of toxic materials
- other environmental programs and initiatives put in place by Operator including 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”), Canadian Institute of Mining Metallurgy and Petroleum (“CIM”), Towards Sustainable Mining (“TSM”) or other relevant standards

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

“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.”

Ongoing Asset Management

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



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



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



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, CIM or TSM 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.

“WHEN NEGOTIATING NEW INVESTMENTS, WE ENDEAVOUR TO NEGOTIATE SUCH ARRANGEMENTS such that the operator, as appropriate, commits to implement the RGMPs, and to provide us with information from our Operators as well as to mitigate risk, including ESG-related risk.”

Our Operators highlighted in this ESG 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.



GLENCORE

lundin mining

BARRICK

NewmontTM

Teck



First Quantum Minerals Ltd.*

Asset: **Cobre Panama**

Country: **Panama**

2020 Revenue: **\$135.4 million**



FIRST QUANTUM
MINERALS LTD.

first-quantum.com/English/sustainability

Cobre Panama was our largest revenue contributor in 2020. The project commenced commercial production September 1, 2019.

The Cobre Panama project is situated on the Mesoamerican Biological Corridor of the Panama Atlantic, 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 Standard 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 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 initiatives include 7,375 hectares of reforestation outside the mine footprint with the goals of restoring native forests and providing benefits to local communities and the Footprint Rehabilitation Program which will initially stabilize the 3,100 hectares of 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 protected 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.

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



**WE HAVE A GOLD AND SILVER STREAM COVERING 100%
OF THE COBRE PANAMA PROJECT IN PANAMA**



**Sea Turtle Conservancy
education program
at Cobre Panama**



Lundin Mining

Asset: **Candelaria**
 Country: **Chile**
 2020 Revenue: **\$106.8 million**

lundin mining

lundinmining.com/responsible-mining

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. The operation continues planning for its objective of meeting its total water demand, including potable supplies, from the desalination plant by July 2025.

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



Candelaria mental health initiative supported by Franco-Nevada

Garden at Candelaria



Glencore

Asset: **Antapaccay**

Country: **Peru**

2020 Revenue: **\$118.5 million**

GLENCORE

glencore.com/sustainability

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.

The 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.

The communities surrounding Antapaccay operations lack the water infrastructure required to support agriculture and livestock activities, causing low agricultural productivity. Compañía Antapaccay has initiated a project to benefit rural communities through installing an irrigation system for managing water for agricultural purposes as well as constructing a reservoir to collect and distribute rainwater. Compañía Antapaccay is also investigating opportunities to train local people on irrigation systems and water management.

The construction stage will support job opportunities for local labour and, once constructed, maintenance activities will sustain local employment. Greater agricultural production will increase local incomes leading to improved living conditions.

Throughout the project, Compañía Antapaccay is engaging with the Provincial Municipality of Espinar, the Ministry of Agriculture and Irrigation, the 10 affected communities and local authorities. The Mayor of Espinar, officials from the Ministry of Agriculture and Irrigation (MINAGRI), civil society organizations such as Fredemice, Quetara and Cañipía Basin and local community representatives have publicly recognized the project.



**WE HAVE A GOLD AND SILVER STREAM ON GLENCORE'S
ANTAPACCAY PROJECT IN PERU**



**Franco-Nevada team
during a due diligence
visit to Antapaccay**



**Antapaccay site visit by
Franco-Nevada personnel**

Teck

Asset: **Antamina**

Country: **Peru**

2020 Revenue: **\$57.0 million**

Teck

teck.com/responsibility

antamina.com/desarrollo-sostenible

Our silver stream agreement at Antamina covers Teck's 22.5% 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.

CMA has taken an active role in managing the development of an operational area of influence in Ancash, which encompasses 6 provinces and 20 districts, with a population of over 120,000 people in Southern Peru. CMA has made significant social investments and has mobilized investment for executing irrigation projects, education 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 33, 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.

Since the start of the COVID-19 pandemic, Teck has been extremely active with its community support, establishing a \$20 million COVID-19 Teck Community Response Fund to support local communities in Canada, Alaska and Chile. They have recently donated \$10 million to help build the emergency department at the new St. Paul's Hospital at the Jim Pattison Medical Centre in British Columbia. They also recently announced a \$1 million contribution to UNICEF Canada in support of the Access to COVID-19 Tools (ACT) Accelerator, a global partnership dedicated to the equitable distribution of vaccines, treatment and testing for COVID-19. Finally, Teck has been active in supporting increased awareness and research on copper's antimicrobial use in Canada, including partnering in the testing of copper coatings on high-touch transit surfaces on buses and the SkyTrain in Vancouver, B.C. in the fight against COVID-19.



**WE HAVE A SILVER STREAM ON TECK'S (22.5% OWNED)
ANTAMINA PROJECT IN PERU**



**Harvesting crops
in the area adjacent
to Antamina**

Barrick

Assets: **Hemlo, Goldstrike, South Arturo**
and **Gold Quarry***

Countries: **Canada** and **USA**

2020 Revenue: **\$93.0 million***

BARRICK

barrick.com/sustainability

In July 2019, Barrick and Newmont created the Nevada Gold Mines LLC joint venture, whereby Barrick contributed its Goldstrike and South Arturo assets to the new venture. Barrick will operate the joint venture projects.

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. The Hemlo community team meets with local indigenous communities every six weeks to discuss mine plans and community issues or concerns. In 2019, much of this engagement focused on plans for a new tailings storage facility at the mine, the establishment of a formal community development committee, and the renegotiation of socio-economic benefits agreements.

* Includes 2020 revenue from Hemlo and 61.5% of 2020 revenue from Goldstrike, South Arturo and Gold Quarry, which projects are held by Nevada Gold Mines LLC (Barrick's joint venture with Newmont).



WE HAVE ROYALTY INTERESTS ON THE HEMLO GOLD MINE IN ONTARIO, CANADA AND ON NEVADA GOLD MINES' GOLDSTRIKE, SOUTH ARTURO AND GOLD QUARRY GOLD MINES IN NEVADA, UNITED STATES

**Hemlo site and
reclamation**



Newmont

Assets: **Ahafo, Goldstrike, South Arturo** and **Gold Quarry***
 Countries: **Ghana** and **USA**
 2020 Revenue: **\$24.9 million***



newmont.com/sustainability

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, whereby Newmont contributed its Gold Quarry asset to the new venture.

In 2020, Newmont was ranked the top global gold mining company on the Dow Jones Sustainability World Index (DJSI World) for environmental, social and governance performance. 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, ISO 14001 and 31000, AccountAbility's AA1000 Assurance Standard and GRI (formerly Global Reporting Initiative).

At Ahafo (Subika) at the end of 2019, local community members represented 43.7 percent of the total workforce, exceeding Newmont's target of 35 percent.

Since 2007, Newmont has contributed more than \$26 million to the Newmont Ahafo Development Foundation (NADeF), which supports sustainable socioeconomic development projects in the 10 communities near the Ahafo mine. Since its inception, the NADeF has supported more than 100 education, health, human resource development and infrastructure projects and in August 2019, the NADeF, in collaboration with the Youth Associations of Ahafo, provided three-week-long summer vacation classes for second and third-year junior high students in the 10 major communities and seven satellite towns near the Ahafo mine area. The classes were facilitated by 94 volunteers and supervisors, and around 1,500 students attended.

* Includes 2020 revenue from Ahafo (Subika) and 38.5.% of 2020 revenue from Goldstrike, South Arturo and Gold Quarry, which projects are held by Nevada Gold Mines LLC (Newmont's joint venture with Barrick).



WE HAVE ROYALTY INTERESTS ON THE AHAFO (SUBIKA) GOLD MINE IN GHANA AND ON NEVADA GOLD MINES' GOLDSTRIKE, SOUTH ARTURO AND GOLD QUARRY GOLD MINES IN NEVADA, UNITED STATES



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

Range Resources Corporation*Asset: **Marcellus Royalty**Country: **United States**2020 Revenue: **\$20.4 million**[csr.rangeresources.com](https://www.csr.rangeresources.com)

In 2019, Range announced a goal of zero direct GHG emissions across its operations by 2025 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 also committed to reduce GHG emissions intensity with an objective of further reduction of 15 percent by 2025, as compared to 2019 GHG emissions intensity levels

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 significant reductions in its leak ratio over the past few years.

Further, Range's engineers have taken a hands-on approach to work proactively with their vendors to re-engineer 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 350 non-profit organizations per year, serving a variety of needs.

* Certain of the standards on page 22 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.



WE HAVE A 1% OVERRIDING ROYALTY INTEREST ON RANGE'S 350,000 ACRES IN THE MARCELLUS FORMATION IN PENNSYLVANIA

**Marcellus operation
in Pennsylvania**



Continental Resources*

Asset: **Royalty Acquisition Venture**

Country: **United States**



clr.com/about-continental/environmental-social-and-governance-esg

In 2018 we entered into a unique strategic relationship with Continental to jointly acquire royalty rights within Continental's areas of operation. In exchange for a partial capital carry in favour of Continental, the venture provides us with an opportunity to acquire royalty rights at the grass-roots level, leverage the value of Continental's drilling plans, and benefit from the company's knowledge of local land title and geology.

In 2019, Continental joined The Environmental Partnership, which is composed of industry members committed to continuously improving the industry's environmental performance by learning, collaborating, and taking action. The Partnership has three programs designed to further reduce emissions by targeting three of the most significant sources of emissions. They consist of implementing leak detection and repair (LDAR), replacing high-bleed pneumatic controllers, and improving the manual liquids unloading process. Continental's emissions management programs are on target to meet or exceed the Partnership's goals.

Continental strives to minimize the flaring of gas from its operations, and is a leader in gas capture. They work to ensure midstream companies understand their development forecast and to make the necessary operational adjustments to capture the vast majority of Continental's natural gas production. As a result of their efforts, between 2015 and 2019, Continental captured an average of 99.9% of its total natural gas production in Oklahoma.

The dedication of Continental to reducing the devastating impact of diabetes has enabled the world-renowned Harold Hamm Diabetes Center to establish and expand initiatives integral to developing a cure for diabetes, offering world-class care for patients, and preventing diabetes and its complications. The center also supports Camp Blue Hawk, a camp established in 2015 for children and teens with type 1 diabetes. Continental founder and Executive Chairman Harold Hamm has donated more than \$65 million to the center to date. In 2019, Franco-Nevada made a \$100,000 contribution to the center.

* Certain of the standards on page 22 above have not been implemented by, and are not applicable to, Continental Resources, which is an energy producer with operations solely located in the United States.



WE HAVE A STRATEGIC ROYALTY ACQUISITION VENTURE WITH CONTINENTAL TO JOINTLY ACQUIRE ROYALTY RIGHTS WITHIN CONTINENTAL'S AREAS OF OPERATION



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





Enseña Peru
Guazapares Water Upgrade Project
Candelaria Mental Health Initiative
The Prosperity Project
The Canadian Institute of Mining, Metallurgy and Petroleum (CIM)
“Every Student, Every Day” initiative
United Way
Prospectors & Developers Association of Canada
Young Mining Professionals
Spread the Word Nevada
Individual Philanthropic Contributions

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,
Fund Development
Coordinator,
Enseña Peru

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 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 120 teachers in 90 schools primarily in the Lima city district and the Ancash Region to the north, which is the region that hosts the Antamina project. The program also has 128 professionals who worked as teachers improving the academic and personal development of their students. Enseña Peru calls these initiatives and the immediate improvements that they have accomplished, the “Ancash Effect”.

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

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



**Community engagement
through Enseña Peru**

Enseña Peru (continued)



(Above) Map showing Enseña Peru's influence in Peru

(Top right and right) Enseña Peru teachers and students in action



Providing and supporting community and social improvement initiatives through local, regional and national collaborations and organizations

Other Contributions and Initiatives

Partnering with Coeur on the Guazapares Water Upgrade Project

In 2020, we partnered with Coeur Mining by funding over \$100,000 for a hydraulic water system upgrade project in the Guazapares' San Jose and Santa Clara communities approximately 34 kilometers east of Coeur Mining's Palmarejo mining project where we have a stream interest. The system upgrade, which was completed at the end of 2020, provides approximately 240 local residents with non-potable domestic water, having the potential to change the residents' quality of life through improved sanitation and hygiene practices, eliminate the time consumed for the physical collection of water, and reduce maintenance costs related to the old water infrastructure.



Guazapares water upgrade project

Partnering with Lundin in the Atacama Region of Chile

In 2020, we partnered with Lundin Mining and their majority-owned Compañía Contractual Minera Candelaria, the operator of the Candelaria project, to provide \$100,000 of financial support for Chilean health governmental authorities and non-profit organizations based in the Atacama Region to assist their response to mental health issues exacerbated by the COVID-19 pandemic. Their efforts include developing a psychological support call centre and online chat support platform, an informational campaign to educate and inform high risk groups about mental health, and supplying mental health practitioners with technology to provide remote support to those in need.

Supporting The Prosperity Project in Achieving Gender Parity

The Prosperity Project is aimed at mitigating the impact of COVID-19 on Canadian women. In 2021, we committed to \$60,000 of funding for The Prosperity Project, with Franco-Nevada agreeing to be an Influence Level Partner of The Prosperity Project's Annual Gender Diversity Data Tracking Initiative, which tracks women in board, executive officer roles, and in the pipeline to executive officer roles in large public companies, crown corporations, pension funds, co-operatives and Canadian subsidiaries of foreign-owned public companies. The Annual Gender Diversity Data Tracking Initiative will apply intersectional identities and inclusivity lenses in order to track the representation of white and BIPOC women as well as women with disabilities at the leadership level over time and the progress being made towards achieving gender parity at the top.



Other Contributions and Initiatives (continued)

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

In 2021, we agreed to provide \$150,000 to support The Canadian Institute of Mining, Metallurgy and Petroleum (CIM) through their Corporate Patron initiative to assist the CIM in recovering and recalibrating following the cancellation of its annual conference in 2020 and to enable the CIM to continue with its industry leadership through its COVID-related challenges.

Support for “Every Student, Every Day”

In 2020, as part of a five-year \$10,000 per year commitment, we contributed \$10,000 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.

Supporting United Way

We are perennial contributors to United Way, an international organization that works with non-profits, government, community agencies, corporate partners, labour and donors to improve lives by mobilizing the caring power of communities around the world to advance the common good. Each year from September to November, our Toronto office runs a campaign to raise funds for this worthy cause and in 2020 we were recognized as a Top Supporter, raising over \$1.08 million for the year, led by our Chair, David Harquail and his family, and by our Chief Financial Officer, Sandip Rana, and our Chief Legal Officer, Lloyd Hong, both being members of the United Way Major Donor Circle. We are an active supporter and leader in conjunction with raising funds for United Way.

Sponsoring PDAC, Young Mining Professionals’ Toronto Chapter and Spread the Word Nevada

We are the primary sponsor of the Prospectors & Developers Association of Canada (“PDAC”) annual awards that recognize industry successes in exploration, development, safety, environmental stewardship and aboriginal cooperation. We have sponsored the Toronto chapter of Young Mining Professionals (“YMP”) since its inception in 2015. YMP is a growing international association of mining professionals based in major mining centres across the world that share the goal of advancing the global profile and leadership of the mining and exploration industry. In 2021, our US subsidiary contributed to Spread the Word Nevada, an organization dedicated to advancing childhood literacy within low-income communities by changing lives one book at a time.



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. Some highlights of our leaders' personal contributions are as follows:



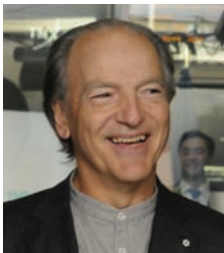
David Harquail
Chair

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



Paul Brink
President & CEO

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



Pierre Lassonde
Chair Emeritus

Pierre Lassonde, our Chair Emeritus, has supported many educational institutions with major donations including the Lassonde Entrepreneur Institute at the University of Utah, the Lassonde School of Engineering at York University and the University of Toronto's Lassonde Mineral Engineering Program and Lassonde Institute for Engineering Geosciences. Mr. Lassonde is also the benefactor of the Lassonde Pavilion of the Musée National des Beaux Arts du Québec and in 2018 was named by Les Affaires as the most socially committed senior leader of our times.

“WE ARE COMMITTED TO SUPPORTING OUR EMPLOYEES' EFFORTS to contribute to society through non-profit charitable activities.”

OUR IMPACT

Since our IPO:

Workplace incidents relating to our personnel or contractors reported (#)

Lost days due to personnel or contractor workplace injuries (#)

Workplace personnel or contractor fatalities (#)

Instances of occupational diseases among our personnel or contractors (#)

Human rights violations (#)

Health & safety, environmental, anti-bribery, or anti-corruption fines, penalties, litigation, liabilities or settlements (#)

Incidents of discipline or dismissal among staff or consultants due to non-compliance with anti-corruption policies (#)

Cost of fines, penalties or settlements in relation to corruption (\$)

Labour violations or fines (e.g. age limits, wages, maximum hours and days) (#)

Strikes or lock-outs (#)

Reports of violence or harassment (#)

Zero

Impact of the COVID-19 Pandemic

ALTHOUGH 2020 WAS A CHALLENGING YEAR, we believe it highlighted the resilience of our business during uncertain times.

- Work from Home:** When COVID-19 worsened in early 2020, we closed our offices to ensure the safety of our staff, providing job security throughout our organization and support to facilitate working from home, including flexible work hours and other arrangements. In 2020, there were no reductions in working hours, working days, wages, or benefits and no involuntary turnover in our global workforce. Our workforce has seamlessly transitioned to working remotely and we developed work-arounds for certain of our due diligence processes, leading to the addition of several assets to our portfolio.
- Health & Safety:** Our staff remains healthy and safe. At our head office in Toronto (with 66% of our global workforce), we worked closely with building management to ensure the safety of our personnel when entering, exiting and working in the office and we developed an internal office policy outlining our COVID-related health and safety procedures when we were temporarily open during 2020.
- Reduced Footprint:** As a result of our transition to working remotely and our reduced business travel, we significantly decreased our carbon footprint, including our global office emissions, in 2020. We expect to see a similar reduction in 2021. Please refer to pages 7-8 for further details.
- Resilience of our Portfolio:** As a result of the COVID-19 pandemic, temporarily reduced or curtailed production was announced in early 2020 by a number of operators of our mining assets; however, all operations with the exception of Golden Highway have since resumed operations. We weathered these production delays and volatility in commodity markets with record financial results for 2020.
- Social Commitments:** We expanded our social commitments with new programs to support mental health at the communities around Candelaria and water infrastructure for communities around Guadalupe-Palmarejo, and we made new community contribution commitments as part of our acquisition of the Alpala royalty and Condestable stream.



The Franco-Nevada team
from all of our offices

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

Labour, Health and Safety

We have 35 full-time employees working at home or in office spaces located in Canada, Barbados, the United States and Australia. We do not control or have direct influence on the operations of any of the properties over which we have an interest and we operate solely within office environments.

Given our business model and office environment, the health and safety of our employees are not typically direct risks to our company. Notwithstanding, our team travels extensively to visit mining and energy operations to conduct due diligence and scheduled audits. As noted on page 39 of this ESG Report, due to the COVID-19 pandemic, as of the date of this ESG 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 remains of utmost priority.

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

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

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

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



**Employee safety session
at Cobre Panama**

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.

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

“OUR HUMAN RIGHTS POLICY FORMALIZES our actions, practices and beliefs since our inception.”








School children near the Edikan project in Ghana, West Africa

Human Rights & Diversity (continued)

Diversity & Inclusion

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

Date	Progress
2015	In March 2015, we adopted our Diversity Policy relating to identifying women as candidates to recommend for appointment/election to the Board and for appointment/promotion to senior management positions
2015	In May 2015, Catharine Farrow joined our Board
	11% (1 of 9) of Board members are women
	 Catharine Farrow
2016	In 2016, we hired a female visible minority to the senior position of Director of Finance and promoted another female to the senior position of Controller
2019	In March 2019, we amended our Diversity Policy to adopt a target of 30% women directors by 2022
2019	In May 2019, Jennifer Maki joined our Board
	22% (2 of 9) of Board members are women
	 Jennifer Maki
2020	In March 2020, we amended our Diversity Policy to incorporate principles of inclusion and additional diversity and renamed the policy the Diversity and Inclusion Policy
2020	In May 2020, Maureen Jensen joined our Board
	27% (3 of 11) of Board members are women
	 Maureen Jensen
2020	In July 2020, we signed the BlackNorth Initiative CEO Pledge to combat systemic racism
	
2020	In December 2020, we promoted a female visible minority to the position of VP Finance and Operations at Franco-Nevada (Barbados) Corporation and promoted a male visible minority to the position of VP Tax at Franco-Nevada Corporation
2021	In February 2021, we became an Influence Level Partner of the Prosperity Project's Annual Gender Diversity Data Tracking Initiative
	
2021	In March 2021, we amended our Diversity and Inclusion Policy to provide that diverse candidates are to be included when filling Board and senior management roles and setting out a new goal of achieving 40% Diverse Persons* at the Board and senior management level (on an aggregated basis) by 2025
2021	In May 2021, we will achieve our goal of 30% women directors, one year earlier than planned
	30% (3 of 10) of Board members are women

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

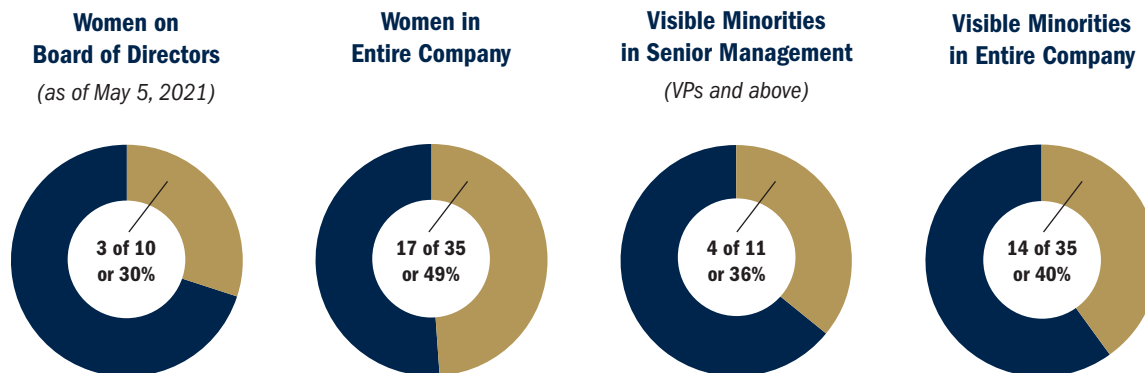
Diversity & Inclusion (continued)

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

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

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

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



Employee, Management and Board Member Diversity

“IN MAY 2021, WE WILL ACHIEVE OUR GOAL of 30% women directors, one year earlier than planned.”

* As of May 5, 2021, we will have achieved 33% (7 of 21) Diverse Persons at the Board and senior management level (on an aggregated basis).

Diversity & Inclusion (continued)

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

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

BlackNorth Initiative

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

As part of the Pledge, we committed to:

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

In furtherance of these commitments, we have made significant progress in the establishment of the Franco-Nevada Diversity Scholarship Program aimed to promote diversity in the mining industry. We have also updated our Diversity and Inclusion Policy to include a goal to maintain at least 30% women directors on our Board (a goal that we will reach in May 2021) and the new goal of achieving 40% Diverse Persons at the Board and senior management level (on an aggregated basis) by 2025.

The Prosperity Project

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

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

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

Maureen Jensen, one of our Board members, is also a board member of The Prosperity Project.



Human Rights & Diversity (continued)

Non-Discrimination, Anti-Harassment & Equal Opportunity

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

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

“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.”



Left: **Lloyd Hong, Chief Legal Officer**
(joined Franco-Nevada in 2012)

Right: **Sandip Rana, Chief Financial Officer**
(joined Franco-Nevada in 2010)

Members of our
Barbados team



Responsible Supply Chain

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

Suppliers are expected to:

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

Suppliers are also encouraged, where applicable, to:

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

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



**Franco-Nevada
opening the TSX**

Information Security

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

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

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

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

“THE POLICY IS INTENDED TO DEFINE THE PRINCIPLES AND REQUIREMENTS OF ACCEPTABLE USE OF INFORMATION ASSETS for our personnel and describe how these will be implemented across our global operations.”



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

- **Compensation and ESG Committee Charter**
- **Audit and Risk 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.

Our ESG Governance

Board Oversight

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

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

- **Compensation and ESG Committee ("CESGC"):** Our CESGC develops and recommends to the Board our approach to ESG issues, including climate-related issues, reviews the adequacy of our ESG practices and policies and recommends any changes to the Board, approves the adoption of any ESG-related standards or initiatives, and engages with our stakeholders in respect of ESG issues.
- **Audit and Risk Committee ("ARC"):** Our ARC oversees our risk management, including climate change risks. More specifically, the ARC reviews our principal risks and exposures with a view to ensuring that such risks and exposures are being effectively managed, monitored or controlled by reviewing management's assessment of the significant risks and exposures impacting our company, including climate-related risks.

The Board and its Committees frequently meet with senior management to determine our strategy with respect to our risks and exposures. Most recently, in November 2020, management met with the ARC to discuss ESG-related risks and strategy and, in March 2021, management met with the CESGC to discuss climate-related strategy.

Management's Role

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

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

Governance & Integrity (continued)

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



* Board and Committees have oversight over ESG and climate-related risks and opportunities

** Chief Executive Officer has responsibility for leadership on ESG and climate-related matters

*** Chief Legal Officer has executive responsibility over ESG and climate-related matters

Board and Management Engagement

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

The Board and its Committees also frequently meet with senior management to determine our strategy with respect to our risks and exposures. Most recently, in November 2020, management met with the ARC to discuss ESG-related risks and strategy and, in March 2021, management met with the CESGC to discuss climate strategy, including our company's climate-related commitments and our capital allocation plan in the context of a rapidly evolving sustainability movement.

ESG and Climate-Related Accountability

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

Governance & Integrity (continued)

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

ESG Objectives for Evaluating Management			
ESG Due Diligence	ESG Reporting and Compliance	Contributions and Community Outreach	
ESG due diligence is critical in growing the Corporation's business	ESG initiatives should be adopted to be responsive to shareholders and stakeholders	The Corporation should make a positive impact in the local communities in which its assets are located as well as locally	
Management will be evaluated on whether an appropriate level of ESG due diligence was presented to the Board in connection with new investments	Management will be evaluated on keeping the Board informed as to ESG initiatives and effective shareholder outreach	Management will be evaluated on its successful execution of ESG contributions which will include pro-active outreach to operators	
Management will also be evaluated on a look-back basis in the event of an ESG issue at an existing asset to determine if such issue was reasonably foreseeable through due diligence	Management will also be evaluated on the successful implementation of Board approved ESG initiatives, many of which can be multi-year projects	Management will also be evaluated on their personal engagement in making positive contributions to the local community	
Diversity and Inclusion		ESG Rankings	
Diversity and inclusion are key components to the Corporation's success		ESG rankings recognize management's efforts with respect to ESG	
Management will be evaluated on its progress in the area of diversity and inclusion including in recruiting, internal promotions and disclosed diversity goals		Management will be evaluated based on the Corporation's ESG rankings by the major agencies followed by institutional shareholders	
		Management will not be evaluated for matters solely within the Board's purview	

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 2020 Annual Meeting, 95.71% 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.

Governance & Integrity (continued)

We regularly engaged with our shareholders during 2020. Here are some examples of the ways that we engaged and the key topics of interest from shareholders and the investment community.

How we engage with our Shareholders	Key topics of interest in 2020
<ul style="list-style-type: none"> • Investor and industry conferences • Shareholder meetings • Quarterly earnings conference calls • Analyst days • Investor relations correspondence • Shareholder proposals • Emails, calls and meetings 	<ul style="list-style-type: none"> • Diversity and inclusion (see pages 42-44) • Climate change and related risks and opportunities (see pages 11-14) • Impact of COVID-19 on royalty and stream assets (see page 39) • Working remotely and due diligence work-arounds (see page 39) • ESG reporting frameworks, including TCFD and SASB (see Appendices B and C) • Capital allocation strategy (e.g. by commodity type) (see page 2) • Information and cyber security (see page 47)

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 interest and enable a board of directors to consider the best interests of its shareholders.

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

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

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; non-discrimination, anti-harassment and equal opportunity; health and safety; accuracy of company records and reporting; use of e-mail and internet services; loans to or guarantees of obligations of our personnel; and reporting of any illegal or unethical behaviour.

“THE CODE OF BUSINESS CONDUCT AND ETHICS reflects our core values of honesty, responsibility and fairness.”

Governance & Integrity (continued)

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

If the conflict of interest involves a related party transaction, our CESGC is tasked with reviewing the transaction (provided that the conflict is not required to be dealt with by a special committee of independent directors). Any member of the CESGC who is a party to or has a potential conflict of interest in the proposed transaction, or who has a material interest in or is party to the transaction, must abstain from any vote on that transaction. Any member of the CESGC who is a non-independent director must also abstain from voting on the proposed transaction.

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

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



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

- **Business Integrity Policy**
- **Whistleblower Policy**
- **Employee Complaint Procedures for Accounting and Auditing Matters**

Governance & Integrity (continued)

Business Integrity Policy

Our Board has a Business Integrity Policy for our directors, officers and employees, which is intended to supplement the Code. This Business Integrity Policy is intended to ensure that we do not receive an improper advantage in our business dealings and that all payments and expenses are properly recorded in our financial books and records. Among other things, the policy provides guidance on dealing with our agents, contractors and with public officials, acceptance of gifts, making political contributions and dealing with certain types of payments, including charitable donations and sponsorships. In accordance with our Business Integrity Policy, on an annual basis, we will publicly disclose details of political contributions or lobbying expenditures, if any, made by our company or our personnel on behalf of our company. No such contributions or expenditures have been made or incurred since our IPO. Please refer to page 55 of this ESG Report for further details.

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

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

Whistleblower Policies

Our Board has adopted employee complaint procedures for, among other things, accounting and auditing matters (contained in our Employee Complaint Procedures for Accounting and Auditing Matters) and violations of applicable laws or corporate policies (contained in our Whistleblower Policy) for our company’s directors, officers and employees to enable such personnel to submit good faith complaints relating to any such matters. The procedures outline how an employee with a good faith concern can anonymously report those concerns directly to the Chief Legal Officer, in the case of the Whistleblower Policy, or directly to the Chair of the ARC, in the case of the Employee Complaint Procedures for Accounting and Auditing Matters. To date, there have been no employee complaints under either policy.

“OUR BUSINESS INTEGRITY POLICY IS INTENDED to ensure that we do not receive an improper advantage in our business dealings.”



2019 Annual General Meeting

Governance & Integrity (continued)

Policy Concerning Confidentiality, Fair Disclosure and Trading in Securities

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

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

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

“WITH RESPECT TO CONFIDENTIALITY AND DISCLOSURE, this policy generally outlines principles of confidentiality and guidelines for maintaining confidentiality, disclosure principles and guidelines for disclosure...”

Since our IPO:

Facilitation payments (\$)

Political donations (\$)

Lobbying expenditures (\$)

Known government ownership of our company (\$)

Cases of non-compliance or breaches of our corporate policies (#)

Instances of whistleblower complaints (#)

Zero

About this ESG Report

Environmental, Social & Governance (ESG) Report

Scope

This Environmental, Social & Governance (ESG) Report (the “ESG Report”) includes information about Franco-Nevada Corporation and its subsidiaries (“Franco-Nevada”, “we”, “us” or “our”). Unless otherwise specified in this ESG Report, reference to “Franco-Nevada”, “we”, “us” or “our” refers to our entire corporate structure and global operations and workforce.

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

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

Reporting Period

All data and examples contained in this ESG Report reflect activities undertaken during the 2020 fiscal year, unless otherwise noted.

ESTMA

Franco-Nevada supports efforts to increase transparency and accountability in the mining and energy industries. Please refer to Franco-Nevada’s enrollment with Extractive Sector Transparency Measures Act (“ESTMA”): www.franco-nevada.com/investors/ESTMA

NYSE Rules

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

Currency

All amounts in this document are in 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.

Printed Copies

We encourage our stakeholders to refer to the paperless version of this ESG Report available on our website. To request a paper copy of this ESG Report, please email: info@franco-nevada.com. Print copies are printed in Canada using vegetable based inks on chlorine-free paper containing post-consumer product and which is 100% recyclable.

APPENDIX A: **OUR OPERATORS' EMISSIONS**

APPENDIX B: **TCFD DISCLOSURE**

APPENDIX C: **SASB DISCLOSURE**

APPENDIX D: **UN GLOBAL COMPACT: COMMUNICATION ON PROGRESS**

APPENDIX E: **KPMG: INDEPENDENT LIMITED ASSURANCE REPORT**

APPENDIX F: **CARBON NEUTRAL INITIATIVE**



Students near Sissingué Project in Côte d'Ivoire

APPENDICES

Appendix A:

OUR OPERATORS' EMISSIONS⁽¹⁾⁽²⁾

The following table sets out all of our producing mining assets and the publicly disclosed greenhouse gas emissions for such assets, where available. The Operators of our assets have publicly disclosed greenhouse gas emissions for assets representing approximately 63% of our mining revenues or 57% of our overall revenues for 2020.

Operator	Asset	Scope 1 Emissions (tCO ₂ e)	Scope 2 Emissions (tCO ₂ e)	2017 Total Emissions (tCO ₂ e)	Scope 1 Emissions (tCO ₂ e)	Scope 2 Emissions (tCO ₂ e)	2018 Total Emissions (tCO ₂ e)	Scope 1 Emissions (tCO ₂ e)	Scope 2 Emissions (tCO ₂ e)	2019 Total Emissions (tCO ₂ e)
Agnico Eagle Mines Limited	Canadian Malartic⁽³⁾ (Canada - Quebec) - 1.5% GR Gold	182,342.0	1,639.0	183,981.0	217,225.0	874.0	218,099.0	228,467.0	874.0	229,341.0
Alamos Gold Inc.	Island Gold (Canada - Ontario) - 0.62% NSR Gold			NR			NR			NR
Ariana Resources plc	Kiziltepe (Turkey) - 2.5% NSR Gold & Silver			NR			NR			NR
Barrick Gold Corporation	Hemlo (Canada - Ontario) - 50% NPI, 3% NSR Gold			NR	36,752.0	8,967.0	45,719.0	38,000.0	4,000.0	42,000.0
BHP Group Limited	Mt Keith (Australia - W. Australia) - 0.375% GR, 0.25% NPI Nickel			NR			NR			NR
Coeur Mining, Inc.	Guadalupe-Palmarejo (Mexico) - 50% Gold Stream			NR			NR			NR
Diversified Minerals Pty Ltd	Henty (Australia - Tasmania) - 1% GR Gold			NR			NR			NR
Endeavour Mining Corporation	Karma (Burkina Faso) - Fixed Gold Deliveries, 4.875% Gold Stream			NR			NR			NR
	Sabodala (Senegal) - Fixed Gold Deliveries, 6% Gold Stream			NR			NR			NR
EP Minerals LLC	EaglePicher (USA - Nevada) - Production Payment, Diatomaceous Earth			NR			NR			NR
Equinox Gold Corp.	Castle Mountain (USA - California) - 2.65% NSR Gold			NR			NR			NR
	Mesquite (USA - California) - 0.5%-2% NSR Gold			NR			NR			NR
First Quantum Minerals Ltd.	Cobre Panama (Panama) - Gold and Silver Stream	169,700.0	100.0	169,800.0	408,700.0	13,600.0	422,300.0	1,965,500.0	25,500.0	1,991,000.0
Glencore Plc	Antapaccay (Peru) - Gold and Silver Stream			NR			NR			NR
Harmony Gold Mining Company Limited	MWS (South Africa) - 25% Gold Stream	14,394.0	186,359.0	200,753.0	9,724.0	199,788.0	209,512.0			NR
Hecla Mining Company	Fire Creek/Midas (USA - Nevada) - 2.5% NSR Gold & Silver			NR			NR			NR
Industrias Peñoles, S.A.B. de C.V.	Milpillas (Mexico) - Production Payment Copper			NR			NR			NR
KGHM International Ltd.	Robinson (USA - Nevada) - 0.225% NSR, Other Copper & Gold			NR			NR			NR
	Sudbury-McCreedy West Mine (Canada - Ontario) - 50% Precious Metals Stream PGM & Gold			NR			NR			NR
Kinross Gold Corporation	Bald Mountain (USA - Nevada) - 0.875%-5% NSR/GR Gold	146,203.0	9,472.0	155,675.0	120,513.0	12,165.0	132,678.0	115,195.0	52,420.0	167,615.0
	Tasiast (Mauritania) - 2% NSR Gold	225,076.0	NR	225,076.0	289,200.0	NR	289,200.0	330,457.0	NR	330,457.0
Kirkland Lake Gold Ltd.	Detour Lake (Canada - Ontario) 2% NSR Gold	223,942.0	NR	223,942.0	224,755.9	14,319.5	239,075.4	253,327.0	28,639.0	281,966.0
	Kirkland Lake (Canada - Ontario) - 1.5-5.5% NSR, 20% NPI Gold			NR	10,261.0	2,542.4	12,803.4	19,237.8	2,804.1	22,041.9



Operator	Asset	Scope 1 Emissions (tCO ₂ e)	Scope 2 Emissions (tCO ₂ e)	2017 Total Emissions (tCO ₂ e)	Scope 1 Emissions (tCO ₂ e)	Scope 2 Emissions (tCO ₂ e)	2018 Total Emissions (tCO ₂ e)	Scope 1 Emissions (tCO ₂ e)	Scope 2 Emissions (tCO ₂ e)	2019 Total Emissions (tCO ₂ e)
Laneway Resources Limited	Agate Creek (Australia - Queensland) - 1% NSR All Minerals			NR			NR			NR
Lundin Mining Corporation	Candelaria (Chile) - Gold & Silver Stream	238,697.0	326,075.0	564,772.0	310,894.0	344,901.0	655,795.0	335,752.0	330,689.0	666,441.0
Matsa Resources Limited	Red October (Australia - W. Australia) - 1.75% NSR Gold			NR			NR			NR
Millmerran Power Management Pty Ltd	Millmerran (Commodore Coal Mine) (Australia - Queensland) - 5.82-12.47% GR Coal			NR			NR			NR
Nevada Gold Mines LLC	Gold Quarry (USA - Nevada) - 7.29% NSR Gold			NR			NR			NR
	Goldstrike (USA - Nevada) - 2-4% NSR, 2.4-6% NPI Gold			NR	639,310.0	268,130.0	907,440.0			NR
	South Arturo⁽⁴⁾ (USA - Nevada) - 4-9% GR with AMR Gold			NR			NR			NR
New Gold Inc.	Cerro San Pedro (Mexico) - 1.95% GR Gold & Silver			NR	1,629.1	18,108.0	19,737.1	1,140.0	8,393.0	9,533.0
Newmont Corporation	Musselwhite (Canada - Ontario) - 5% NPI, 2% NSR Gold			NR			NR	30,525.7	1,764.9	32,290.6
	Subika (Ghana) - 2% NSR Gold	113,779.4	NR	113,779.4	121,046.6	71,798.5	192,845.1	119,829.9	126,153.0	245,982.9
Northern Star Resources Ltd	South Kalgoorlie (New Celebration) (Australia - W. Australia) - 1-1.75% NSR Gold			NR			NR			NR
Pan American Silver Corp.	Timmins West (Canada - Ontario) - 2.25% NSR Gold			NR			NR			NR
Peabody Energy Corp	Bowen Basin (Moorvale) (Australia - Queensland) - Production Payment Coal			NR			NR			NR
Perseus Mining Limited	Edikan (Ghana) - 1.5 % NSR Gold	84,050.0	55,648.0	139,698.0	84,271.0	56,890.0	141,161.0	68,744.0	56,409.0	125,153.0
	Sissingué (Côte d'Ivoire) - 0.5% NSR Gold	—	—	—	22,283.0	—	22,283.0	36,545.0	—	36,545.0
Pretium Resources, Inc.	Brucejack (Canada - BC) - 1.2% NSR Gold & Silver	16,881.0	NR	16,881.0	17,986.0	1,100.0	19,086.0	17,751.0	1,276.0	19,027.0
Reed Industrial Minerals Pty Ltd	South Kalgoorlie (Mt Marion Lithium) (Australia - W. Australia) - 1-1.75% NSR Gold			NR			NR			NR
Regis Resources Limited	Duketon (Australia - W. Australia) - 2% NSR Gold			NR	179,772.0	NR	179,772.0			NR
Remelius Resources Limited	Agnew (Vivien Gold Mine) (Australia - W. Australia) - 3.0% GR Gold			NR			NR			NR
Sibanye-Stillwater Ltd.	Pandora (South Africa) - 5% NPI PGM			NR			NR			NR
	Stillwater (USA - Montana) - 5% NSR PGM	31,595.0	183,297.0	214,892.0	31,314.0	98,436.0	129,750.0	37,345.0	104,488.0	141,833.0
Southern Peaks Mining LP	Condestable (Peru) - Gold & Silver Stream			NR			NR			NR
SSR Mining Inc.	Marigold (USA - Nevada) - 1.75-5% NSR, 0.5-4% GR Gold			NR	106,100.0	23,500.0	129,600.0	101,860.9	10,284.4	112,145.3



Operator	Asset	Scope 1 Emissions (tCO ₂ e)	Scope 2 Emissions (tCO ₂ e)	2017 Total Emissions (tCO ₂ e)	Scope 1 Emissions (tCO ₂ e)	Scope 2 Emissions (tCO ₂ e)	2018 Total Emissions (tCO ₂ e)	Scope 1 Emissions (tCO ₂ e)	Scope 2 Emissions (tCO ₂ e)	2019 Total Emissions (tCO ₂ e)
Teck Resources Limited	Antamina⁽⁵⁾ (Peru) - 100% Silver Stream	481,397.0	197,932.0	679,329.0	449,055.0	162,993.0	612,048.0	480,102.0	165,724.0	645,826.0
Victoria Gold Corp.	Dublin Gulch (Eagle) (Canada - Yukon) - 1-1.5% NSR Gold			NR			NR			NR
Western Areas NL	Flying Fox (Australia - W. Australia) - 2% GR Nickel	12,916.0	38,144.0	51,060.0	13,423.0	41,802.0	55,225.0	13,010.0	NR	13,010.0
Westgold Resources Limited	Cue Gold (Day Dawn) (Australia - W. Australia) - 1% GR Gold			NR			NR			NR
Wiluna Mining Corporation	Matilda (Wiluna) (Australia - W. Australia) - 3.6% NSR Gold			NR			NR			NR
Yamana Gold Inc.	Cerro Moro (Argentina) - 2% NSR Gold & Silver			NR	44,307.0	NR	44,307.0	71,280.4	NR	71,280.4

Notes:

- (1) "NR" means not publicly reported by the applicable operator for particular mining asset through the Carbon Disclosure Project (CDP) or in any other publicly available disclosure.
- (2) Figures in this table represent greenhouse gas emissions generated by producing mining assets where we have royalty and stream interests. Only publicly available data is provided, including as reported through CDP, where operators disclose emissions on an asset-by-asset (rather than a company-wide) basis. Data for our producing energy assets is excluded as energy operators typically disclose on a company-wide basis, whereby reported emissions would not correspond to our royalty packages covering broad land packages and operated by numerous energy producers.
- (3) Agnico Eagle Mines Limited and Yamana Gold Inc. are the 50/50 joint operators of the Canadian Malartic gold project. Franco-Nevada's royalty applies on a 100% basis and emissions reported in this Appendix A are for the whole of the project.
- (4) The South Arturo project is held by a joint venture between Nevada Gold Mines LLC (60%) and i-80 Gold Corp. (40%) and operated by Barrick Gold Corporation. Franco-Nevada's royalty applies on a 100% basis and emissions reported in this Appendix A are for the whole of the project.
- (5) Teck Resources Limited has a 22.5% interest in Compañía Minera Antamina S.A., the Antamina joint venture company, along with partners BHP Billiton Plc, Glencore Plc and Mitsubishi Corporation. Franco-Nevada's stream is based on silver from Teck's attributable interest. Emissions reported in this Appendix A are for the whole of the project and not solely attributable to Teck's minority interest.

Appendix B:

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

This year's disclosure below and in parts of the ESG Report above (as referenced below) is our first reporting in line with the Task Force on Climate-related Disclosures ("TCFD") and represents the baseline report for future disclosures. Going forward, we will aim to provide increased transparency in our TCFD reporting and, over the next year, we will conduct a gap analysis by reviewing our current climate strategy and disclosure to identify areas for improvement and to ensure we are aligned with TCFD recommendations and best practices.

Our Governance

Our governance around climate-related risks and opportunities

Board Oversight

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

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

- Compensation and ESG Committee ("CESGC"): Our CESGC develops and recommends to the Board our approach to ESG issues, including climate-related issues, reviews the adequacy of our ESG practices and policies and recommends any changes to the Board, approves the adoption of any ESG-related standards or initiatives, and engages with our stakeholders in respect of ESG issues.
- Audit and Risk Committee ("ARC"): Our ARC oversees our risk management, including climate change risks. More specifically, the ARC reviews our principal risks and exposures with a view to ensuring that such risks and exposures are being effectively managed, monitored or controlled by reviewing management's assessment of the significant risks and exposures impacting our company, including climate-related risks.

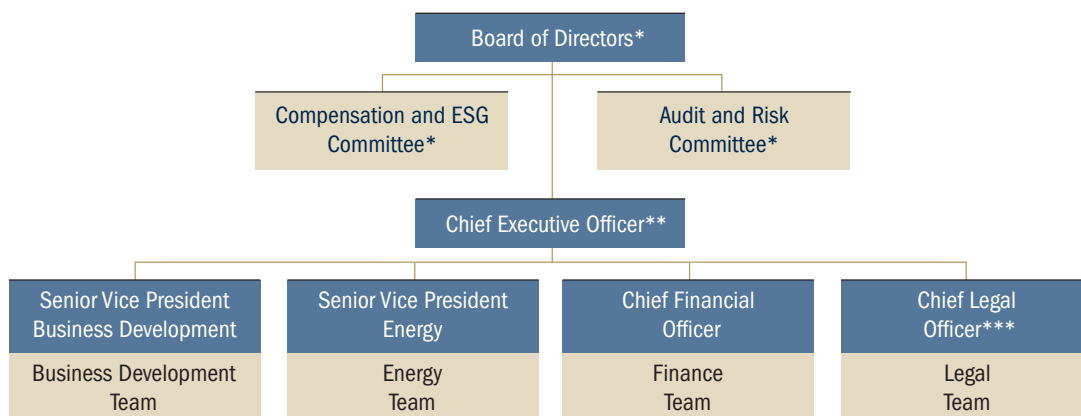
The Board and its Committees frequently meet with senior management to determine our strategy with respect to our risks and exposures. Most recently, in November 2020, management met with the ARC to discuss ESG-related risks and strategy and, in March 2021, management met with the CESGC to discuss climate-related strategy.

Management's Role

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

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

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



* Board and Committees have oversight over ESG and climate-related risks and opportunities

** Chief Executive Officer has responsibility for leadership on ESG and climate-related matters

*** Chief Legal Officer has executive responsibility over ESG and climate-related matters

Board and Management Engagement

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

The Board and its Committees also frequently meet with senior management to determine our strategy with respect to our risks and exposures. Most recently, in November 2020, management met with the ARC to discuss ESG-related risks and strategy and, in March 2021, management met with the CESGC to discuss climate strategy, including our company's climate-related commitments and our capital allocation plan in the context of a rapidly evolving sustainability movement.

ESG and Climate-Related Accountability

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

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

ESG Objectives for Evaluating Management		
ESG Due Diligence	ESG Reporting and Compliance	Contributions and Community Outreach
ESG due diligence is critical in growing the Corporation's business	ESG initiatives should be adopted to be responsive to shareholders and stakeholders	The Corporation should make a positive impact in the local communities in which its assets are located as well as locally
Management will be evaluated on whether an appropriate level of ESG due diligence was presented to the Board in connection with new investments Management will also be evaluated on a look-back basis in the event of an ESG issue at an existing asset to determine if such issue was reasonably foreseeable through due diligence	Management will be evaluated on keeping the Board informed as to ESG initiatives and effective shareholder outreach Management will also be evaluated on the successful implementation of Board approved ESG initiatives, many of which can be multi-year projects	Management will be evaluated on its successful execution of ESG contributions which will include pro-active outreach to operators Management will also be evaluated on their personal engagement in making positive contributions to the local community
	Diversity and Inclusion	ESG Rankings
	Diversity and inclusion are key components to the Corporation's success Management will be evaluated on its progress in the area of diversity and inclusion including in recruiting, internal promotions and disclosed diversity goals	ESG rankings recognize management's efforts with respect to ESG Management will be evaluated based on the Corporation's ESG rankings by the major agencies followed by institutional shareholders Management will not be evaluated for matters solely within the Board's purview

Our Climate Strategy

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






Climate-Related Risks

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

As demonstrated in Resilience of our Portfolio on page 10 of this ESG Report, exposure to these risks is substantially mitigated for our company. Notably, of the four major categories of financial impact set out by the TCFD (Revenues, Expenditures, Assets and Liabilities, and Capital and Financing)¹, the impacts of climate-related risks may affect our Revenues (Income Statement) and our Assets (Balance Sheet) but are unlikely to increase our Expenditures (Income Statement) or Liabilities (Balance Sheet) and are unlikely to materially adversely impact our access to Capital and Financing (Balance Sheet).

¹ "Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures", Task Force on Climate-related Financial Disclosures (June 2017).

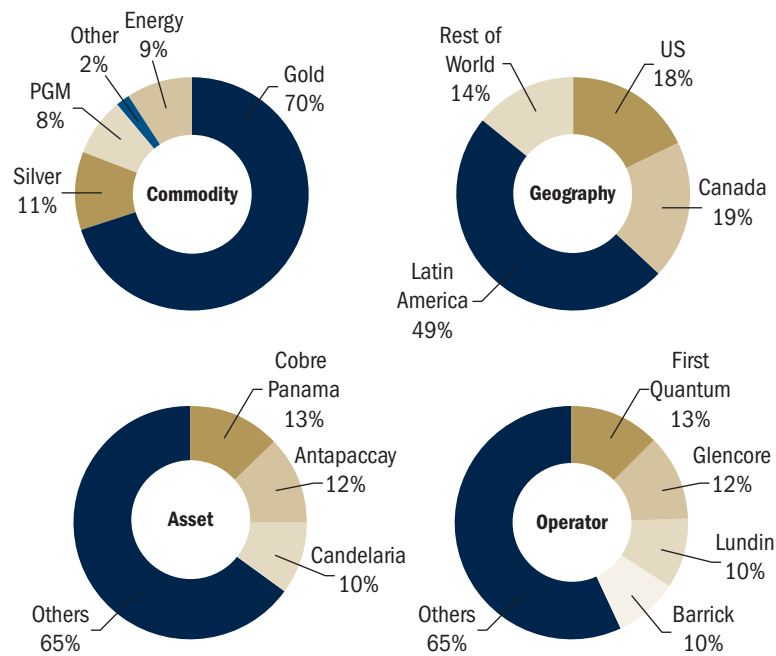
The following table describes our operators' climate-related risks, the potential financial impact for our operators and their corresponding financial impact to our company. Given the breadth and diversity of our investment portfolio and due to the fact that most of our royalty and stream investments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

Category of Risk*	Description of Risk and Potential Financial Impact for our Operators	Potential Financial Impact for our Company
Acute Physical Risks 	Extreme weather events caused by global warming (e.g. droughts, floods, hurricanes, etc.). These events may lead to production delays and cessation of operations.	<ul style="list-style-type: none"> Short-term delay (deferral) of Revenues
Chronic Physical Risks 	Gradual shifts in weather conditions (e.g. water scarcity, shifts in rainfall patterns, rising sea levels, etc.). These shifts may lead to recurring production delays and cessations of operations and increased operating costs to adapt to climate changes, which may lead to projects being abandoned or placed into care and maintenance if adaptation costs erode anticipated profitability.	<ul style="list-style-type: none"> Longer-term and potentially recurring delays (deferrals) of Revenues Potential impact to valuation of Assets on balance sheet (e.g. impairment or write-off of assets)
Socio-Political, Regulatory and Legal Risks 	Policy, regulatory and legal changes in a jurisdiction that seek to promote adaptation to climate change and/or constrain the activities of operators and operations that contribute to adverse effects of climate change. These legislative and legal changes may require extensive capital expenditures by operators to accommodate or conform to such changes, which may lead to projects being abandoned or placed into care and maintenance if such mandatory expenditures erode anticipated profitability.	<ul style="list-style-type: none"> Potential delay (deferral) of Revenues if mandatory adaptation results in delays or cessation of operations Potential impact to valuation of Assets on balance sheet (e.g. impairment or write-off of assets)
Market Risks 	Shifts in supply and demand for certain commodities based on their real or perceived impact on the climate. Reductions in commodity prices may impact the applicable operator's bottom line and in serious cases may ultimately render a project uneconomic, which may lead to projects being abandoned or placed into care and maintenance until commodity prices recover.	<ul style="list-style-type: none"> Corresponding direct impact to Revenues (e.g. our sales) and potential long-term delay (deferral) of Revenues if project placed on care and maintenance
Reputational Risks 	Changing public perceptions of an operator's climate-related activities and their contributions to or detractions from the transition to a low carbon economy. May affect access to capital or the ability to raise new debt or refinance existing debt, which may lead to projects changing hands or being temporarily or permanently abandoned.	<ul style="list-style-type: none"> Potential delay (deferral) of Revenues if operator's inability to raise capital or finance debt results in operations changing hands Potential impact to valuation of Assets on balance sheet (e.g. impairment or write-off of assets)

* Certain risks of our operators relating to transitioning to low carbon economies (e.g. technological) have been omitted where we consider that the correlated risk to our company is insignificant. We see these low carbon transitions as opportunities and accordingly, they are described in the Climate-Related Opportunities section below.

Resilience of Our Portfolio

Our exposure to climate-related risks is substantially mitigated by the diversification of our royalty and stream portfolio. No one operator or asset contributed more than 13% of our total 2020 revenues, which mitigates operator-specific or localized climate-related risks (e.g. reputational, acute physical and local regulatory and legal risks). We also receive revenues from various commodity types produced in a multitude of jurisdictions, which mitigates risks impacting broader regions and markets (e.g. chronic physical, country-wide regulatory and legal, and market risks). While we do have significant exposure to gold, broader market and reputational climate-related risks which may impact the gold industry are further mitigated through our rigorous due diligence process geared toward investing in best-in-class operators, many of whom have already set long-term climate-related goals and commenced low carbon transitions.



Portfolio diversification (commodity-type, geography, asset, and operator)
as percentage of 2020 revenue

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

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

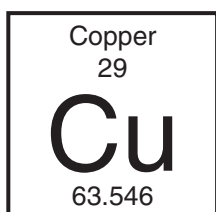
Due to the breadth and diversification of our portfolio, our exposure to climate-related events, trends or sentiments adversely impacting a particular project or operator or more broadly adversely affecting a commodity type or jurisdiction is reduced. Climate risk exposure is further mitigated by factors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

Climate Opportunities

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

Products and Services

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



Copper: With superior electrical and thermal conductivity, copper will play a significant role in enhancing energy efficiency and decarbonizing the planet. A 2017 World Bank Report¹ counted dozens of metals which could see a growing market with the increasing reliance on renewable and sustainable energy sources. Copper ranked first (tied with aluminum and nickel) among all metals for its prevalence in low-carbon technologies, including in wind, solar photovoltaic, carbon capture and storage, nuclear power, light emitting diodes, electric vehicles and electric motors.

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



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

Our company's recent focus for capital allocation for our energy portfolio has seen a shift from U.S. oil to natural gas plays, including our 2019 royalty acquisition on Range Resources liquids-rich natural gas properties in the Marcellus shale in Pennsylvania and our 2020 royalty portfolio acquisition in the Haynesville shale, Texas, one of the most active gas plays in North America. Natural gas accounted for approximately 33% of our energy revenues for the fourth quarter of 2020, a significant increase from prior periods. We see good potential for more natural gas royalty opportunities in the future with the rising demand for this energy source due to its role in transitioning to a low carbon economy.



Battery Metals: Technologies involved in the clean energy transition are emerging and advancing rapidly through innovation and increased deployment. According to a 2020 World Bank Report², the production of certain battery metals will have to increase by nearly 500% by 2050 to meet the growing demand for clean energy technologies and over 3 billion tonnes of these minerals and metals will be needed to deploy wind, solar and geothermal power, as well as the energy storage required to transition to a low-carbon economy.

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

¹ "The Growing Role of Minerals and Metals for a Low Carbon Future", World Bank Group, June 2017.

² "Minerals for Climate Action: The Mineral Intensity of the Clean Energy Transition", World Bank Group, 2020.

Climate Opportunities (continued)

Resilient Operators

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

Many of the assets in our portfolio are operated by best-in-class operators. The ingenuity and technical skills of these operators, including relating to sustainable practices, processes and technologies, often provide them with a competitive advantage, reducing their costs and their operating risks and ultimately reducing their cost of capital. We continue to look for opportunities to invest in other best-in-class operators and, as a capital provider, potentially facilitate their low-carbon transitions. Below we have highlighted the resourcefulness of certain of our operators, their efforts to reduce their carbon footprints, and their commitments to combating climate change, which exemplify the types of operators and operations that we look to invest in.

Reducing GHG Emissions at Barrick's Hemlo mine in Canada

(Franco-Nevada has a 3% NSR and a 50% NPI on the down-dip portion of the orebody)

"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).



Hemlo Mine, Canada

Demonstrating

RESILIENCE

Carbon Sequestration at Weyburn

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

The transition to a low-carbon future offers unique sustainability opportunities, including in carbon storage and sequestration innovation and technologies.

We have royalty interests and a working interest on Whitecap Resources' Weyburn Unit in southeast Saskatchewan, which is a CO₂ injection enhanced oil recovery development.

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.

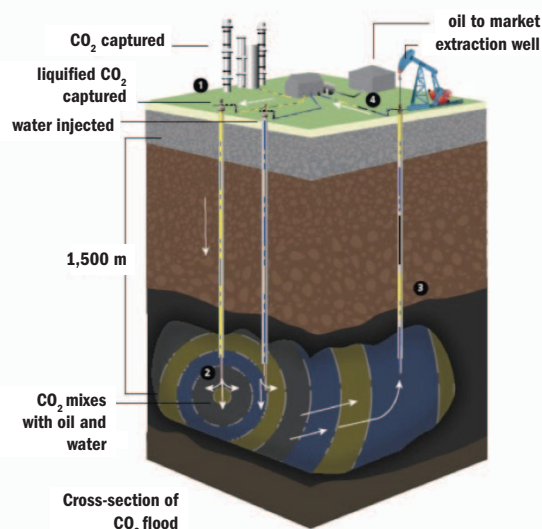
Since its inception in 2000, more than 34 million tonnes of CO₂ from two separate industrial sources have been captured and stored 1.5 km underground, the equivalent of taking 7 million cars off the road for an entire year. In addition to having carbon storage benefits, injecting CO₂ helps oil come to the surface more easily and improves the efficiency of production, maximizing the ultimate recovery of oil originally in place.

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



Utilizing lower emission reduction processes at Weyburn

Enhanced Oil Recovery with CO₂



“ SINCE ITS INCEPTION IN 2000, MORE THAN 34 MILLION TONNES OF CO₂ FROM TWO SEPARATE INDUSTRIAL SOURCES have been captured and stored 1.5 km underground, the equivalent of taking 7 million cars off the road for an entire year.”

Emission Reduction Commitments from Best-in-Class Operators

Several of our mining and energy operators have made net-zero emission commitments and have various initiatives to reduce their direct and indirect emissions. Below is a representative sample list of these commitments and initiatives by our operators.



Committed to reducing total emissions by 40% by 2035 based on 2019 levels and net-zero by 2050



Committed to a 30% reduction in GHG emissions by 2030 and carbon neutrality by 2050



Committed to reducing GHG emissions by at least 30% by 2030 with ultimate aim to be net-zero



Targeted reduction of carbon intensity by 33% by 2033 and carbon neutral commitment by 2050



Look to maintain current net-zero footprint with continued carbon sequestration efforts



Goal of net-zero direct GHG emissions by 2025

MINING AND ENERGY OPERATORS CONTRIBUTING TO MORE THAN ONE THIRD OF OUR 2020 REVENUES have proactively set targets to reduce carbon emissions, with some committing to the long-term achievement of net-zero emissions.

Climate Scenario Analysis

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

As this is our first year reporting in alignment with the TCFD, which disclosure will serve as a baseline for subsequent years, we have chosen to apply a 2°C scenario, focusing particularly on the implications and outcomes for our existing gold and energy assets that generated approximately 80% of our 2020 revenues, and the climate-related risks and investment opportunities relating to these commodities. The scenario analysis assumes that our current strategy, focused upon exposure to gold and other precious metals with limited (e.g. less than 20% of revenues from) countercyclical investments in energy and other metals, will remain consistent going forward.





To guide our 2°C scenario analysis, we have also incorporated certain data and assumptions from the International Energy Agency's ("IEA") 2020 Sustainable Development Scenario (the "SDS")³. The SDS demonstrates a plausible path until 2050 to concurrently achieve universal energy access, set a path towards meeting the objectives of the Paris Agreement on climate change and significantly reduce air pollution. Although ambitious, demanding a set of dramatic new actions from governments, companies, investors and citizens over the next 10 years, this scenario and its extended time horizon (prior IEA scenarios stopped at 2040) aligns with the increasing commitments of our mining and energy operators to achieve "net-zero" emissions by 2050. It also applies the most stringent assessment of the resilience of our company's business model and strategy in the face of climate-related risk.

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

2°C SCENARIO: Highlights and Assumptions

Energy Efficiency and Availability	Fossil Fuels	Emissions
<ul style="list-style-type: none"> By 2030, rapid progress is made in innovation and the deployment of low-carbon fuels and energy technologies. The proportion of renewables in global electricity generation grows from just over 25% in 2019 to more than 50% in 2030 By 2030, low-carbon sources of electricity accounts for almost two-thirds of total generation worldwide. The emissions intensity of industrial activity is reduced 40% from 2019 intensities. Electric vehicles comprise 40% of new vehicle sales. Supported by government policy and the non-profit sector and the increase in decentralized energy solutions, universal access to energy is achieved by 2030. 	<ul style="list-style-type: none"> The proportion of fossil fuels in the primary energy mix, which has remained above 80% since the 1950s, falls to 70% in 2030. Demand for oil peaks pre-COVID in 2019. Reductions in oil use over the period to 2030 mean that global oil demand never returns to 2019 highs. Although demand for oil is more resilient in sectors such as petrochemicals, total oil demand in 2030 is 12% lower than in 2019. Global natural gas demand recovers slightly and exceeds 2019 levels throughout the mid-2020s. It peaks soon after with demand returning to 2019 levels by 2030. Lower demand for fossil fuels leads to modestly reduced prices through 2030. There is less need to produce fossil fuels from resources higher up the supply cost curve. There are widespread and successful efforts to reduce the emissions intensity of oil and gas production, and sources with lower emissions intensities are increasingly preferred for development. 	<ul style="list-style-type: none"> Global output of CO₂ emissions peaks pre-COVID in 2019. Concentrations of the major air pollutants drop dramatically to 2030. CO₂ pricing is established in nearly all advanced economies. In addition, several developing economies are assumed to put in place schemes to limit CO₂ emissions. The CO₂ emission reduction trends that were visible prior to 2030 (e.g. efficiency, electrification and move away from fossil fuels) continue to 2050. Emissions outputs and trends through 2030 are consistent with achieving net-zero energy sector CO₂ emissions globally by 2070. A number of industries, sub-sectors and countries achieve net-zero by 2050 or in advance of 2070. Carbon capture, utilisation and storage processes and technologies play a large role in continuing the pace of emissions reduction after 2030.

2°C SCENARIO: Outcomes for Our Operators

Risk	Outcomes for Operators
Acute and Chronic Physical Risks 	<ul style="list-style-type: none"> Extreme and intermittent weather events persist and increase over time. As climate change is limited to 2°C, such events are manageable and are less harmful than in above 2°C scenarios that fail to align with “net-zero” targets. Certain events and weather patterns cause production delays and cessations for certain operations. Such risks are unlikely to materially impact or impair broader gold and energy markets.
Socio-Political, Regulatory and Legal Risks 	<ul style="list-style-type: none"> Stringent climate-related policy and regulatory changes are enacted by governments, particularly from those countries and regions pledging alignment with “net-zero” emissions. Increased capital expenditures are required by some operators to accommodate and conform to mandatory changes and transitions. Carbon pricing policies are implemented globally with certain governments imposing caps on carbon. Low-carbon energy producers are rewarded and given a competitive advantage. Carbon pricing increases the costs of many mining operations impacting the viability of some operations with higher cost structures and/or large carbon footprints. Greater climate impacts will increase sensitivity to the environmental impacts of mining operations, making the permitting of new mines increasingly difficult.
Market Risks 	<ul style="list-style-type: none"> A reduction in overall demand for oil occurs due to gradual behavioural transition to low-carbon goods and services and access to more sustainable, lower-cost and decentralized energy sources. Decreased prices adversely impact revenues of energy producers, although most operations continue to be profitable, with lower cost producers remaining resilient to fulfil reduced demand, including in sectors such as petrochemicals. Prices and demand for natural gas remains consistent, given perception as a sustainable alternative or “bridge fuel”. Gold has a continued role as a “safe haven” in a financial landscape that can at times be increasing volatile due to climate change.
Reputational Risks 	<ul style="list-style-type: none"> Broader reputational implications for energy industry in low-carbon transition is mitigated for those pledging “net-zero” and executing low-carbon transitions, including reliance on renewable energy sources. There are impacts on the ability of energy producers to access equity capital or raise debt, but this does not extend to sustainable, low-carbon producers. Gold operators committing to and achieving staged decarbonization retain access to equity capital and debt.

2°C SCENARIO: Outcomes for Franco-Nevada

General Outcomes

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

Energy Outcomes

- Lower demand for oil will reduce the level of drilling activity on a number of our energy portfolio investments, reducing the rate of production from those assets. While the rate of return on these assets will be lower, subject to certain assets being permanently abandoned due to decreased demand, much of the resource will still be exploited over time due to the demand for fossil fuels in the continuing transition to low-carbon energy sources.
- Franco-Nevada's strategy to capital allocation for energy opportunities will remain to opportunistically buy quality energy assets with a greater focus on natural gas as a lower carbon transition fuel, and will increasingly focus on opportunities that have the strongest economics and implement the most innovative and efficient technologies, so as to continue to attract drilling capital in a scenario of lower fossil fuel consumption.

Gold Outcomes

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

Risk Management

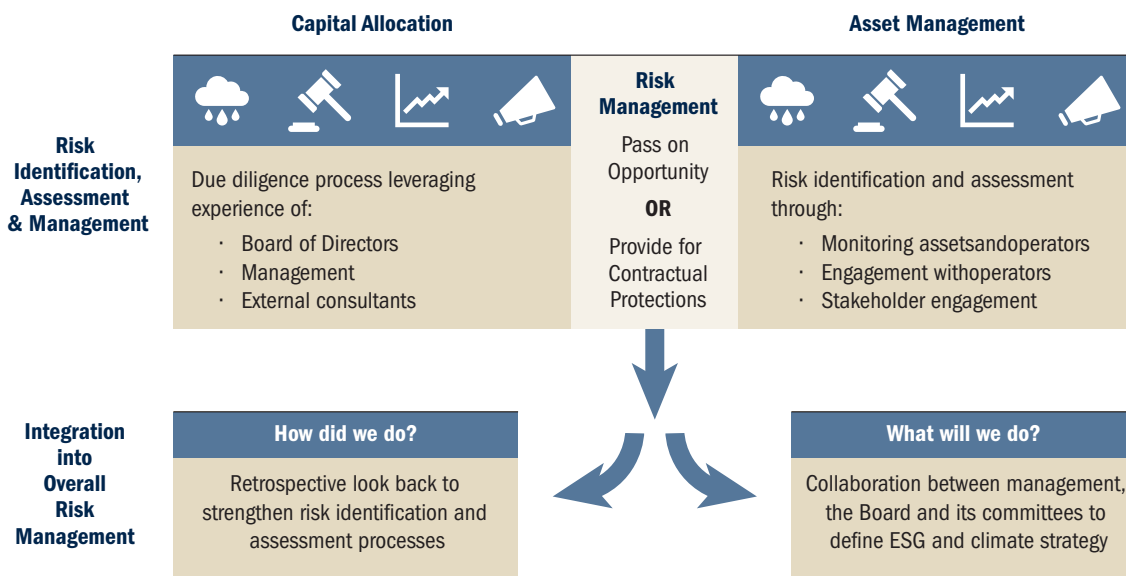
Our processes used to identify, assess, and manage climate-related risks

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

It follows that the crucial period for the identification and assessment of ESG risks, including climate-related risks, is at the outset, prior to acquiring royalty and stream assets. We have adopted a comprehensive due diligence process when choosing investments and potential operating partners. This due diligence review involves utilizing the extensive experience of our multi-disciplinary management team and board of directors to evaluate ESG and climate risks specific to a mining or energy operation and the plans adopted by the operator to manage such risks.

We also routinely engage external experts to assess risks, including climate-related physical, regulatory, market and reputational risks. The climate-related considerations relating to a specific opportunity will vary considerably depending on the commodity-type, jurisdiction, operator, operation, etc. but, by way of example, these may include water scarcity, power supply and environmental permitting considerations. For an in-depth discussion of our due diligence process, please refer to *Making Responsible Investments – Due Diligence Process* and *– ESG-Related Due Diligence* on pages 19-20 in this ESG Report.

If ESG risks, including climate-related risks, identified in our due diligence processes are assessed and deemed to be material or adverse to the prospects of the operator or project or to our royalty or stream interest, this may result in our decision not to proceed with an investment. We have recently passed on otherwise prospective opportunities because the ESG risks were too substantial. If we elect to proceed with an investment, we endeavour to include in our contractual arrangements, provisions including reporting obligations, audit and inspection rights, operating covenants, transfer restrictions and remedies, which help manage and mitigate climate-related risks. For an in-depth discussion of these contractual protections, please refer to *Making Responsible Investments – Ongoing Asset Management* on page 21 in this ESG Report.



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

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

Metrics & Targets

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

Our company's operational emissions, calculated in accordance with the GHG Protocol Corporate Accounting and Reporting Standard, are set out in the Our Global Carbon Footprint section on pages 6–8 in this ESG Report. In sum, in 2020 we produced 49.0 tCO₂e of Scope 2 GHG emissions and 44.1 tCO₂e of Scope 3 GHG emissions.

In accordance with the Greenhouse Gas Protocol Technical Guidance for Calculating Scope 3 Emissions (Category 15: Investments), inclusion of GHG emissions generated from the operations in which we have royalty and stream investments is optional but not required and such emissions are excluded in our Scope 3 emissions. We have a diverse and expansive royalty and stream portfolio and some of our operators are private, not having the same disclosure requirements as public issuers, or do not report emissions on an asset-by-asset basis. We do have access to certain publicly available emission data relating to the operations where we hold royalty and stream investments, which is included in this ESG Report (refer to Appendix A: Our Operators' Emissions).

As a royalty and stream company, subject to the limited contractual protections we are afforded in our royalty and stream arrangements (refer to page 21 in this ESG Report for further detail) we do not exercise control over the operations (including the emissions and carbon footprints) of our operators. It follows that our targets used to assess and manage climate-related risks and opportunities can only extend to our own actions and initiatives. Our climate-related targets and 2020 performance related to such targets are as follows:

- **Gold-Focused Capital Allocation:** We continue to be convinced of the long-term appeal of gold in the transition to a low-carbon economy and seek to add best-in-class gold assets to our portfolio.
 - **Target:** We aim to allocate our capital with a focus upon gold and other precious metals, and to make opportunistic investments in other metals and energy.
 - **Performance:** In 2020, 91% of revenue was generated from gold and gold equivalents with 70% from gold. 9% of our revenue was generated from energy assets.
- **Operationally Carbon Neutral:** Our initiatives to reduce our carbon footprint in our office workplaces (e.g. notice-and-access, reduction in paper size, etc.) are described in this ESG Report (refer to Our Global Carbon Footprint on pages 6-8. For the emissions that we cannot reduce or eliminate, we seek to purchase carbon offsets to offset our emissions.
 - **Target:** We are committed to achieving carbon neutrality annually for our global operations.
 - **Performance:** In 2020, we achieved carbon neutrality for our global operations.
- **Climate-Related Initiatives:** Our relationships formed in the industry and with the existing operators of the projects in which we have royalty and stream interests will position us to assist our operators in financing projects to reduce their carbon footprint.
 - **Target:** We aim to provide financing to our operators for their initiatives to reduce their carbon footprint.
 - **Performance:** In 2020, we advanced our efforts to finance our operators' low-carbon transition projects and expect to make further progress through 2021.
- **Enhanced Climate-Related Transparency:** With the ever-evolving sustainability movement, we seek to provide increased transparency in our sustainability reporting and continue to address pertinent climate-related issues that are important to our stakeholders.
 - **Target:** We will continue to improve annual climate-related disclosure, providing increasing transparency.
 - **Performance:** For 2020, we significantly enhanced our climate-related disclosure, with the inclusion of first-time TCFD-aligned climate disclosure and offered other new disclosure, including setting out publicly available emissions data from our operators in this ESG Report.

Appendix C: SASB DISCLOSURE

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

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

All disclosure included or referenced below is being provided for Franco-Nevada Corporation and our subsidiaries (collectively, "we", "us", "our", "Franco-Nevada", or the "Company"). Such information is as of, or for the year-ended December 31, 2020 unless otherwise noted. The inclusion of information contained in this disclosure should not be construed as a characterization regarding the materiality or financial impact of that information.

Asset Management & Custody Activities - Sustainability Accounting Standards

Code	Accounting Metric
	Transparent Information & Fair Advice for Customers
FN-AC-270a.1	(1) Number and (2) percentage of covered employees with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings
FN-AC-270a.2	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of financial product-related information to new and returning customers
FN-AC-270a.3	Description of approach to informing customers about products and services
	Employee Diversity & Inclusion
FN-AC-330a.1	Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees
	Incorporation of ESG Factors in Investment Management & Advisory
FN-AC-410a.1	Amount of assets under management, by asset class, that employ (1) integration of environmental, social, and governance (ESG) issues, (2) sustainability themed investing, and (3) screening
FN-AC-410a.2	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment and/or wealth management processes and strategies
FN-AC-410a.3	Description of proxy voting and investee engagement policies and procedures
	Business Ethics
FN-AC-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations
FN-AC-510a.2	Description of whistleblower policies and procedures
	Systemic Risk Management
FN-AC-550a.1	Percentage of open-end fund assets under management by category of liquidity classification
FN-AC-550a.2	Description of approach to incorporation of liquidity risk management programs into portfolio strategy and redemption risk management
FN-AC-550a.3	Total exposure to securities financing transactions
FN-AC-550a.4	Net exposure to written credit derivatives
	Activity Metrics
FN-AC-000.A	(1) Total registered and (2) total unregistered assets under management (AUM)
FN-AC-000.B	Total assets under custody and supervision

Transparent Information & Fair Advice for Customers

FN-AC-270a.1

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

Franco-Nevada Corporation and its subsidiaries are not brokerages or dealers and our business and employees are not subject to FINRA, IIROC and related rules, regulations or filing requirements. Accordingly, we did not have any “covered employees”, as such term is defined in the SASB Standards, in the reporting period (fiscal 2020). Notwithstanding, we are aligned with the SASB disclosure standards having disclosed the number (nil) and percentage (0%) of all of our employees with a record of investigations, complaints, litigations, or other regulatory proceedings. Also refer to page 38 of this ESG Report for further information.

FN-AC-270a.2

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

As a royalty and streaming company, Franco-Nevada does not have customers akin to a typical investment dealer, broker or custodian. Notwithstanding, we are aligned to the SASB disclosure standards having disclosed the monetary losses (nil) as a result of legal proceedings (nil) associated with marketing and communication of any and all information generally. Also refer to page 38 of this ESG Report for further information.

FN-AC-270a.3

Description of approach to informing customers about products and services

As indicated above, as a royalty and streaming company, we do not have customers, products or services in a traditional sense. Rather, our primary focus relates to our approach to communicating with and informing Franco-Nevada’s shareholders about our business. Refer to pages 50-51 of this ESG Report, which describes our process of engaging, communicating and collaborating with our shareholders and other stakeholders.

Employee Diversity & Inclusion

FN-AC-330a.1

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

Quantitative Summary of Racial/ Ethnic and Gender Representation

The racial/ethnic group and gender representation among our company’s and its subsidiaries workforce (consisting of 35 employees in four offices) is included in the table below. Also refer to pages 42-44 of this ESG Report for further information.

	BIPOC *	Other	N/A **
Senior Executive Management (5 - CEO, CFO, CLO, SVPs)	2	3	0
Other Executive Management (6 - President (FNB), VPs)	2	4	0
Non-Executive Management (6 - Directors, Controller)	2	4	0
All Other Employees (18)	8	10	0
Total	14	21	0

* BIPOC = Black, Indigenous, and People of Colour

** N/A = not available or not disclosed

	Female	Male	N/A *
Senior Executive Management (5 - CEO, CFO, CLO, SVPs)	0	5	0
Other Executive Management (6 - President (FNB), VPs)	1	5	0
Non-Executive Management (6 - Directors, Controller)	2	4	0
All Other Employees (18)	14	4	0
Total	17	18	0

** N/A = not available or not disclosed

Diversity and Inclusion Policies, Programs and Initiatives

For a detailed description of our policies, programs and initiatives for fostering diversity and inclusion across our global operations, refer to pages 42-44 of this ESG Report.

Incorporation of ESG Factors in Investment Management & Advisory

FN-AC-410a.1

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

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

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

FN-AC-410a.2

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

ESG Considerations in Due Diligence Process

We believe that proper consideration of ESG risks in connection with the companies, projects and jurisdictions in which we seek to invest will enhance long-term performance of our company and in turn generate real value for our shareholders. Accordingly, we conduct a rigorous review of ESG issues and risks during our due diligence process when evaluating all royalty and stream opportunities. As each opportunity varies considerably based upon the commodity-type, jurisdiction, nature of the royalty or stream interest (e.g. whether such interest relates to a historical third-party arrangement or is being newly created), among other things, we apply a flexible approach to our ESG due diligence review and frequently rely on local ESG consultants for their expert guidance. Please refer to pages 19-20 of this ESG Report, which describes our due diligence process, including specific ESG factors assessed, when making investment decisions.

Mitigating ESG Risks in Contractual Arrangements

In order to mitigate ESG risks, when negotiating all new investments we endeavour to include provisions to afford our company with access to ongoing reporting in respect of a project, audit and inspection rights, and security and remedies. Additionally, we include operating covenants (e.g. requirement of operators to conduct operations in accordance with responsible practices and applicable law) and transfer constraints intended to ensure that we remain partnered with a responsible actors when it comes to ESG-related issues. Refer to page 21 of this ESG Report, which describes in further detail these contractual protections.

ESG Policies and Committee Charters

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

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

ESG Oversight and Implementation; Climate-Related Scenarios and Risk Profiling

Refer to our Task Force on Climate-related Financial Disclosures section of this ESG Report in Appendix B for:

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

FN-AC-410a.3*Description of proxy voting and investee engagement policies and procedures*

As a royalty and streaming company, our equity holdings do not represent a material portion of our business and the management of security portfolios and active engagement with investee companies are each not applicable to our company. Refer to Note 20 in our Audited Financial Statements for the year ended December 31, 2020 for the total quantum (\$195.6 million as at December 31, 2020) of our equity investments. For this reason, we do not have formal proxy voting and investee engagement policies and procedures and the information required in this SASB standard has been omitted.

Business Ethics**FN-AC-510a.1***Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations*

We are aligned with the SASB disclosure standards having disclosed the total amount of monetary losses (nil) as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations. Also refer to page 55 of this ESG Report for further information.

FN-AC-510a.2*Description of whistleblower policies and procedures*

Our Whistleblower Policy and our Employee Complaint Procedures for Accounting and Auditing Matters can be found on our website. Also refer to page 54 of this ESG Report for a description of such policies and related procedures and page 55 of this ESG Report for the number of instances of whistleblower complaints (nil) since our initial public offering in 2007.

Systemic Risk Management**FN-AC-550a.1***Percentage of open-end fund assets under management by category of liquidity classification*

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

Although we are not required to, and do not, track or categorize liquidity of our asset classes, details regarding our asset classes (i.e. cash and cash equivalents, receivables, investments (including publicly traded securities) and loan receivables, royalty and streaming assets, etc.) are contained in our Consolidated Statements of Financial Position in our Audited Financial Statements for the year ended December 31, 2020 (page 6) and to the notes referenced in the statements) and may be informative as to the relative liquidity in each asset class.

FN-AC-550a.2*Description of approach to incorporation of liquidity risk management programs into portfolio strategy and redemption risk management*

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

For details regarding our financial risk management, including our processes and strategies in place for managing and mitigating financial, including liquidity, risks, please refer to Note 21 in our Audited Financial Statements for the year ended December 31, 2020, the Liquidity and Capital Resources section of our Management's Discussion & Analysis for the year ended December 31, 2020 (page 33) and the Strategy and Risk Management section in our 2021 Management Information Circular (pages 42-43).

FN-AC-550a.3*Total exposure to securities financing transactions*

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

FN-AC-550a.4*Net exposure to written credit derivatives*

Franco-Nevada does not have exposure (nil) to written credit derivatives. Please refer to Note 2(h) in our Audited Financial Statements for the year ended December 31, 2020 for a description of our financial instruments.

Activity Metrics**FN-AC-000.A***(1) Total registered and (2) total unregistered assets under management (AUM)*

Franco-Nevada does not have any registered assets (nil) under the SASB definition of Registered AUMs. Accordingly, all (100%) of our assets are unregistered assets, all of which are our company's control and supervision. For details regarding our assets, please refer to our Consolidated Statements of Financial Position in our Audited Financial Statements for the year ended December 31, 2020 (page 6 and to the notes referenced in the statements).

FN-AC-000.B*Total assets under custody and supervision*

Please refer to the note above for SASB standard FN-AC-000.A. All of our company's assets are under our supervision. For details regarding our assets, please refer to our Consolidated Statements of Financial Position in our Audited Financial Statements for the year ended December 31, 2020 (page 6) and to the notes referenced in the statements).

Appendix D:

UN GLOBAL COMPACT: COMMUNICATION ON PROGRESS

Progress on the Ten Principles in 2020

Human Rights

Principles	Policies
<p>Principle 1 BUSINESSES SHOULD SUPPORT AND RESPECT THE PROTECTION OF INTERNATIONALLY PROCLAIMED HUMAN RIGHTS; AND</p> <p>Principle 2 MAKE SURE THAT THEY ARE NOT COMPLICIT IN HUMAN RIGHT ABUSES.</p>	<p>Human Rights Policy</p> <p>Investment Principles Policy (Environmental, Social and Governance)</p> <p>Supplier Code of Conduct</p> <p>Whistleblower Policy</p>
Progress in 2020	Measurement of Outcomes in 2020
<p>Adopted Human Rights Policy which formalized our actions, practices and beliefs relating to (see description on page 41 of this ESG Report)</p> <p>Enhanced our ESG due diligence review list, which includes a review of the ethical track record of the applicable operator (see description on page 20 of this ESG Report)</p> <p>Adopted Supplier Code of Conduct, which sets out our expectations of our suppliers, including relating to human rights issues (see description on page 46 of this ESG Report)</p> <p>Adopted Whistleblower Policy, which expanded our confidential internal reporting and complaint procedures to apply to all of our corporate policies, including our Human Rights Policy (see description on page 54 of this ESG Report)</p>	<p>There were no workplace incidents, labor violations, or reports of violence or harassment in our workplace (see page 38 of this ESG Report)</p> <p>There were no noted or reported human rights incidents relating to our suppliers (see page 38 of this ESG Report)</p>



Progress on the Ten Principles in 2020

Labour

Principles	Policies
<p>Principle 3 BUSINESSES SHOULD UPHOLD THE FREEDOM OF ASSOCIATION AND THE EFFECTIVE RECOGNITION OF THE RIGHT TO COLLECTIVE BARGAINING;</p> <p>Principle 4 THE ELIMINATION OF ALL FORMS OF FORCED AND COMPULSORY LABOR;</p> <p>Principle 5 THE EFFECTIVE ABOLITION OF CHILD LABOR; AND</p> <p>Principle 6 THE ELIMINATION OF DISCRIMINATION IN RESPECT OF EMPLOYMENT AND OCCUPATION.</p>	<p>Human Rights Policy</p> <p>Diversity and Inclusion Policy</p> <p>Non-Discrimination, Anti-Harassment & Equal Opportunity Policy</p> <p>Code of Business Conduct and Ethics</p> <p>Health and Safety Policy</p> <p>Investment Principles Policy (Environmental, Social and Governance)</p> <p>Supplier Code of Conduct</p> <p>Whistleblower Policy</p>
Progress in 2020	Measurement of Outcomes in 2020
<p>Became a signatory to the BlackNorth Initiative CEO Pledge. The BlackNorth Initiative is aimed at eliminating systemic discrimination (see description on page 44 of this ESG Report)</p> <p>Adopted Human Rights Policy which describes our support for the freedom of association and peaceful assembly and sets out our commitment not to employ individuals under the legal age of employment, not to use forced or slave labor in respect of our business activities or operations, and to comply with applicable laws and regulations relating to minimum wages and benefits, working hours and working days limits (see description on page 41 of this ESG Report)</p> <p>Amended our Diversity Policy, renaming it the Diversity and Inclusion Policy, to incorporate inclusionary principles, including our commitment to creating a workplace that promotes dignity and respect for our representatives and providing access to a safe, inclusive and accessible workplace (see description on page 42 of this ESG Report)</p> <p>Enhanced our ESG due diligence review list, which includes the review of the workplace standards, protections and policies of the applicable operator and operation and verifies the commitment by the operator to fundamental freedoms of individuals (see description on page 20 of this ESG Report)</p> <p>Adopted Supplier Code of Conduct, which sets out our expectations of our suppliers, including in respect of their labor practices and standards relating to legal age of employment, forced and slave labor, wages and benefits, freedom of association and right to collective bargaining and non-discrimination (see description on page 46 of this ESG Report)</p> <p>Adopted Whistleblower Policy, which expanded our confidential internal reporting and complaint procedures to apply to all of our corporate policies, including our labor-related policies (see description on page 54 of this ESG Report)</p>	<p>Continued productive work from home arrangements with no known cases of COVID among our employees and 100% employee retention from pre-COVID period (see page 39 of this ESG Report)</p> <p>There were no workplace incidents, labor violations, or reports of violence or harassment in our workplace (see page 38 of this ESG Report)</p> <p>There were no noted or reported labor incidents (including incidents of discrimination, forced labor, child labor, or not upholding fundamental freedoms) relating to our suppliers (see page 38 of this ESG Report)</p> <p>Added an additional female director to our Board, achieving our target of attaining by 2022, a Board composition in which at least 30% of the independent directors are women (33% as of December 31, 2020) (see page 42 of this ESG Report)</p> <p>Made progress towards our diverse hiring initiatives with the promotion of a female member of a visible minority to the office of VP Finance and Operations, Franco-Nevada (Barbados) Corporation, and the promotion of a male member of a visible minority to the office of VP Tax at Franco-Nevada Corporation (see page 42 of this ESG Report)</p>

Progress on the Ten Principles in 2020

Environment

Principles	Policies
<p>Principle 7 BUSINESSES SHOULD SUPPORT A PRECAUTIONARY APPROACH TO ENVIRONMENTAL CHALLENGES;</p> <p>Principle 8 UNDERTAKE INITIATIVES TO PROMOTE GREATER ENVIRONMENTAL RESPONSIBILITY; AND</p> <p>Principle 9 ENCOURAGE THE DEVELOPMENT AND DIFFUSION OF ENVIRONMENTALLY FRIENDLY TECHNOLOGIES.</p>	<p>Investment Principles Policy (Environmental, Social and Governance)</p> <p>Supplier Code of Conduct</p>
Progress in 2020	Measurement of Outcomes in 2020
<p>Committed in our 2020 ESG Report to increasing transparency in our environmental reporting, including evaluating TCFD and SASB-aligned reporting (see Appendices B and C of this ESG Report)</p> <p>Enhanced our ESG due diligence review list, which includes the review of the environmental profile of the applicable operator and operation (see description on page 20 of this ESG Report)</p> <p>Adopted Supplier Code of Conduct, which sets out our expectations of our suppliers, including relating to environmental matters (see description on page 46 of this ESG Report)</p>	<p>First-time alignment of environmental reporting with TCFD and SASB frameworks (see Appendices B and C of this ESG Report)</p> <p>Increased involvement in environmental and community initiatives, including with Coeur Mining on a water purification project in Mexico (see page 35 of this ESG Report)</p> <p>Relied upon notice-and-access (paperless) delivery procedures for certain materials sent to our shareholders and reduced the size and weight of the paper for our management information circular (see page 6 of this ESG Report)</p> <p>There were no environmental fines, litigation or liabilities relating to our workplace (see page 38 of this ESG Report)</p> <p>There were no noted or reported environmental incidents relating to our suppliers (see page 38 of this ESG Report)</p>



Progress on the Ten Principles in 2020

Anti-Corruption

Principles	Policies
<p>Principle 10 THE ELIMINATION OF DISCRIMINATION IN RESPECT OF EMPLOYMENT AND OCCUPATION.</p>	<p>Business Integrity Policy</p> <p>Code of Business Conduct and Ethics</p> <p>Policy Concerning Confidentiality, Fair Disclosure and Trading in Securities</p> <p>Supplier Code of Conduct</p> <p>Whistleblower Policy</p> <p>Employee Complaint Procedures for Accounting and Auditing Matters</p>
Progress in 2020	Measurement of Outcomes in 2020
<p>Updated Business Integrity Policy to provide that our personnel shall not make any charitable or political payment, donation or sponsorship in order to influence or induce a public official to violate their lawful duty or improperly use their influence to gain an undue advantage (see description on page 54 of this ESG Report)</p> <p>Enhanced our ESG due diligence review list, which includes a review of any history of corruption of the applicable operator (see description on page 20 of this ESG Report)</p> <p>Adopted Supplier Code of Conduct, which sets out our expectations of our suppliers, including relating to anti-corruption and ethical business practices (see description on page 46 of this ESG Report)</p> <p>Adopted Whistleblower Policy, which expanded our confidential internal reporting and complaint procedures to apply to all of our corporate policies, including our labor-related policies (see description on page 54 of this ESG Report)</p>	<p>No whistleblower complaints under the Whistleblower Policy or the Employee Complaint Procedures for Accounting and Auditing Matters (see page 55 of this ESG Report)</p> <p>There were no facilitation payments, political donations, lobbying expenditures made by our company (see page 55 of this ESG Report)</p> <p>There were no noted or reported cases of corruption (including extortion or bribery) relating to our suppliers (see page 38 of this ESG Report)</p>

APPENDIX E: INDEPENDENT LIMITED ASSURANCE REPORT



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INDEPENDENT LIMITED ASSURANCE REPORT

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

We have undertaken a limited assurance engagement of the description of progress on Franco-Nevada’s Responsible Gold Mining Principles Policy (“RGMP Policy”) implementation presented on page 16 of Franco-Nevada’s 2021 Environmental, Social and Governance (ESG) Report (the “Report”) as at December 31, 2020.

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

SPECIFIC PURPOSE OF SUBJECT MATTER AND APPLICABLE CRITERIA

The scope of our limited assurance engagement, as agreed with management, is management’s *Description of Progress* contained in the table under the section titled “Description of Progress on Franco-Nevada’s RGMP Policy Implementation” on page 16 of the Report.

There are no mandatory requirements for the preparation, publication or review of management’s description of progress on RGMP Policy implementation. As such, Franco-Nevada has created and applied internally developed RGMP Policy Measures (the ‘Applicable Criteria’) which are listed in the table on page 16 of the Report.

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

MANAGEMENT’S RESPONSIBILITIES

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

PRACTIONER’S RESPONSIBILITIES AND PROFESSIONAL REQUIREMENTS

Our responsibility is to express a limited assurance conclusion based on the work performed. We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (“ISAE”) 3000 *Assurance Engagements Other than Audits or Review of Historical Financial Information*, issued by the International Auditing and Assurance Standards Board. ISAE 3000 requires that we plan and perform this engagement to obtain the stated level of assurance, in accordance with the Applicable Criteria.

ASSURANCE APPROACH

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

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

The procedures performed in a limited assurance engagement are less in extent than for a reasonable assurance engagement, and therefore a substantially lower level of assurance is obtained.

We also performed such other procedures as we considered necessary in the circumstances.

PRACTITIONER'S INDEPENDENCE, QUALITY CONTROL

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

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

SIGNIFICANT INHERENT LIMITATIONS

Non-financial information, such as the Description on Progress, is subject to more inherent limitations than financial information, given the qualitative characteristics of the underlying subject matter and methods used for determining this information. The absence of a significant body of established practice on which to draw allows for the selection of different but acceptable evaluation techniques, which can result in materially different measurements and can impact comparability. It is important to read Franco-Nevada's internally developed RGMP Policy Measures presented in the table on page 16 of the Report.

CONCLUSION

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

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

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Description of Progress as described above and disclosed in the Report as at December 31, 2020, has not been prepared and presented, in all material respect, in accordance with the Applicable Criteria, current as at the date of this report.



Chartered Professional Accountants, Licensed Public Accountants

April 16, 2021

Appendix F:

CARBON NEUTRAL INITIATIVE

Carbon Neutral for Global Operations (2020)			
Emissions Eliminated	Carbon Offset Supplier	Type of Carbon Offset Purchased from Supplier	
		Gold Standard-Certified Offsets (50%)	CSA Standard-Certified Offsets (50%)
All emissions* for our global operations**	Less Emissions <ul style="list-style-type: none"> • A Bullfrog Power company • Canadian (Toronto-based) supplier of independently audited high quality carbon offsets • Previously ranked as the highest quality offset provider by the David Suzuki Foundation and the Pembina Institute 	Gold Standard-certified emission reductions (CERs): A global standard for projects in developing countries that verifiably achieve GHG emissions reductions at the source and create positive impacts on social networks and their local economy. Follows the United Nations' Clean Development Mechanism (CDM) protocols for CERs.	CSA Standard-certified offsets: A global standard for voluntary GHG emissions reduction projects. Follows the United Nations' CDM methodologies and enables projects located in developed countries (and therefore outside the jurisdiction of the Gold Standard CDM certification program) to meet equivalent performance standards and deliver high quality emissions reductions.

* Represents all of our estimated reported global emissions in 2020, or 93.1 tCO₂e (equal to total Scope 2 emissions of 49.0 tCO₂e plus total Scope 3 emissions of 44.1 tCO₂e), which are calculated subsequent to year-end. As indicated in *Our Global Carbon Footprint* section below, our global operations do not have Scope 1 (direct) emissions as our offices rely on electricity and steam for energy and heating, which are included under our Scope 2 (indirect) emissions.

** As indicated in *Our Global Carbon Footprint* section below, due to constraints owing to lack of information for certain leased premises in Perth, Australia (1 employee) and Colorado, United States (3 employees), our reported data for electricity and steam (each Scope 2 emissions) and water and waste (each Scope 3 emissions) relate only to our Toronto and Barbados office and covers 88.6% (31 of 35 employees) of our company. We grossed up our emissions (proportionate to our reported emissions for our Toronto and Barbados office) and purchased offsets representing 125% of our grossed up emissions to provide for a buffer to ensure that all of our company's global operational emissions were covered.





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