



Franco Nevada



**UN Global
Compact**

**2022 Communication
on Progress**



Franco Nevada

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Franco-Nevada Corporation

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To our Stakeholders:

Franco-Nevada Corporation has been a signatory of the UN Global Compact since April 2020. In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our strategy and operations. We also commit to sharing this information with our stakeholders. We are proud of the progress made working towards the ten principles and we will continue to support the UN Global Compact going forward.

Sincerely,



Paul Brink

President & CEO
Franco-Nevada Corporation



UN Global Compact: Communication on Progress

Human Rights

Progress on the Ten Principles in 2021

PRINCIPLES

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

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

POLICIES

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

DESCRIPTION OF ACTIONS IN 2021

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

MEASUREMENT OF OUTCOMES IN 2021

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



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Labour

Progress on the Ten Principles in 2021

PRINCIPLES

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

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

Principle 5: The effective abolition of child labor; and

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

POLICIES

- Human Rights Policy
- Diversity and Inclusion Policy
- Non-Discrimination, Anti-Harassment & Equal Opportunity Policy
- Travel Safety Policy

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

DESCRIPTION OF ACTIONS IN 2021

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

MEASUREMENT OF OUTCOMES IN 2021

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



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Environment

Progress on the Ten Principles in 2021

PRINCIPLES

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

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

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

POLICIES

- Investment Principles Policy (Environmental, Social and Governance)

- Supplier Code of Conduct

DESCRIPTION OF ACTIONS IN 2021

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

MEASUREMENT OF OUTCOMES IN 2021

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



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Anti-Corruption

Progress on the Ten Principles in 2021

PRINCIPLES

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

POLICIES

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

DESCRIPTION OF ACTIONS IN 2021

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

MEASUREMENT OF OUTCOMES IN 2021

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

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