



# Environment, Social and Governance Report

2021

## Forward-looking Statement

This report includes “forward-looking statements” within the meaning of U.S. federal securities laws. Forward-looking statements are any statements other than statements of historical fact. Forward-looking statements are not guarantees of future performance, and actual results may differ, possibly materially, from these statements due to various factors. Forward-looking statements herein include statements regarding the following: our approach to developing new business; our ability to attract, develop and maintain a talented workforce and to ensure internal policies and practices support our corporate culture; promoting long term shareholder interests; strengthening Board and management accountability and building public trust; building and managing a diversified and cash-flowing portfolio and assets that have future potential; our ability to acquire new stream or royalty interests; providing shareholders long term exposure to resource upside and metal price optionality; resource growth and mine life extension enhancing returns; identifying and managing ESG risks in new investments, acquisitions and existing stream and royalty interests; commitment to sustainability and seeking counterparties who lead in ESG; engagement with counterparties; maintaining standards of ethics and integrity; maintaining a geographically and operationally diverse portfolio; potential for organic revenue growth and optionality through exploration success and future production expansions; stability of revenue and reduced exposure to individual assets; limited exposure to geopolitical volatility; reduced exposure to by-product revenue fundamentals; competent evaluation of new opportunities and management of existing stream and royalty interests; scalable business allowing effective management with few employees; ability to influence counterparties through contractual arrangements and engagement; evolving content and focus of future ESG reports; the Company’s ability to manage ESG risk; ability to influence operators of stream and royalty properties, address societal needs, and provide a challenging work environment free from harassment and discrimination; assisting Operators to achieve sustainability goals; evolving ESG contractual commitments; seeking to go beyond PRI principles; reflecting ESG in management of every aspect of business; employing highly qualified employees; maintaining a Board of Directors with diverse and relevant backgrounds for proper oversight; requiring accountability at all levels and measuring performance; impacting operations through investment; incentivizing Operator behavior with improved economics; requiring covenants to track performance and regular dialogue with Operator management; endeavoring to disclose statistics related to royalty and stream interests; developing TCFD reporting and scenario analysis over time; playing a role in Operator efforts to address climate targets; CNG Committee continuing to monitor, guide and probe ESG; playing a role in operator transition to low-carbon economy, improving water efficiency and UN sustainable development goals; enhancing diversity within the Company; exceeding ESG standards; vision to be the gold standard in everything we do by operating in alignment with core values; ensuring a safe, respectful, inclusive work environment, supporting local communities and operators to enhance sustainability efforts, and caring for and deploying shareholder capital to create long-term value; striving to develop and nurture long term relationships with all stakeholders; exemplifying honesty, transparency and accountability; managing our business and reporting progress according to four pillars and providing a meaningful way for stakeholders to judge ESG performance; creating a culture of responsible investing through governance, engagement, maintaining a work environment free of harassment and discrimination, implementing appropriate policies and retaining skilled board members and management; aligning business strategy with sustainable development goals and incorporating ESG into investment and ownership, incorporating ESG principles into due diligence; incentivizing operator ESG behavior; being active owners and working responsibly and encouraging sustainable practices, incorporating ESG into contracts and reporting, supporting community programs and addressing societal issues, and supporting portfolio site programs; reviewing and reporting on activities and being transparent about impacts; commitment to leading corporate governance practices and remaining the Gold Standard through ethical standards, communication and accountability; CNG Committee members applying ESG expertise to exercise of oversight; identifying and managing ESG risk in investments, corporate strategy and oversight; Enterprise Risk Management Committee considering potential risks, determining appropriate mitigation and executing on mitigation strategies; annual review and modification of ESG strategy; ESG considerations in annual incentive compensation aligning management with stakeholders; striving to be a trusted steward of shareholder capital and a valued partner; policies reviewed and updated annually as necessary to align with corporate best practices; ensuring health and safety of our employees; demonstrating thorough approach to ESG in investment review; conduct, scope and goals of due diligence and new investment reviews and approvals; mitigating risks identified in due diligence; integrating ESG considerations into stream and royalty contracts; monitoring ESG and operating risks; reporting results of monitoring, including ensuring concerns are communicated to management and the Board of Directors; understanding the impacts of climate change and transition risks; conducting and reporting TCFD scenario analysis, including providing more detailed assessments, setting targets and determining actions to reduce or offset GHG emissions; commitment to carbon neutrality and reducing emissions and waste; measuring GHG and water intensity as key performance indicators; increasing ESG transparency and disclosure; highly efficient business model; and results of our community support program. Factors that could cause actual results to differ materially from these forward-looking statements include, among others, the following: a lower-price environment for gold or other metals; development activities relating to the mines; adverse economic and market conditions; changes in, or adoption of, new laws or regulations; and other factors described in our reports filed with the Securities and Exchange Commission, including our Form 10-K for the transition period ended December 31, 2021. Forward-looking statements speak only as of the date on which they are made. We disclaim any obligation to update any forward-looking statements, except as required by law. Readers are cautioned not to put undue reliance on forward-looking statements. Please see also “Forward-Looking Statements” on pages 83 to 84 of our Form 10-K for the transition period.

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# About Us

## About Us

Royal Gold, Inc. (“Royal Gold”) is a leading precious metals stream and royalty company owning stream and royalty interests in several of the world’s most attractive mines. Royal Gold common shares are listed and traded on the Nasdaq Global Select Market under the symbol “RGLD.”

## Who We Are

As of December 31, 2021, Royal Gold employs a small team of 29 employees, 21 of whom work out of our headquarters in Denver, Colorado. The remainder work out of our offices in Lucerne, Switzerland, and Toronto and Vancouver, Canada. The continued growth and success of our business depends on our people. While our stream and royalty interests focus on precious metals, our people are our most important resource. Our management team has significant industry and company-specific experience and is responsible for ensuring that our policies and practices support our desired corporate culture, including employee development. Our human capital management strategy is built on attracting, developing and retaining a talented workforce.

Oversight of the management team is provided by a highly capable and independent Board of Directors (the “Board”), consisting of individuals with a diverse set of skills and experience that align with our business strategy. Each of our directors contributes a distinct perspective to promote the best interests of Royal Gold and our stakeholders. Royal Gold has a long-standing commitment to corporate governance best practices, which promotes the long-term interests of shareholders, strengthens Board and management accountability and builds public trust.

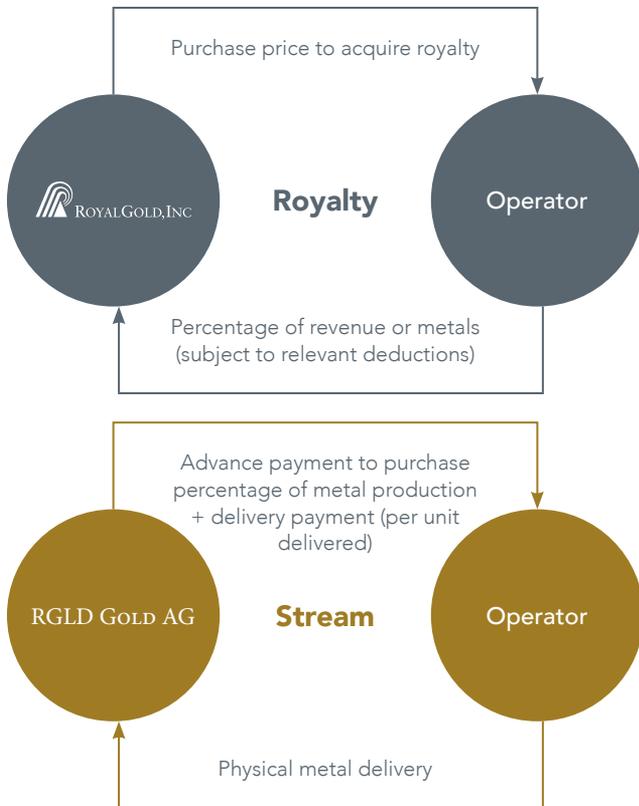
## What We Do

Our principal activity is the acquisition and management of precious metal stream and royalty interests. Royal Gold acquires and manages precious metals streams and royalties in mining projects operated by third parties. We refer to these third parties as our “Operators.” By aligning with capable mine Operators, we focus on building and managing a diversified and cash-flowing portfolio of interests in producing mines, while also accumulating a pipeline of earlier-stage assets that are not yet cash-flowing, but have the potential to do so in the future. Metal stream and royalty interests are defined as follows:

**Stream** – A metal stream is a purchase agreement that provides, in exchange for an upfront payment, the right to purchase all or a portion of one or more metals produced from a mine, at a price determined by the purchase agreement for the life of the transaction.

**Royalty** – A royalty is a non-operating interest in a mining project that provides the right to a percentage of revenue or metal produced from the mine after deducting specified costs, if any.

The following figure shows a graphical representation and simplification of our stream and royalty business model.



Phase of Project		
Exploration	Development	Production
Royalty	Royalty	
	Stream	Stream
<p>Royal Gold investment may include the right to finance future and/or further project development</p>		
<p>Proceeds generally used towards exploration or early project development</p>	<p>Proceeds generally used towards project development</p>	<p>Proceeds generally used towards production expansion, development of new projects, or other corporate purposes</p>
Typical Investment Size		
~\$10M-50M	~\$50M-300M	~\$200M-\$1B+

Stream and royalty interests can be acquired by Royal Gold either directly from a mining company or from a third party. In the case of new streams or royalties that are sold to Royal Gold by a mining company to raise capital, this financing provided by Royal Gold is typically directed by Operators towards three broad uses:

1. Investing directly in mining assets (for example, for mine development and construction, mine expansion or funding exploration work);
2. Providing liquidity to strengthen Operator balance sheets; and/or
3. Funding merger and acquisition activity

Royal Gold's business model is designed to provide shareholders with long-term exposure to mineral resource upside and metal price optionality for the entire life of a mining project. Resource growth and mine life extensions can significantly enhance our returns over time and, accordingly, the sustainability of the assets in which we have interests is fundamental to our long-term success. Royal Gold is committed to sustainability at both the corporate level, and across the operations in which we have stream and royalty interests, and seeks counterparties with leading approaches to Environmental, Social and Governance (ESG) practices.

### How We Manage our Business

The sustainability of our business depends to a significant degree on our ability to identify and manage the ESG risks inherent in our investments. For this reason, consideration of these risks is central to our corporate strategy and risk management. This includes the review of new opportunities for investment, the acquisition of existing stream or royalty interests obtained from third parties, and the ongoing oversight and management of our stream and royalty interests.

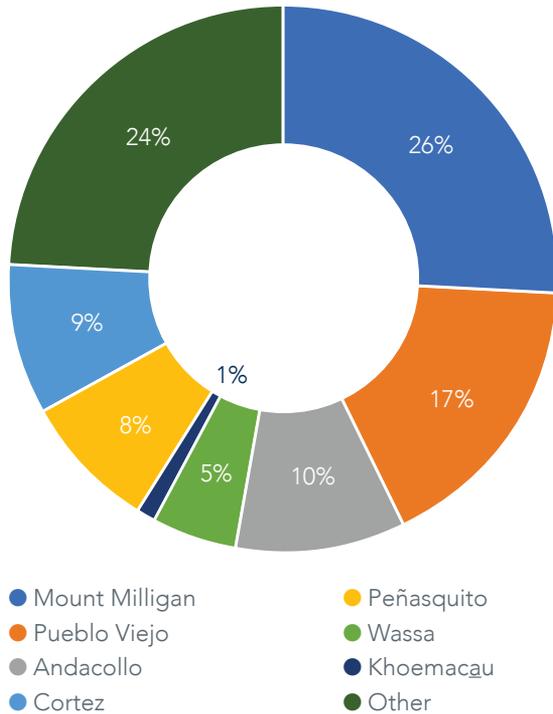
When developing new business, we take a thorough and disciplined approach to due diligence and seek Operators who share our commitment to leading ESG practices. When managing our portfolio, we regularly monitor ESG performance using public and non-public information. We engage with Operators, including through site visits, on at least an annual basis for our Principal Properties, and more frequently when actual or potential issues are identified. Our Principal Properties consist of seven existing interests which in 2021 constituted approximately 76% of our annual revenue. Royal Gold strives to be a trusted steward of shareholder capital, and a valued source of finance to Operators by maintaining the highest standards of business ethics and personal integrity in all our interactions.

### Where We Are

As of December 31, 2021, Royal Gold owns stream and royalty interests covering 190 producing, development, evaluation and exploration-stage properties located in some of the world’s most prolific mining regions and operated by some of the most well-known companies in the mining industry. Royal Gold’s revenue is sourced from a geographically and operationally diverse portfolio, underpinned by primary precious metals mines. The locations of our seven Principal Properties, as well as our corporate offices, are shown in the figure below. Additionally, the total number of producing, development, evaluation and exploration-stage stream and royalty interests is provided.



The fiscal year 2021 revenue breakdown of our Principal Properties is shown in the figure below. As shown our seven Principal Properties generated approximately 76% of total revenue, and these properties are the focus of this inaugural ESG Report.

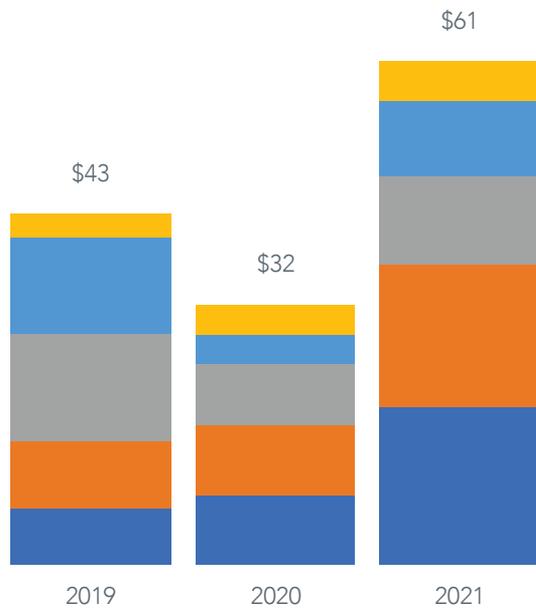


The diversity of Royal Gold’s portfolio provides numerous benefits to our investors. These include:

- The potential for organic revenue growth and optionality through exploration success and future production expansions;
- Stability of revenue and reduced exposure to the performance of individual assets;
- Limited exposure to geopolitical volatility; and
- Reduced exposure to by-product revenue fundamentals.

### Taxes We Pay

Royal Gold’s Tax Policy provides a framework to ensure that tax strategy and compliance measures are consistent with all applicable laws and company policies. We strive to act with integrity in all tax matters and provide full disclosure under applicable law. We are subject to income and other taxes in various jurisdictions in which we operate and/or have stream or royalty interests. As shown in the figure below we paid significant income and withholding taxes during the fiscal years ended June 30, 2019 through June 30, 2021, with the majority of these taxes paid in the United States, Mexico, Switzerland and Canada.



(\$ in USD millions)

- US
- Mexico
- Switzerland
- Canada
- Other (Argentina, Australia, Bolivia, Burkina Faso, Nicaragua, Spain, UK)

\* Includes income and withholding taxes

\*\* Fiscal years ended June 30

In addition to income and withholding taxes, certain royalty payments we receive are subject to production taxes (or mining proceeds taxes), and we pay other government royalties, mineral rights taxes, VAT taxes and HST/GST taxes. These non-income taxes are included within the costs and expenses section in our consolidated statements of operations and comprehensive income.

### ***Portfolio Manager vs. Mine Owner and Operator***

Royal Gold does not actively own, develop or participate in mining at the properties on which we hold stream and royalty interests. Rather our stream and royalty interests are passive interests in mine production. Our management team has significant industry and company-specific experience, which provides us with the necessary skills to competently evaluate new opportunities and to manage the existing portfolio of stream and royalty interests. The scalable nature of our business model allows us to effectively manage our business with only a fraction of the employees of an operating mining company.

The properties on which we hold interests span various stages in the life of mining projects, from the initial stages of exploration and evaluation through development and, ultimately, production. The Operators make all development and operating decisions, and, in general, we have limited influence regarding the development or operation of the mineral properties subject to our stream and royalty interests through the contractual arrangements we put in place when an investment is initiated and, over the course of our relationship, through active engagement with our Operators.

### ***About This Report***

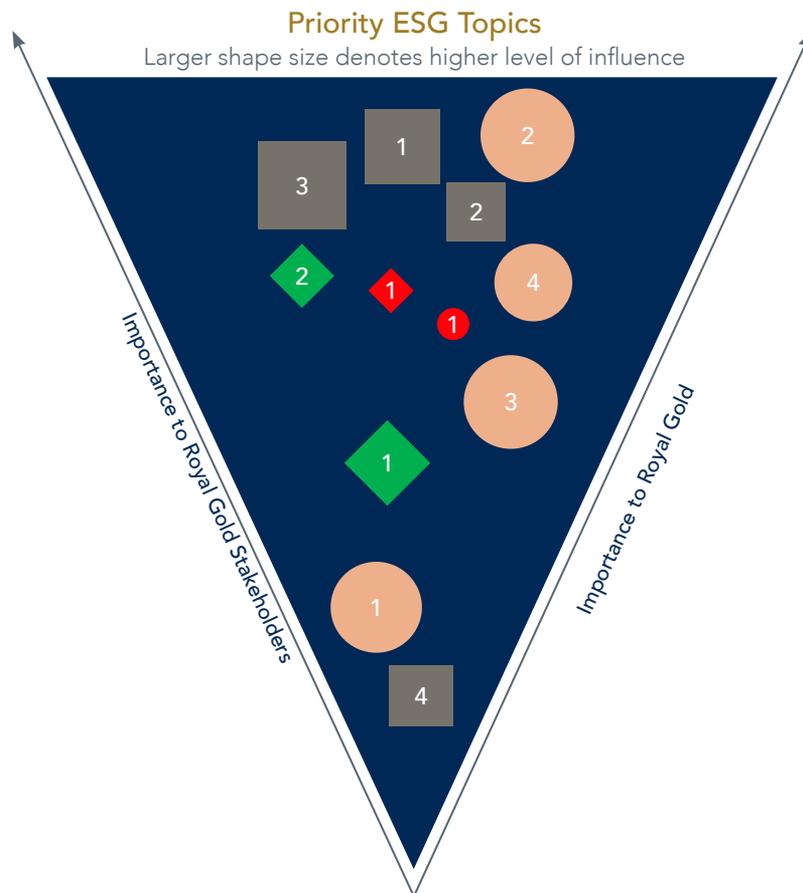
This inaugural ESG Report is intended to provide our stakeholders with detailed information regarding Royal Gold's internal processes as they relate to ESG considerations, as well as specific information on the ESG performance of our Principal Properties and the revenue generating portion of our portfolio. It is expected that future ESG reports will continue to evolve in both content and key areas of focus. We welcome feedback to this report.

To prepare this report we retained the services of a well-regarded, independent, third-party ESG consulting firm to identify the most important ESG topics of interest to shareholders and other stakeholders. As part of this process, interviews were conducted with members of our Board and management team, as well as several of our largest institutional shareholders, which allowed us to identify specific topics to address in this inaugural report. Out of this process five ESG topics were identified as the most important to our business: Governance, Talent, Product Design/Lifecycle of a Deal, Business Integrity and Transition to a Lower Carbon Economy.

Through consultation with our third-party ESG consultant, Royal Gold has developed a deep understanding of each of these topics. We have internally discussed these topics and identified a need to separate issues that are key to Royal Gold and those that are most important to our Operators. For example, Royal Gold generates carbon emissions from its corporate offices, whereas our Operators generate carbon emissions from the business activities which they manage. As another example, health and safety considerations are different in our corporate activities as compared to those at an active mine or development project owned by an Operator. Both areas can be a source of risk to Royal Gold.

To assist in this understanding, we have developed the figure below which identifies the five important ESG risks identified by our third-party ESG consultant, then expands and reorganizes them to reflect the direct and indirect influence we may have on those risks. We have also expanded our itemization of topics to include more granularity. In the figure below we show our perception of the relative importance of each ESG topic. Each of these topics also represents an ESG risk to both our stakeholders and Royal Gold.

Category	Important ESG Topics	Direct	Indirect
Environmental	Transition to a low carbon economy	<ul style="list-style-type: none"> <li>1 Climate Change (Scope 2 and 3)</li> <li>2 Climate Change (portfolio)</li> </ul>	<ul style="list-style-type: none"> <li>1 Operator Risk associated with tailings, energy, water, biodiversity, climate change</li> </ul>
Social	Talent	<ul style="list-style-type: none"> <li>1 Health and Safety</li> <li>2 Employee Development and Retention</li> <li>3 Stakeholder Communication and Relations</li> <li>4 Diversity and Inclusion</li> </ul>	<ul style="list-style-type: none"> <li>1 Operator risk associated with health and safety, human rights, labor rights and community relations</li> </ul>
Governance	Product design/ lifecycle of a deal Governance Business integrity	<ul style="list-style-type: none"> <li>1 Ethics, Integrity and Compliance</li> <li>2 Risk Management (investment process and asset stewardship)</li> <li>3 Corporate Governance</li> <li>4 Cybersecurity</li> </ul>	





# Our Approach to ESG

## A Q&A with the CEO

***You have had a long career with Royal Gold. How have you seen the importance of ESG change within the organization leading up to the publishing of the company's inaugural ESG report?***

I joined the company in 2006 and for the better part of my career with Royal Gold I was responsible for business development. As such I was intimately involved in the due diligence process that occurred prior to the making of an investment. We have increased our outward messaging on ESG in recent years, including with this report, but consideration of ESG issues was integral to our business long before it became commonly used as an external benchmark for company performance. Over the course of my career with Royal Gold we have turned down a number of opportunities on projects with very attractive operating attributes and financial returns, but for various reasons we were unable to publicly announce those opportunities as not meeting our standards, including those related to ESG.

***Your time as CEO has been dominated by the pandemic. How has that shaped your leadership approach during that time?***

I inherited an office culture with the health and safety of our employees as a key responsibility of leadership, despite being an office-based company. I could not have imagined having the health and safety of our employees come to the forefront the way it did when the pandemic occurred. We took the steps necessary to protect our staff by initially closing offices and working remotely, and then establishing protective measures as we re-opened, such as masking, social distancing, cleaning, voluntary in-office attendance, capacity restrictions and travel limitations.

Now, as we hopefully get closer to the end than the beginning of the pandemic, we are trying to integrate the lifestyle and workplace changes that arose during the pandemic in our office operations. Our team demonstrated a commitment to advancing the company despite working remotely for most of the past two years. I don't think more flexible work hours and remote work are going away and our adaptation to this new normal was positively received by our team.



**William H. Heissenbuttel**

President and Chief Executive Officer

***Can you walk us through your Vision and Mission?***

As an employer, a financing business, an investment and a community member, Royal Gold's Vision is to be the gold standard in everything we do, everyone with whom we interact and every community in which we have an impact. Our Mission reflects our primary business of identifying stream and royalty investments that provide capital for a variety of purposes. If we think about our relationships with our Operators strictly in transactional terms, we will not be as successful long-term as when we approach each investment as a relationship and always keep our Operators' goals in mind in our stream and royalty structures.

***How do you tie the Core Values of the company to ESG?***

Royal Gold's Core Values represent the manner in which we conduct all of our business and our first Core Value is Responsibility. This is a broad measure and encompasses our responsibility to all stakeholders, including our employees, shareholders, lenders, Royal Gold office communities, and our Operators and their communities.

Long gone are the days when we viewed our company as a passive investor with no influence with our Operators. As it relates to ESG, we fully recognize we must include ESG factors as a critical component of our due diligence, our monitoring efforts, and our reporting requirements. We should seek to address local societal needs in the communities where we work on issues such as education, homelessness, food security and elder care. We also have a responsibility to our employees to provide a challenging work environment free from harassment and discrimination.

Our second Core Value is Partnership and that can be seen in the site community support arrangements we have concluded. While we don't see ourselves as being able to directly impact certain sustainable development goals at these sites, such as elimination of poverty or good health and well-being, we can certainly help our Operators achieve those goals. In the communities where we have our existing investments where there is no contractual requirement to contribute to social programs of our Operators, we have nevertheless concluded several voluntary investments, including support for Golden Star's award-winning Oil Palm Plantation program, the shipment of medical supplies to community clinics around Pueblo Viejo, and support for increased access to healthcare near Rainy River. When it comes to new investments we continue to evolve and look for ways to include contractual commitments to contribute to the ESG programs of our Operators, like we did in our 2021 stream agreement for the NX Gold mine in Brazil where we committed to contribute \$5 per gold ounce delivered to our account in support of the Operator's community efforts.

Our final Core Value is Integrity, which is fundamental to every action we take and every interaction we may have – both internally and externally. It has long been the fundamental basis for the strong Royal Gold culture that has pervaded the company for years.

***Others in the mine stream and royalty industry have aligned themselves with the International Council on Metals and Mining (ICMM) Mining Principles, the World Gold Council's Responsible Gold Mining Principles and the United Nations (UN) Global Compact. You have taken a unique approach to ESG principles. Can you walk us through the thinking?***

For several years Royal Gold has endorsed the ICMM Mining Principles and the Responsible Gold Mining Principles of the World Gold Council as important standards for mining Operators to observe. However, while certain principles under each framework apply to our business, none of these map well enough to our business model to sufficiently serve as a guide for our ESG practices. Similarly, the UN identifies 17 Sustainable Development Goals but, as a passive investor, we struggle to assert that Royal Gold is addressing poverty, as an example, by contributing money to the Golden Star Oil Palm Plantation program in Ghana. We are merely assisting our partner, originally Golden Star and now Chifeng, in its program to address poverty. Our goal is to help those Operators making a direct impact on the ground meet their sustainable development goals.

We are much more similar to a finance and asset management company than a mining company. As such, we first looked to the Principles of Responsible Investment ("PRI") and the Principles for Responsible Banking ("PRB") as possible guides since our business activity is more aligned with institutional investors and banks. However, there are key differences between our business and the PRI and PRB principles; for example we do not hold voting interests in our Operators like an institutional investor. We do not offer banking products to the developing world. And while PRI is the closest set of principles to our business model, we seek to go beyond those principles. We have already incorporated ESG into our investment decisions and are actively engaged with our Operators.

For these reasons, we decided to take the best and most appropriate of the principles addressed above and blend them into our own ESG framework. So, in our approach, you will find concepts that track back to each of these

guidelines, but that are adapted to fit our business model. Our approach is: if we weave ESG into our business activities and provide proper reporting of our progress to our shareholders, this represents the best way to employ and disclose our commitment to ESG.

### ***What are your key investment principles?***

Royal Gold's principles are organized under four ESG pillars:

**Governance and Culture:** The manner in which we manage the company will reflect ESG in our approach to every aspect of the business. This includes the environment in which our employees work and our commitment to our anti-corruption, diversity, whistleblowing and human rights policies. We will employ highly qualified employees and maintain a Board of Directors with diverse and relevant backgrounds to properly oversee our efforts. We will require accountability at all levels of the Company and measure Company and individual performance against specific and pre-determined standards.

**Investment Strategy:** This is at the heart of our principles because it is the initial investment where we make the key decision on our selection of Operators and where we can make the most impact on an operation through the terms of our investment. Later in this report you will find a detailed description of our Due Diligence process, which includes a significant ESG component. Once we understand the context of an opportunity, we can then use the negotiation process to incentivize Operator behavior by offering improved economics based on the achievement of specific ESG goals. We are continuing to evolve our thinking on how we can play a meaningful role in this aspect of our Operator's business.

**Stewardship:** Our initial investment is not the end of our ESG journey with an Operator. We can and will require covenants, including reporting covenants, that allow us to track ESG performance, and our regular dialogue with Operator management allows for us to ask questions and provide feedback. One of the benefits of having a broad portfolio is we get to see numerous solutions to a variety of ESG issues, and we can suggest an approach that we have seen work elsewhere or put Operators with whom we have interests together to communicate with each other and to discuss solutions.

**Transparency:** We endeavor to disclose, when available, various ESG metrics related to both our stream and royalty interests, including Operator greenhouse gas emissions and energy and water efficiency, as well as those greenhouse gas emissions that pertain to our corporate offices and operations. This report reflects our first disclosure under TCFD (Task Force on Climate-Related Financial Disclosures), and we expect to continue to develop this reporting over time. We will also provide a scenario analysis on the potential impact of climate change on our Principal Properties. In many cases the most fulsome data set and full scenario analysis may be best reported by an Operator, but we will endeavor to give investors a straightforward assessment of the risk of our portfolio with respect to climactic events.

### ***Can "Net Zero" be put into the context of your actual business model?***

Royal Gold was able to fully offset fiscal years 2020 and 2021 carbon emissions associated with our corporate operating environment, including emissions from our office energy use and employee commuting and business travel through the purchase of verified carbon credits. However, given the nature of the business, that achievement is not the high bar that we wish to attain. The more important aspect is how do we play a role in our Operators' efforts to address GHG emissions from their operations? If we can play a role in assisting Operators to achieve their climate targets, the performance of our collective stream and royalty interests should benefit as well.

## Message of Support from the Chair of our Compensation, Nominating and Governance Committee

Dear Stakeholders:

On behalf of the Compensation, Nominating and Governance (“CNG”) Committee, I want to express our commitment to, and support of, Royal Gold’s inaugural ESG report. The CNG Committee has assumed leadership of Board governance responsibilities for the company’s ESG efforts, and we will continue to monitor, guide, and critically probe the successful journey Royal Gold’s management team has initiated in this important area.

I have served on the Board of Directors of Royal Gold since 2013 and have over the years seen numerous examples of the importance assigned to ESG factors in strategy setting, due diligence and asset monitoring. While we acknowledge that Royal Gold is a passive investor, we believe a finance provider to the mining industry can play a role in assisting Operators in numerous areas, whether that is the transition to a low-carbon economy, improving water efficiency, or addressing the many sustainable development goals expressed in the UN Global Compact. Stakeholder consultation, water sourcing, GHG emissions, air quality impacts and tailings dam stability assurance are just a few of the topics that are critically reviewed in all of our investment decisions. Members of the CNG Committee and the Board of Directors have significant industry experience in mine development and operations, having previously been employed in various senior roles at significant mining companies such as Placer Dome, Barrick, Teck and Goldcorp. We are well positioned to serve in our oversight role.

Our most important asset is our people. COVID-19 has focused the company on the health and safety of our teams in office environments and in the field. We have found new ways to communicate and effectively collaborate, while progressing many of the company’s strategic ESG initiatives. We also support the efforts to enhance diversity within the company, as exemplified by the November 2020 appointment of Fabiana Chubbs to our Board of Directors.



We look forward to continuing our positive contribution to the company’s efforts to further develop, and execute on, our ESG strategy. We understand that expectations in this area will continue to evolve, and we will continue to work with the Royal Gold management team to meet and hopefully exceed the standards as they develop.

Sincerely,

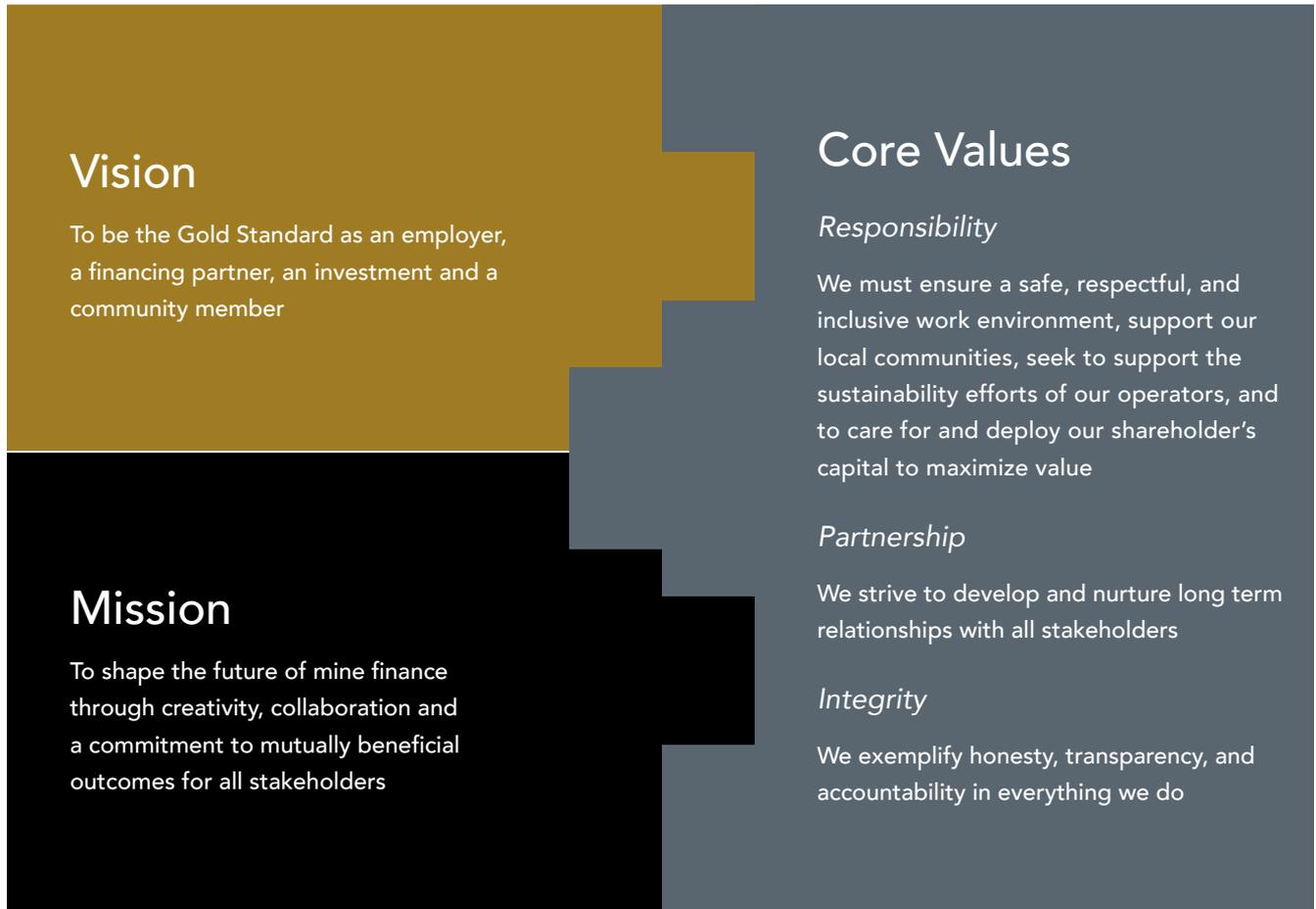
A handwritten signature in black ink, appearing to read 'R. Vance', written in a cursive style.

**Ronald J. Vance**

Chair, Compensation, Nomination and  
Governance Committee  
Royal Gold, Inc.

### *Our Vision Mission and Core Values*

Royal Gold’s vision is to be the gold standard in everything we do. We strive to achieve this vision by operating in alignment to a set of Core Values that are shared throughout the company. Our Vision, Mission and Core Values, as discussed above in the Q&A with the CEO, are graphically represented in the figure below.



### Our Four ESG Pillars

We believe there are four key pillars that provide an ESG framework that fits Royal Gold's business model. Managing our business and reporting our progress according to these pillars will provide a meaningful way for our stakeholders to judge Royal Gold's performance with respect to ESG commitments. Our four ESG Pillars, as discussed above in the Q&A with the CEO, are articulated in the figure below.

Governance and Culture	Investment Strategy	Stewardship	Transparency
<p>We will create a culture of responsible investing and partnership through effective governance and stakeholder engagement</p> <ul style="list-style-type: none"> <li>• Through the maintenance of a work environment free from harassment and discrimination</li> <li>• Through the implementation of appropriate policies regarding anti-corruption, bribery, whistleblowing and compliance with laws</li> <li>• Through the retention of both a highly skilled and diverse Board of Directors and management team</li> </ul>	<p>We will align our business strategy with sustainable goals and incorporate ESG issues, including climate change, into investment analyses, decision-making processes and ownership practices</p> <ul style="list-style-type: none"> <li>• Through the incorporation of the World Gold Council's Responsible Gold Mining Principles and the ICMM Mining Principles into due diligence investment principles</li> <li>• Through agreement provisions that incentivize an Operator to achieve sustainability goals</li> </ul>	<p>We will be active owners and members of our community. We will work responsibly to encourage sustainable practices and appropriate ESG disclosures</p> <ul style="list-style-type: none"> <li>• Through the incorporation of representations and warranties, covenants and defaults related to ESG issues, including ESG reporting</li> <li>• Through support for community programs that address local societal issues</li> <li>• Through support for programs around our portfolio sites that further the achievement of sustainable development goals</li> </ul>	<p>We will periodically review and report on our activities and will be transparent about our positive and negative impacts</p> <ul style="list-style-type: none"> <li>• Through our annual ESG progress report, annual report and proxy statement</li> <li>• Through disclosure on the environmental, GHG emissions, water efficiency, and other measures of our stream portfolio</li> </ul>



# Governance and Culture

## Governance and Culture

Royal Gold is committed to leading corporate governance practices that promote the long-term interests of our shareholders, strengthen Board of Directors and management accountability, enable strong and open relationships with our Operators, employees and other stakeholders, and build public trust in our company, both now and in the future. Becoming and remaining the “Gold Standard” in stream and royalty mine finance requires us to observe the highest ethical standards to maintain a reputation for open communication and accountability. This is in addition to meeting our obligations under law and publicly traded company listing rules.

### Board of Directors Composition and Experience

Good governance begins with effective oversight by our Board and its committees, and effective execution by our talented workforce. Our Board is comprised of seven directors. All directors, other than our CEO, are independent, as are our Chairman and all members of each of the Board’s two standing committees. These are the Audit and Finance (“AF Committee”) and the Compensation, Nominating and Governance Committee (“CNG Committee”). A significant portion of our Board’s oversight responsibility is carried out through its standing committees. Two CNG Committee members and five Board members have self-identified expertise in ESG and apply this perspective to the exercise of their oversight responsibilities. This allows alignment of our ESG practices with the interests of Royal Gold, its shareholders and other stakeholders. Our Board and its Subcommittees are graphically shown in the figure below. Additional information on our Board and its committees can be found on our website.



## The Role of Our Board in ESG

At the Board level responsibility for ESG oversight is assigned to the CNG Committee, which includes two members who self-identify as having ESG expertise. The figure below provides detail on the members and key responsibilities of the CNG Committee.



Ronald Vance

Chairman

All members are independent under Nasdaq and SEC rules, including the enhanced independence rules applicable to compensation committee members



Kevin McArthur



Sybil Veenman

### Key Responsibilities

- Oversees our compensation strategy
- Reviews and approves the compensation to be paid to executive officers
- Recommends to the Board compensation to be paid to our nonemployee directors
- Administers our equity incentive plan
- Oversees the preparation of our compensation disclosures
- Identifies and recommends to the Board director nominees
- Advises the Board on corporate governance matters
- Reviews our corporate governance policies
- Oversees ESG, climate change and other sustainability initiatives
- Has authority to retain an independent compensation consultant

The CNG Committee meets regularly with our senior management team to review ESG risks and opportunities relating to our business strategy, including as part of our strategy, the setting and monitoring of risk management practices, and management's progress on company ESG initiatives. This is detailed further in subsequent sections under "Investment Approach" and "Stewardship."

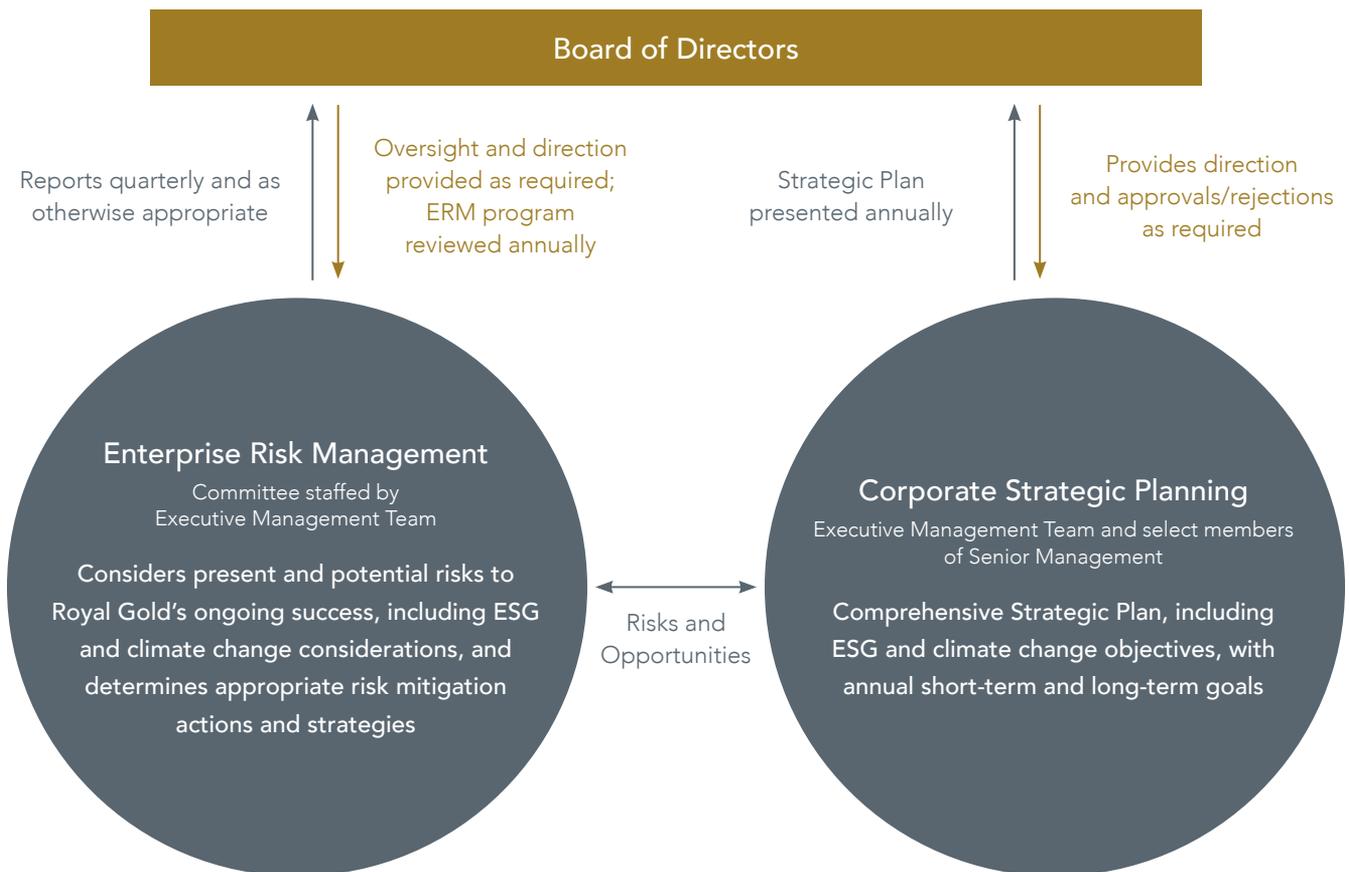
### The Role of Our Management in ESG

Direct management responsibility for ESG considerations is assigned to our President and CEO. The sustainability of our business depends to a significant measure on our ability to identify and manage ESG risks inherent in our investments. For this reason, consideration of ESG risks is central to the development of our corporate strategy and ongoing oversight.

ESG and other enterprise risks are monitored by the members of the Enterprise Risk Management Committee, which is comprised of the members of our Executive Management Team. This committee receives input from other members of the Royal Gold team, including individuals with responsibility for new business generation, financial performance, legal compliance and technical assessment of our stream and royalty interests. The Enterprise Risk Management Committee meets regularly to consider present and potential risks to Royal Gold’s ongoing success, to determine appropriate mitigation for risks that might arise and to execute on mitigation strategies as appropriate.

Our ESG strategy is reviewed at least annually by our President and CEO with senior management and is modified as necessary as part of our corporate strategic planning and enterprise risk management processes. Relevant updates are discussed between senior management and presented to the members of the CNG Committee. This enables an integrated approach to ESG as part of risk management, with input from Royal Gold management to the Board and its committees.

Our process for considering ESG issues in corporate strategic planning and risk management is summarized in the figure below.



### ESG Alignment in Executive Compensation

In calendar year 2021, the CNG Committee began formally evaluating the management of ESG considerations relevant to Royal Gold as part of the annual short term incentive compensation (bonus) program for all company executives. The intent of this was to align executive management's interests with the ESG interests of our shareholders and other stakeholders. In the figure below we set out the short term incentive compensation scorecard for our executive officers for our most recent fiscal period, a six month period ended December 31, 2021.

Performance Measure	Weight	Threshold (0% payout)	Target (100% payout)	Maximum (200% payout)
Net GEO production as compared to budget holding metal prices constant	22.5%	20% below budget	At budget	20% over budget
Cash operating costs as compared to budget	11.25%	10% above budget	At budget	20% below budget
ESG efforts to support the long-term sustainability of our business, including carbon footprint, ESG commitments with Operators, and maintenance of reporting and compliance structures	18.75%	CNG Committee assessment		
Liquidity for business development opportunities, corporate obligations, and overall investment opportunities	15%	CNG Committee assessment		
Health and safety guidelines to ensure the continued health of employees during the COVID-19 pandemic	7.5%	CNG Committee assessment		
Individual performance against preestablished goals	25%	CNG Committee or CEO assessment of individual performance		
Total	100%			

## **Key Policies Related to ESG**

Royal Gold strives to be a trusted steward of shareholder capital and a valued partner to our Operators by maintaining the highest standards of business ethics and personal integrity. ESG governance is grounded in a suite of Board-approved policies and codes that collectively establish the framework by which we conduct our internal and external business operations. All policies are reviewed annually by our Board or by a Board committee and updated as necessary to align with corporate best practices. These policies apply to Royal Gold, Inc. and all of its subsidiaries. Links to all of our corporate policies may be found in the ESG Document Library section of our website:

### [ESG Document Library](#)

The subsections below generally summarize the content of our key policies related to ESG, with specific links to each policy provided following the summary.

### **ESG Policy**

Our Environmental, Social and Governance (ESG) Policy reflects Royal Gold's core commitment to furthering responsible and sustainable mineral development as a means to create long-term value for our stakeholders. In our ESG Policy we detail our commitment to integrate the International Council on Mining and Metals' 10 Principles of Sustainable Development and the World Gold Council's Responsible Gold Mining Principles into our own operations as appropriate, and to seek relationships with mine Operators who adhere to these or similar commitments. The policy also establishes the manner in which we integrate our ESG commitments into the review of potential investments, our agreements for new investments and ongoing monitoring of our investments.

### [ESG Policy](#)

### **Code of Business Conduct and Ethics**

Royal Gold's commitment to maintaining the highest ethical standards is set forth in our Code of Business Conduct and Ethics. This Code of Conduct provides the framework by which we commit to comply with applicable law and promote a workplace free from harassment and discrimination, maintain confidentiality of information belonging to the company and our Operators and other contracting parties, avoid conflicts of interest, safeguard company assets and opportunities, and conduct ourselves according to the highest standards of ethics in our financial disclosures and other business dealings and communications, among other responsibilities. Our Code of Conduct also provides that company funds may not be used for political contributions. Employees are required to affirm their understanding of the Code of Conduct on an annual basis.

### [Code of Business Conduct and Ethics](#)

### **Anti-Corruption Policy**

Our Anti-Corruption Policy expands on the standards established under our Code of Conduct and details our commitment to avoid bribery and other illegal and corrupt conduct. It also requires to make the same commitment from our Operators, consultants and other contracting parties and to maintain accurate records and adequate internal controls meeting the requirements of applicable law.

### [Anti-Corruption Policy](#)

### **Whistleblower Policy**

Effective governance is only possible if our directors, officers and employees feel safe to report violations of company standards without fear of reprisal. Our Whistleblower Policy establishes the basis for our workforce to report suspected illegal activities, unethical behavior and other misconduct through internal channels, and in confidence. The Whistleblower Policy also details the manner in which reports will be investigated and corrective actions taken, where appropriate.

#### [Whistleblower Policy](#)

### **Human Rights Policy**

Human rights are basic standards aimed to secure dignity and equality for all people. Our Human Rights Policy reflects Royal Gold's commitment to the International Council on Mining and Metals' 10 Principles of Sustainable Development, as well as the World Gold Council's Responsible Gold Mining Principles, each of which incorporates the United Nations Guiding Principles on Business and Human Rights.

#### [Human Rights Policy](#)

### **Tax Policy**

Consistent with our commitment to the highest ethical standards, Royal Gold's Tax Policy provides a framework to ensure that our company-wide tax strategy and tax compliance measures are consistent with applicable laws.

#### [Tax Policy](#)

### **Cyber Disclosure**

Like many businesses, Royal Gold faces constant and evolving cyber threats. Our systems, and those of our third-party service providers, could be vulnerable to damage or disruption caused by catastrophic events, power outages, natural disasters, computer system or network failures, viruses or malware, physical or electronic break-ins, unauthorized access, or other cyber-attacks. Our Board of Directors and senior management oversee matters relating to cybersecurity. Under its Charter, the AF Committee of our Board is responsible for reviewing the security of our information technology systems and operations, including programs and defenses against cyber threats. The full Board of Directors is briefed on cybersecurity at least annually and receives more frequent updates as warranted by the business operating environment. At the management level our Chief Financial Officer and Treasurer are responsible for cybersecurity matters.

Royal Gold has a number of physical and technical safeguards in place to address cybersecurity risks. Employees engage in regular cybersecurity training as warranted by the business operating environment, and the company maintains an Incident Response Plan to respond in case of any cybersecurity breaches.

#### [Cyber Disclosure](#)

### Supplier Code of Conduct

We consider the mine Operators with whom we have royalty and stream interests, and other providers of goods and services to us, to constitute our supply chain. Our Supplier Code of Conduct, sets out the standards by which we expect our suppliers to act ethically and transparently, and to comply with laws, including environmental laws, and respect human rights in their own business operations and dealings with Royal Gold.

Under the Supplier Code, we also encourage our suppliers to engage with local communities and adopt appropriate internal standards of sustainable mining and business conduct, including the World Gold Council's Responsible Gold Mining Principles and the ICMM Mining Principles.

#### Supplier Code of Conduct

### Employees and Talent

Throughout the history of Royal Gold the ability to attract, develop, retain and challenge our employees has been critical to our success. For today's employees offering basic wages, benefits and career opportunities are no longer sufficient as people now want to understand the core values of their employer and how they personally align with these employer values. In addition, in a business with the complexity of providing financing for mining projects worldwide, the ability to bring together a diverse set of backgrounds, skill sets, experiences and opinions is integral to our processes and success.

### Our Approach

As of December 31, 2021, Royal Gold has a talented staff of 29 individuals with backgrounds in the key disciplines of mining operations and development, finance, and accounting and law. Given our flat organizational structure we typically hire individuals with extensive background in their area of expertise and seek to challenge them with the variety of projects and investments in which we are involved. We provide our employees with exposure to all

aspects of the business which, in turn, offers a series of new development opportunities for all individuals. Royal Gold has benefited from a very low voluntary turnover rate, with many of the current staff still with the company for over ten years.

We offer a comprehensive compensation package that includes competitive wages, health, dental, and various insurance coverages. We regularly benchmark all levels of wages and total compensation and ensure that the majority of all short-term incentive compensation is based on corporate-wide, shared benchmarks. While we seek to attract employees with attractive wages and benefits, it is the other personal development opportunities that inspire and motivate our team. These include the following:

- **Continuing education and skill expansion support:** Whether it is a lawyer wishing to better understand basic finance skills or an executive seeking an executive MBA program, Royal Gold supports our employees in terms of both time available and the financial support necessary to complete these courses.
- **Secondments:** Although Royal Gold has a limited number of employees, we are still able to offer secondment opportunities to key employees in our domestic and overseas offices.
- **Succession Planning:** In a flat organization such as Royal Gold, having a well-developed plan for succession at all senior management levels is critical. This is accomplished by ensuring rising employees gain exposure in the boardroom, the field and the classroom, leading to a well-rounded understanding of the company's key processes in an open and inviting environment that promotes knowledge sharing.

Employees are also provided paid time off to contribute to charities of their choice and are welcome to recommend charities important to them for consideration for corporate support under our community-based, charitable giving program.

## Health and Safety

The health and safety of our employees is not solely encompassed in workplace safety or travel precautions but includes the whole of our employees' Royal Gold experience, from work environment to work-life balance. While Royal Gold is office-based many of our employees also travel to remote parts of the world. Our policies require compliance with legal and health and safety requirements in all locations including compliance with the health and safety procedures instituted by our Operators while visiting a site. We conduct regular safety training for our offices, including responses to such threats as fire, extreme weather and office intrusions, and have engaged outside resources to provide medical and emergency response and evacuation assistance for our employees when traveling overseas.

## COVID-19 Response

We recognize the professional and personal challenges that the COVID-19 pandemic has created for our workforce. We have taken care to adequately respond to this new reality and have put in place initiatives to support our team in maintaining a healthy work-life balance.

Specific examples of initiatives we have undertaken since the pandemic was declared in March 2020 include:

- Closing offices temporarily while allowing employees to work remotely;
- Allowing for voluntary and staggered office attendance;
- Providing personal protective equipment and disinfectant cleaning kits;
- Providing flexible hours to accommodate employee commuting during non-peak periods;
- Restricting business travel and in-person conference attendance;
- Providing additional protocols for the cleaning and sanitization of offices; and
- Restricting outside office visitors.

All these initiatives were developed and carried out in compliance with local rules and regulations for each office location.



Royal Gold employees



# Investment Strategy

## Investment Strategy

Royal Gold provides shareholders with exposure to precious metal-based revenue through the acquisition of streams and royalties. Our investment approach fully incorporates ESG factors in the determination of investment eligibility. As Royal Gold requires externally raised capital to finance these investments, our capital providers and investors act as a second screen of the ESG performance of our Operators and our investment strategy. If we are unable to demonstrate a thorough approach to ESG vetting in all aspects of our business our sources of capital may be limited, which may impact our ability to finance future acquisitions and provide growth to our shareholders.

### Our Approach to Due Diligence

Our business model is designed to provide shareholders with long-term exposure to resource upside and metal price optionality for the life of a mining project. We understand that sustained economic performance cannot be obtained without sound ESG practices. As such, the sustainability of our investments is fundamental to our long-term success.

Streams and royalties are passive interests in mining projects. While we do not take an active role in the management of these projects, and generally have limited influence over the decisions of our Operators, it has always been a core tenet of our business model that successful mining projects create sustainable benefits for all stakeholders, including shareholders, project labor and local communities. Therefore, in line with our ESG Policy, we seek to promote responsible and sustainable mineral development across our portfolio.

Royal Gold endorses the International Council on Mining and Metals' (ICMM) Mining Principles and participated in implementation of the World Gold Council's Responsible Gold Mining Principles (RGMPs), both of which promote ethical and sustainable resource development. We integrate these principles into Royal Gold's own business planning and operations, as appropriate, and encourage our Operators, whom we consider to be members of our supply chain, to adhere to these or similar principles in their own management and operations. For calendar year 2021, Operators responsible for generating more than 93% of our revenue endorsed either the World Gold

Council's Responsible Gold Mining Principles, International Council on Mining and Metals Principles for Sustainable Development, and/or subscribed to one or more similar international charters respecting ESG issues. An Appendix is provided to this report identifying our Operators, their fiscal year 2021 contribution of Royal Gold revenue, and the ESG charters to which each Operator subscribes.

### Our Due Diligence Process

Royal Gold is a stream and royalty company and does not manage or operate mining projects or exercise direct control over mining operations. As such, the initial ESG due diligence process is the critical time for identifying any potential ESG risks prior to entering into any agreement with the Operator.

Royal Gold's Investment Committee is responsible for completing due diligence reviews and assessing findings from those reviews. For each potential new investment our Investment Committee first undertakes what is internally referred to as a "Phase 1" review, which is a high-level review focused on financial, technical, ESG, and political risk considerations. If the results of the Phase 1 review are positive then a follow-on "Phase 2" review is undertaken. For this more detailed evaluation a team of subject matter experts is assembled, from both within our organization and from external third parties, to provide in-depth assessments on a variety of considerations for a potential investment. Typical thematic areas include, but are not limited to:

- Geology, including exploration potential;
- Resource estimation;
- Mining methodology;
- Mine geotechnical stability;
- Metallurgy and ore processing;
- Environmental, social and governance;
- GHG emissions and climate change;
- Permitting, including local view of ongoing or future permitting requirements;
- Political risk;
- Project execution and capital cost;
- Tailings storage and waste rock management;
- Water supply and water management;
- Infrastructure; and
- Closure plans

We find that each investment opportunity has unique aspects that vary widely and each evaluation opportunity requires a project-specific due diligence scope and team. The team for each opportunity will require appropriate technical experts as well as experts with knowledge of the local operating environment, which could include, for example, a third-party expert with specific knowledge of permitting within a given jurisdiction.

Our phased approach to project reviews allows the use of our Phase 1 review findings to develop a unique due diligence scope of work tailored to identify the skills we need on the due diligence team for Phase 2. In areas deemed to have a high level of risk we often include two experts to develop our findings. A summary example of our typical Phase 2 Due Diligence Team is provided in the figure below.

### Due Diligence Team

#### Basic Team includes

- Project Coordinator (Royal Gold leader)
- Geologist
- Resource Geologist
- Mining Engineer
- Metallurgist
- Tailings Facility Engineer
- Environmental/Permitting/Social Expert
- Infrastructure

#### For Greenfield Projects:

- Capital Cost Estimator/Project Controls Expert
- Capital Cost Benchmarking Expert

#### Specialty Experts include:

- Hydrologist / Hydrogeologist
- Geotechnical Engineer
- Specialty Metallurgical Expert
- Country Specific Environmental, Social or Permitting Expert
- Country/Political Risk Expert

All Phase 2 due diligence activities are coordinated by Royal Gold management. This phase of due diligence typically consists of a review of publicly available information, as well as confidential information provided by the potential counterparty. A site visit to the asset under review is typically undertaken, although site visits have recently been impacted by COVID-19 related travel disruptions. The Phase 2 due diligence process typically affords an opportunity to interact with project and corporate management. This interaction can include virtual presentations, video conference calls, in-person question and answer sessions, touring the site and meeting with project stakeholders. An assessment of the potential counterparty's capacity to successfully execute their plan is a critical consideration of the due diligence process.



Due Diligence Site Visit, Peru

The ability of Royal Gold to interact with project management is determined by the investment opportunity. For example, the opportunity to purchase a third-party royalty on a mining operation may not allow for communications with the Operator, as the royalty is not being sold by the operation's owner. Conversely, the purchase of a metal stream is typically with an owner of the mine or project, which allows for direct access to the management team. Royal Gold always endeavors to interact with project management as directly as possible.

At the completion of the Phase 2 due diligence multiple deliverables are produced to document the due diligence team findings. These include, but are not limited to, the following:

- **Subject Matter Expert Reports:** reports prepared by team members for their thematic review area;
- **A Value Drivers & Risk Workbook:** a compilation of key findings, risks and actions to mitigate identified risks with contributions from all due diligence team members;
- **ESG Checklist:** a comprehensive document driving the collection and recording of ESG information (as discussed below)

The findings of the due diligence provide the content for a **Due Diligence Findings Management Presentation** that summarizes the due diligence work completed and critical findings, with contributions from all team members. The process described above is graphically represented in the figure below.



### Assessment of Technical and Legal ESG Issues

As an important part of our due diligence process, a thorough understanding must be obtained of the geographic setting in which a project has been or will be developed, the existing or potential environmental/social impacts, the regulatory framework, and the stakeholders who are involved and their views towards the project, among other considerations.

Each investment opportunity presents unique characteristics and issues which require us to develop a specific ESG scope of review. These issues vary based on, among other considerations: project jurisdictions, geographic and climatic settings, ore processing methodology employed, water availability, and potential for cumulative impacts. As an example, Royal Gold’s risk assessment of a considered investment, as it pertains to ESG considerations, may include, but not necessarily be limited to, review of the following elements:

## Plans and Approvals

- Project permitting status, including permits held and those that are pending. This typically includes a thorough understanding of which permits are required to construct the planned project, if not already in existence, and future or on-going permits to operate;
- Surface rights required by the project, including identification of any pending requirements;
- Project Operational Plans, including applicable Environmental and Social Management Plans (ESMPs) along with impact mitigation plans;
- Reclamation and closure plans and costs, as may be available at the stage of project development, including a review of project planning to meet bonding requirements;
- Tailings facility management plans;
- Tailings storage facility designs and reference to internationally accepted standards

## Operating Practices and Performance

- Environmental and Social Monitoring Plans and results, to date;
- Surface and groundwater monitoring results;
- Regulatory correspondence regarding compliance;
- Response planning in the event of spillage from ore processing operations;
- Processing plant designs include measures to control fugitive dust and emissions;
- Labor policies, protections, and standards, including identification of any adherence to international labor standards, such as those promulgated by the International Labor Organizations (ILO);
- Workplace safety records, policies and standards;
- Status of third-party certifications and/or adherence with best practice environmental and social governance, which could include commitment to Equator Principles IV, the IFC's Performance Standards, Principles of the International Council on Mining and Metals, Extractive Industries Transparency Initiative (EITI), United Nations Global Compact, Cyanide Management Code, and other relevant industry standards or guidelines
- Operator GHG emissions and approach to climate change

## Site Characterization/Data Collection

- General environmental baseline data;
- Material characterization test work to determine if results support conclusions used in operations and closure planning with regards to the potential for acid rock drainage (ARD) and metal leaching (ML);
- Water requirements and water supply provision (i.e., the water balance) to ensure sustainability of long-term water supply in relation to demands of other water resource users;
- Foundation conditions underneath waste storage facilities;
- Historic or legacy environmental liabilities and responsibilities including financial reserves for implementation of any required mitigations;
- Tailings storage facility failure analysis.

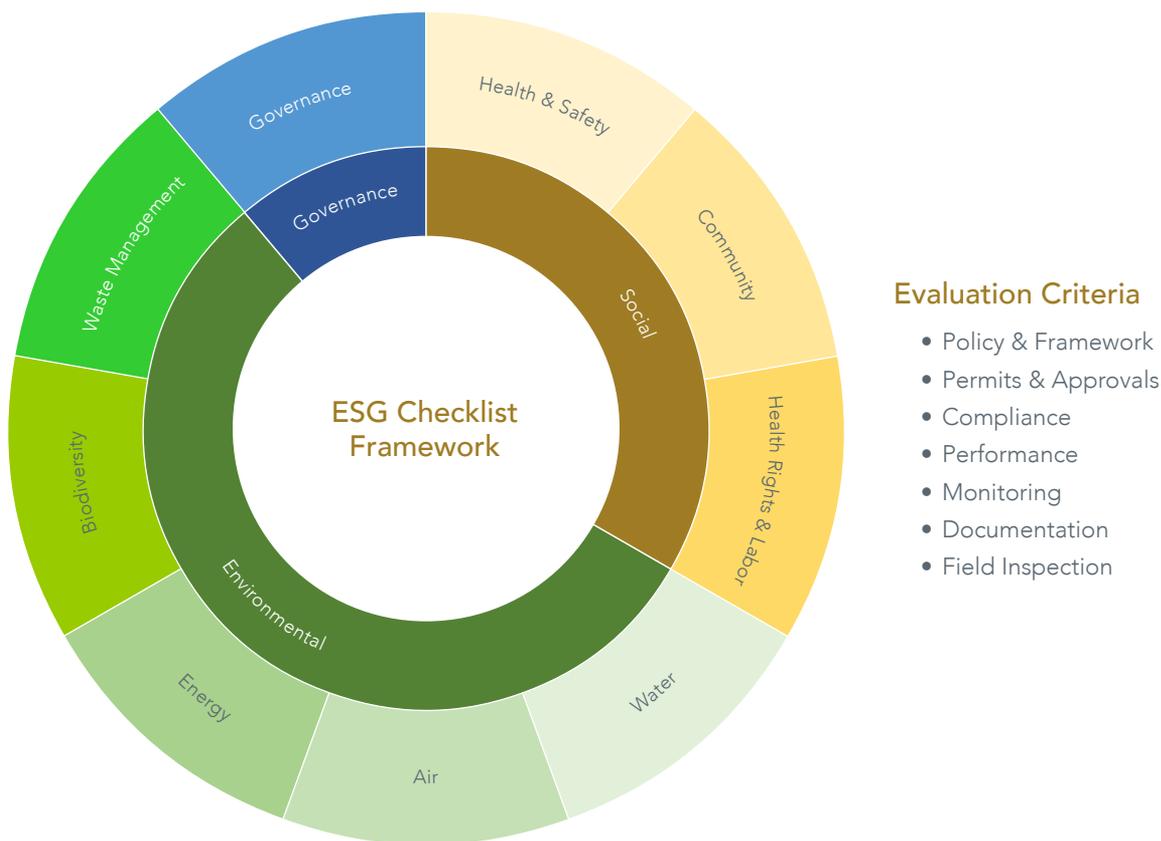
## Stakeholder Engagement and Community Understanding

- Stakeholder relations, either via a stakeholder engagement process as required under regulation or equivalent;
- Relocation activities, and whether they have been or will be carried out in accordance with widely used international guidance (e.g., IFC Performance Standard 5), including adequacy of any follow-on Resettlement Action Plan (RAP);
- Social programs, community initiatives, and engagement with indigenous peoples to determine the existing "Social License to Operate" for a project;
- Grievance processes in place and whether they are functioning, including resolution of any recent complaints

Typically, Royal Gold will perform a site visit with an ESG specialist to discuss the project with management. This allows an opportunity to tour the site location, meet with stakeholders and to discuss the history and future of project development. Due to COVID-19 travel restrictions, international and even domestic travel were severely impacted, and Royal Gold adapted to virtual tours to accomplish as much information exchange as possible in the challenging travel environment. Site visits are conducted when health conditions permit.

### ESG Checklist and Assessment of Environmental Management Systems

In 2019 we developed a framework to provide a comprehensive systemic evaluation of ESG considerations at a site and also to evaluate the quality of ESG management practices. This is referred to internally as our “ESG Checklist”. The ESG Checklist includes evaluation of nine thematic areas through the lens of seven evaluation criteria as presented in the figure below. The ESG Checklist consists of a list of very specific areas of interest for which information received can be logged. The ESG Checklist also allows recording of field observations, when available, to define the maturity with which the Environmental and Social Management System (ESMS) of an operation is addressing each topic. The output of the ESG Checklist provides a very detailed log of due diligence on a wide variety of considerations, as well as highlighting areas of elevated risk, and also allows a detailed recording of how ESG considerations are being managed and information from completed reviews. We view this ESG Checklist as a “living’ document and periodically update the content to reflect best ESG practices.



The completed ESG Checklist provides a rating mechanism that can be used to evaluate a project under consideration. A copy of the ESG Checklist Scoring Evaluation Summary, and a sample of our ESG Checklist in the thematic area of water management and risk, are provided in the following figures.

Environmental, Social Governance Checklist Summary Example

Category	Air	Water	Biodiversity	Energy	Waste Management	Community	Human Rights & Labor	Health & Safety	Corporate Governance
Policy & Framework	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Permits & Approvals	3.00	3.00	3.00	3.00	3.00	2.25	N/A	3.00	N/A
Compliance	3.00	3.00	3.00	3.00	3.00	2.25	3.00	3.00	3.00
Performance Monitoring	3.00	2.33	3.00	3.00	2.43	2.96	3.00	3.00	N/A
Documentation	3.00	2.56	3.00	3.00	3.00	2.83	3.00	3.00	3.00
Field Inspection	3.00	3.00	N/A	N/A	3.00	3.00	3.00	3.00	N/A

The notebook displays a detailed checklist for environmental, social, and governance factors. The left page covers 'Policies & Standards', 'Permits & Approvals', and 'Compliance'. The right page covers 'Performance Monitoring' and 'Documentation'. The checklist items are organized into sections and include questions about water management, permits, and reporting. The notebook has a vertical spine in the center and a vertical bar on the right side with labels 'WATER', 'COMMUNITY', 'HUMAN RIGHTS', and 'GOVERNANCE'.

Application	Focus Area/Question/z Required Observation	Supporting Evidence/ Observation	Information Source	Rating
<b>Policies &amp; Standards</b>				
Applicable	Does the Company have a policy or policy statement regarding the stewardship of water?			
Applicable	Does the Company subscribe to any third-party framework to manage and monitor water usage and water impacts?			
Applicable	Does the Company have an internal framework to manage and monitor water usage and water impacts?			
<b>Permits &amp; Approvals</b>				
Applicable	Water use permits or water rights for process water			
Applicable	Water discharge permit(s)			
Applicable	Water treatment plant permit(s)			
Applicable	Wetlands disturbance approval(s)			
Applicable	Stormwater permit(s)			
<b>Compliance</b>				
Applicable	Is there evidence that water usage from the permitted sources is reported to regulators on a systematic basis?			
Applicable	Is water usage within permitted limits by source?			
Applicable	Is there evidence that water discharges meet discharge requirements over the past 5 years?			
Applicable	Does the project have an approved groundwater monitoring program?			
Applicable	Data should be obtained that shows the chemical analysis from wells designated as monitor or compliance wells have been meeting requirements.			
Applicable	Chemical analysis data should be obtained for treated water discharge and for any compliance points or mixing zones designated in permits for the project.			
Applicable	Listing of any noncompliance events reported to regulators over the last five years water usage or water discharge.			
<b>Performance Monitoring</b>				
Applicable	Does the project have a water balance model that is systematically maintained and used as a management tool?			
Applicable	Data should be obtained that shows water usage by source by month for the last 5 years.			
Applicable	Data should be obtained on water table elevation impacts from wellfield withdrawal.			
Applicable	Confirm if the project has a groundwater model that is kept up to date.			
Applicable	Benchmark water consumption per tonne processed with other similar projects.			
Applicable	Water supply sources should be mapped to determine if they are in proximity to designated water protection zones, such as Ramsar sites.			
<b>Documentation</b>				
Applicable	Groundwater studies and report at support project water requirements			
Applicable	Pump testing reports			
Applicable	Surface water studies and report that support the project water requirements			
Applicable	Water management plans			
Applicable	If so, obtain a map of monitoring locations.			
Applicable	Does the project have a contact water control plan?			
Applicable	Have the engineered structures defined in a plan been implemented?			
Applicable	Does the project discharge water to the environment?			
Applicable	If so, what is the standard for discharge and how is that achieved?			

**Jurisdictional Review**

Geopolitical risk is evaluated when assessing potential new business opportunities. In circumstances deemed appropriate, third-party experts are used to provide an independent view on the political environment in the country in which the opportunity is located. Understanding the jurisdictional context of a given project's ongoing or planned operations is a key component of our due diligence review.

**ESG Risk Evaluation**

Our review and due diligence processes are all risk based, and we endeavor to understand the range of risks we would be taking on with each investment opportunity. Risks associated with environmental and social impacts are paramount in our reviews. Our focus is to avoid risks we classify as "Red Flags", which are risks that we identify as being largely uncontrollable, unpredictable or unusual. If we identify Red Flag risks in a review, we will not proceed with a recommendation to invest without completing additional due diligence to reduce the risk classification, or implementing mitigating actions to reduce the risk classification. A summary of ESG Risk Rating Categorization following our due diligence is shown in the figure below.

Risk Indicator	Potential ESG Impacts
<p><b>Low Risk</b> - Risks that could or may have a relatively insignificant impact on the character or nature of the project, its stakeholders and/or its economics. Generally, can be mitigated by normal management processes combined with minor cost adjustment or schedule allowances.</p>	<p>Not anticipated to be significant</p>
<p><b>Moderate Risk</b> - Risks that are considered to be average or typical for a project of this nature. These risks are generally recognizable and, through good planning, managerial and technical practices, can be minimized so that the impact on the project, stakeholders or economics is manageable.</p>	<p>Temporary disruption due to environmental or social issues</p>
<p><b>High Risks (Red Flag)</b> - Risks that are largely uncontrollable, unpredictable, unusual, or are considered not to be typical for an operation of a particular type. Good technical practices and quality planning are no guarantee of successful operation. These risks can have a major impact on the economics of the project including significant disruption of schedule, significant cost increases, and/or degradation of physical environment or loss of "Social License to Operate."</p>	<p>Situation could require Royal Gold to not proceed with investment</p>

### Investment Committee

Following due diligence, the final investment recommendation is the responsibility of the Royal Gold Investment Committee. The Investment Committee is led by our CEO, with support from the Executive Management team. These individuals bring extensive experience in the technical, financial and legal aspects of mining project investment, development and operations, and may be supported by external experts in subject matter areas including, but not limited to: permitting, geology, resource estimation, construction, mining operations, metallurgy and ore processing, water supply, tailings management, community engagement, political risk, and offtake marketing and sales.

The investment recommendation process includes incorporation of the results of technical due diligence, including a significant ESG component. The full due diligence team consolidates their findings, which are presented to the Investment Committee, with each subject matter expert presenting the findings on their area of review.

The Business Development team simultaneously gathers information on the structure of the transaction and manages any negotiations with the corresponding Operator. Legal due diligence takes place which includes, for example, ensuring that the Operator owns necessary mineral rights, identification of major pending permitting considerations or legal proceedings against the Operator. The CFO and Finance team assess the tax profile of the transaction and evaluate the financial health of the company. The Investor Relations team assesses how the new business and Operator will fit into Royal Gold’s portfolio and evaluates the public perception of the Operator. All of these inputs feed into the Investment Committee. The Investment Committee then, in turn, presents the business case and recommendation to the Board of Directors, including a summary of any ESG and climate change-related risks. This information flow is displayed graphically in the figure below.



## Deal Creation and ESG

If a positive investment decision is made, a stream or royalty agreement is then developed. When the opportunity arises, we actively integrate ESG considerations into our contracts to monitor the ESG performance of the mining operations in which we have interests. This is an area of ongoing development for Royal Gold, and we are actively seeking to improve our performance in the integration of ESG considerations into stream and royalty contracts. This will be further reported in subsequent ESG reports.

When entering into a new agreement for a metal stream or royalty, we seek durable contract structures that typically include the following elements intended to both limit the ESG risks associated with our investment, and provide for adequate communication or investigation of ESG risks that might arise from time to time, notwithstanding our passive business model:

- **Operating Covenants:** Requiring Operators to conduct project operations in compliance with host country laws and permits and, where possible, industry-recognized best practices for mine operations and management and mitigation of ESG risks.
- **Information Rights and Reporting Obligations:** Provide for transparency and regular and exception-based reporting of material developments in project operations, labor matters, environmental issues and concerns of local communities and other stakeholders.
- **Inspection and Audit Rights:** Allow for regular inspection of project operations and audit of operator books and records.
- **Delivery Standards:** Where we take delivery of precious metals, requiring that those deliveries satisfy the London Bullion Market Association's (LBMA) "Good Delivery" standards, including adherence to LBMA's "Responsible Sourcing Programme", designed to combat money laundering, terrorist financing and human rights abuses in the precious metals markets.
- **Transfer Restrictions:** Create reasonable restraints on the transfer of project ownership to ensure that projects continue to be owned and operated by strong and reputable counterparties.
- **Remedies:** Allow for monetary and other damages and rights, including contract termination and recovery of Royal Gold's economic interest under certain circumstances.



Carmen de Andacollo



# Stewardship

## Stewardship

Stewardship means continually maintaining an understanding of the stream and royalty interests we hold with respect to production, operational, environmental, social, governance and safety criteria, among other considerations. Understanding the ESG performance of Operators in which we hold stream and royalty interests begins with collecting information through a monitoring process. This monitoring process supports the systematic reporting of relevant information to senior management and the Board of Directors. We obtain monitoring data and other information via contractual rights as discussed previously, collection from our Operators' public disclosures and from third-party data sources.

For this inaugural report, Royal Gold recognizes the following areas have the potential to generate ESG and operating risks for our Operators and, hence, to our investments:

- Climate Change;
- Water Availability; and
- Tailings Management.

These three areas of focus are far from an exhaustive list of ESG considerations, and we intend to provide additional information in future reporting. For this inaugural ESG report, we provide discussion of these three areas of focus after first discussing our asset monitoring and reporting processes.



Due Diligence Site Visit, Chile

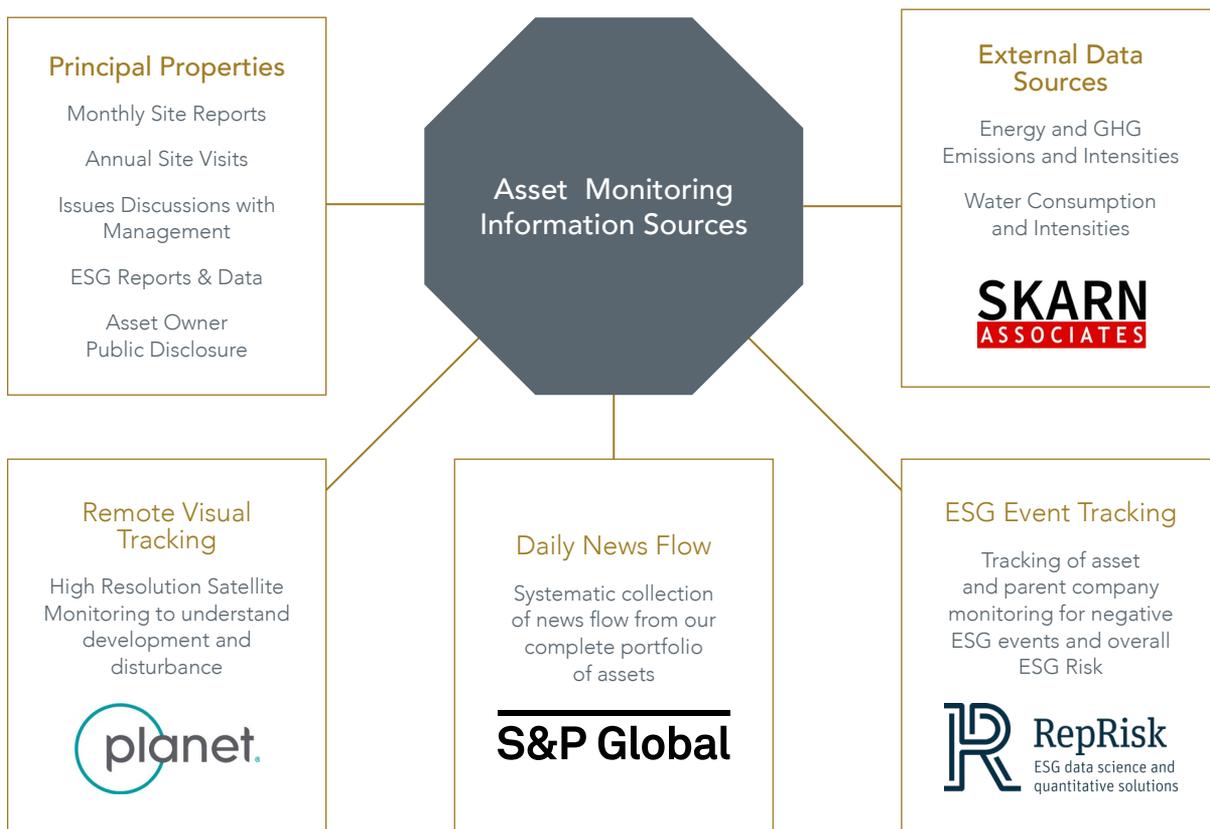
## Asset Monitoring

We actively monitor our stream and royalty interests to understand their economic, operational health, and their “Social License to Operate.” Our stream agreements typically have extensive information rights while our royalty agreements typically do not provide us with a contractual right to detailed information. In these instances, we rely on public information and a positive working relationship with the Operators to obtain our monitoring data. Where we have the right to do so we often perform site visits to interface with Operator management teams. These site visits have been disrupted by COVID-19 travel restrictions but the situation is improving.

In addition to the above, we further rely on third-party information sources that:

- Aggregate and vet site-specific data with respect to energy, GHG emissions and water usage along with associated usage intensity;
- Collect negative ESG news events and rank ESG risk on an asset, company and country basis;
- Systematically collect news articles relating to our Operators; and
- Collect digital satellite images of our Principal Properties on a request basis.

A graphical representation of our Stewardship initiatives and our third-party information providers is shown in the figure below.



## Asset Reporting

Information from all sources is aggregated and provided to our senior management and Board of Directors through a monthly reporting process that provides asset-specific comments on our Principal Properties, through quarterly Board presentations that more broadly report on the performance of our stream and royalty interests, and through our Enterprise Risk Management reviews. This system of asset performance reporting ensures that ESG events of significant concern are identified in a timely fashion for management action, as may be required, and communicated to the Board of Directors for feedback.

The Asset Assurance Committee completes active monitoring and auditing of our stream and royalty interests and takes action to protect our interests as required. Our Asset Assurance Committee is staffed by selected members of executive and senior management. Separately, our Enterprise Risk Management Committee is staffed by executive management and also actively monitors external and internal risk issues, assessing Board risk appetite in key areas including metal prices, growth potential, financial condition, portfolio health, human resources, legal compliance and ESG sustainability. The frequency of Royal Gold asset monitoring and reporting activities is shown in the table below. A graphical representation of the asset monitoring inputs to management, and subsequent flow to our CNG Committee and Board is shown in the figure following the table.

	Daily	Monthly	Quarterly	Annual
<b>Senior Management Monitoring</b>				
Material Events	●			
Operator Site Data Review		●		
Asset Assurance Committee		●	●	
ERM Updates			●	
Site Visits				●
ESG Report Reviews				●
<b>Board Reporting</b>				
Reports		●		
Asset Performance Presentation			●	
ERM Updates			●	



**Management**

- Daily Production Reports
- Bi-weekly Management Meetings
- Monthly Board Reports
- Monthly Asset Assurance Committee Meetings
- Quarterly Enterprise Risk Management Meetings
- Annual Cyber Training
- Quarterly Asset Performance

**Asset Assurance Committee**

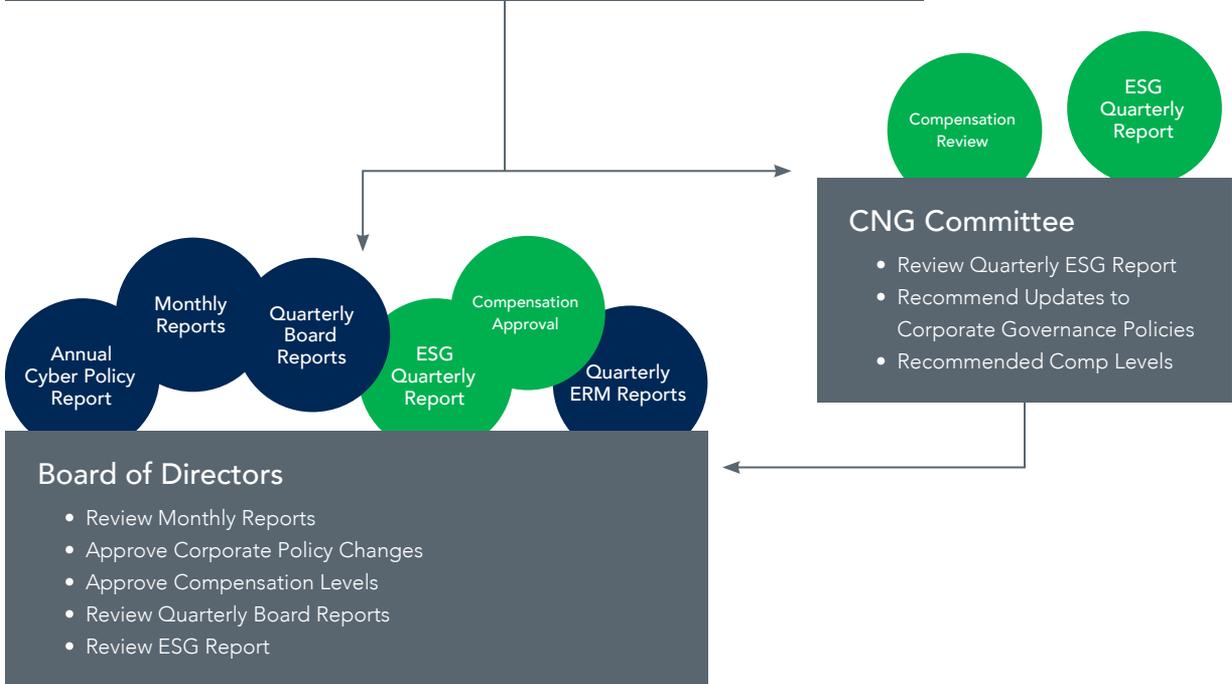
Staffed by selected members of executive management and other members of senior management

Completes active monitoring and auditing of portfolio investments according to the Asset Assurance Committee Charter, and takes action to protect our interests as required

**Enterprise Risk Management Committee**

Staffed by executive management. Actively monitors external and internal risk issues and ranks risk levels relative to board risk appetite for each area.

Areas include metal prices, growth, financial condition, portfolio health, human resources, legal/compliance and sustainability



**Board of Directors**

- Review Monthly Reports
- Approve Corporate Policy Changes
- Approve Compensation Levels
- Review Quarterly Board Reports
- Review ESG Report

**CNG Committee**

- Review Quarterly ESG Report
- Recommend Updates to Corporate Governance Policies
- Recommended Comp Levels

### Climate Change and Increasing Our Alignment with TCFD Recommendations

Climate change has the potential to transform the planet, the way we live, and the way we conduct business. Royal Gold is committed to understanding how both the physical impacts of climate change and the transition to a low-carbon economy might affect our business. We can then integrate these factors into our strategic planning and help reduce the impacts. We are committed to increasing our disclosure of climate-relevant information to help our investors and other stakeholders understand our approach and the potential of climate change to impact our business. To do this we are working to meet the recommendations of the Financial Stability Board's Task Force on Climate related Financial Disclosures (TCFD). We aspire to disclose the potential fiscal impacts of climate related change on Royal Gold and its business strategy, and to disclose the resilience of that strategy so that investors and other stakeholders are well informed about how Royal Gold is positioning itself in relation to climate-related risks and opportunities.

#### Our Approach

Our approach to climate change and climate risk is informed by three key principles: understanding the risks, measuring and reducing, to the extent practicable, our impacts on climate change, and disclosing our performance. We recognize the growing expectations of our stakeholders in understanding how climate change can impact our business and how our activities have a direct and indirect potential to impact climate over the short, medium and long terms.

Our business is one that makes passive investments in mining operations. We recognize mining activities are inherently energy intensive and acknowledge our investments facilitate mining operations that contribute to GHG emissions.



**Governance:** The organization's governance around climate-related risks and opportunities

**Strategy:** The actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning

**Risk Management:** The processes used by the organization to identify, assess, and manage climate-related risks

**Metrics and Targets:** The metrics and targets used to assess and manage relevant climate-related risks and opportunities.

#### Our Initial Actions

This report is our introductory TCFD disclosure. As we move forward, we will provide our stakeholders with more detailed assessments of how climate-related risks could impact our business. In 2022 we further aim to assess actions we can take to help reduce GHG emissions associated with our stream and royalty interests. The figure below sets out our key TCFD achievements for year 2021 and our year 2022 aspirations for further progress. We have in this inaugural report consolidated information from our stream and royalty interests to begin the conversation of how Royal Gold may be able to meaningfully contribute to reducing GHG emissions associated with our investments.

Governance	Strategy	Risk Management	Metrics and Targets
<p>Disclose the organization's governance around climate related risks and opportunities</p> <p><b>2021 Achievements</b></p>	<p>Disclose the actual and potential impacts of climate-related risks and opportunities on the organizations investment portfolio, strategy and financial planning where such information is material</p>	<p>Disclose how the organization identifies, assesses and manages climate-related risks</p>	<p>Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material</p>
<p>Established ESG Board responsibilities</p> <p>Established specific ESG related compensation objectives</p> <p><b>2022 Plans</b></p>	<p>Obtained GHG emission intensity and water use intensity data for our portfolio assets from third-party sources</p> <p>Retained third party to support our climate scenario analysis in support of our path to TCFD disclosure</p>	<p>Obtained independent feedback on what our investors expect with respect to climate change assessment</p>	<p>Assessed Scope 2 and 3 emissions associated with our offices and obtained carbon offsets (Royal Gold has no Scope 1 emissions)</p> <p>Assessed energy use intensity, Scope 1 and Scope 2 GHG emissions, and GHG emission intensity for our streaming and royalty interests and benchmarked results</p>
<p>Issue the Company's inaugural ESG Report</p> <p>Continue capacity building of ESG expertise in all levels of the company</p>	<p>Undertake qualitative climate related scenario analysis that looks at material investments in our portfolio</p> <p>Provide disclosure of the findings from the climate related scenario analysis</p>	<p>Continue to enhance our established risk management process with output from climate scenario analysis</p>	<p>Assess the potential to set emission intensity targets for our royalty and stream interests</p> <p>Assess including Scope 3 emissions estimates generated by our stream and royalty interests</p>

### Royal Gold Direct GHG Emissions

Greenhouse gas emissions are generated from the direct combustion of fuels (Scope 1) and by purchase of electricity from independent suppliers (Scope 2). Scope 3 emissions are the result of activities not owned or controlled by the reporting organization but that the organization indirectly impacts in its value chain. Table 1 presents our estimates of Royal Gold's Scope 2 and 3 GHG emissions in fiscal years 2020 and 2021 associated with our corporate activities.

#### Scope 2 GHG Emissions

	Twelve Months Ended June 30, 2020 (tCO <sub>2</sub> (eq))	Twelve Months Ended June 30, 2021 (tCO <sub>2</sub> (eq))
<b>Energy Consumption</b>		
Denver, Colorado	71	80
Toronto, Ontario	3	3
Lucerne, Switzerland	1	1
Vancouver, British Columbia	0.2	0.2
<b>Total Scope 2 GHG Emissions</b>	<b>75</b>	<b>84</b>

#### Scope 3 GHG Emissions

	Twelve Months Ended June 30, 2020 (tCO <sub>2</sub> (eq))	Twelve Months Ended June 30, 2021 (tCO <sub>2</sub> (eq))
Employee Business Travel	54	0
Employee Commuting	29	10
Office Paper Usage	0.2	0.2
<b>Total Scope 3 GHG Emissions</b>	<b>83</b>	<b>10</b>
<b>Total Scope 2 &amp; 3 Emissions (rounded)</b>	<b>159</b>	<b>95</b>

Estimates in this table were generated by Royal Gold and have not been independently verified

For both fiscal years 2020 and 2021 we acquired verified carbon credits to offset those carbon emissions from our corporate operations that we have not been able to eliminate, achieving Net Zero for our corporate operations. We have no Scope 1 emissions. We commit to achieving Net Zero emissions for our corporate operations going forward and will continue to work to reduce our carbon footprint and other office related waste. We have purchased our carbon credits from Mercuria Energy, a global energy and commodity trader with offices worldwide. The carbon credits are generated from the Manantiales Behr Wind Power Plant located in Argentina.

### Operator GHG Emissions

As part of our TCFD strategy in 2021 we compiled an initial Scope 1 and Scope 2 GHG emission inventory of the stream and royalty interests that generate revenue for Royal Gold. We have been able to track Scope 1 and 2 emissions estimates for approximately 96% of the revenue generated in the three-year period from 2018 through 2020. These emissions are provided graphically in the figure on the next page. An Appendix included with this report details our revenue generating assets and their associated GHG emissions data, as compiled by Skarn Associates, an ESG data analysis firm. We have weighted the emissions intensity from each stream and royalty interest, based on the proportional revenue received from each asset, to determine Scope 1 and 2 emissions that can be attributed to our beneficial interests.

Understanding the GHG emission performance of individual assets and our portfolio of stream and royalty interests, as a whole, is a basic building block for our climate scenario analysis. It also helps us strategically consider ways to reduce or offset the GHG emissions associated with our stream and royalty interests. GHG emissions at a mine site are driven by the amount of diesel fuel consumed during mining, the amount of electrical energy consumed by the operation, the fuel sources used to generate grid power, and the type of ore processing among other factors. The GHG emissions associated with our portfolio are dominated by Scope 1 emissions, associated with the use of fossil fuels to power mobile equipment and in some cases for the generation of power. Scope 1 emissions made up approximately 73% of the estimated Scope 1 emissions from fiscal year 2020.



Power plant at Pueblo Viejo, Dominican Republic

## Methodology

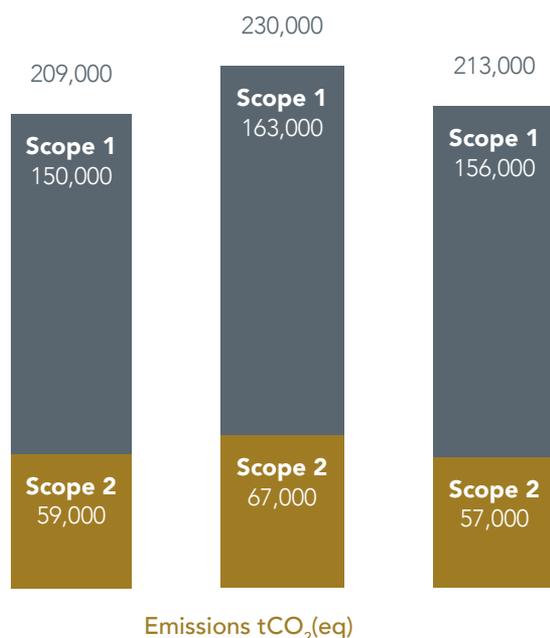
**Scope 1 Emissions:** direct greenhouse (GHG) emissions that occur from sources that are controlled or owned by an organization (e.g., emissions associated with fuel combustion in boilers, furnaces, vehicles)

**Scope 2 Emissions:** indirect GHG emissions associated with the purchase of electricity, steam, heat, or cooling. Although Scope 2 emissions physically occur at the facility where they are generated, they are accounted for in an organization's GHG inventory because they are a result of the organization's energy use.

**Emission Unit of Measure:** metric ton of carbon dioxide equivalent (tCO<sub>2</sub>(eq))

**No Data:** 3-4% of our revenue comes from properties without GHG emissions estimates. To provide a complete estimate for our portfolio, we have assumed that this portfolio segment performs on average with the segment for which data is available.

## Royal Gold Streaming and Royalty Interests GHG Emission Estimates in tCO<sub>2</sub>(eq)



	2018	2019	2020
<b>Scope 1 Operator Emissions</b>			
Principal Properties <sup>1</sup>	108,000	125,000	117,000
Other Properties	37,000	33,000	34,000
Properties Without Data - Allocation	5,000	5,000	5,000
Subtotal	150,000	163,000	156,000
<b>Scope 2 Operator Emissions</b>			
Principal Properties	40,000	50,000	39,000
Non-principal Properties	17,000	15,000	16,000
Properties Without Data - Allocation	2,000	2,000	2,000
Subtotal	59,000	67,000	57,000
Scope 1 + Scope 2 Emissions	209,000	230,000	213,000

<sup>1</sup> Principal Properties is a subset of our revenue generating properties that typically make up greater than 70% of our revenue

## Operator GHG Emission Intensity

As part of our TCFD strategy we have also assembled GHG emission intensity data for our stream and royalty interests, which is a useful metric to assess ongoing performance. GHG emission intensity is measured as the tonnes of Scope 1 and 2 CO<sub>2</sub> (equivalent) emissions per net gold equivalent ounces (GEO) produced. The average emission intensity for our Principal Properties and other stream and royalty interests is shown in the figure below. Using a GHG intensity measurement as a Key Performance Indicator (KPI) allows performance that can be tracked over time regardless of changes in the annual production attributable to our stream and royalty interests. GHG intensity performance over the three-year period of 2018 - 2020, and representing approximately 96% of our revenue, shows GHG emissions intensity has remained relatively constant on a net GEO basis over the three-year period.



Electricity Transmission Line, Nevada, USA

### Scope 1&2 GHG Emission Intensity (tCO<sub>2</sub>(eq)/Net Gold Equivalent Ounce)



#### Principal Properties<sup>1</sup>

Property	Code	2018	2019	2020
Mount Milligan	MM	0.20	0.26	0.29
Pueblo Viejo	PV	1.97	2.12	2.05
Andacollo	A	0.87	0.94	0.73
Peñasquito	P	1.23	1.21	0.75
Cortez	C	0.26	0.41	0.50
Wassana	W	0.18	0.20	0.19

#### Royal Gold Portfolio Weighted Average

Principal Properties		0.87	0.93	0.83
Other Properties	O	0.66	0.65	0.69
No Data	ND	0.80	0.85	0.80
<b>Total</b>		<b>0.80</b>	<b>0.85</b>	<b>0.80</b>
Net GEOs <sup>2,3</sup>		260,600	267,700	267,900
Emissions tCO <sub>2</sub> (eq) <sup>4</sup>		209,000	230,000	213,000

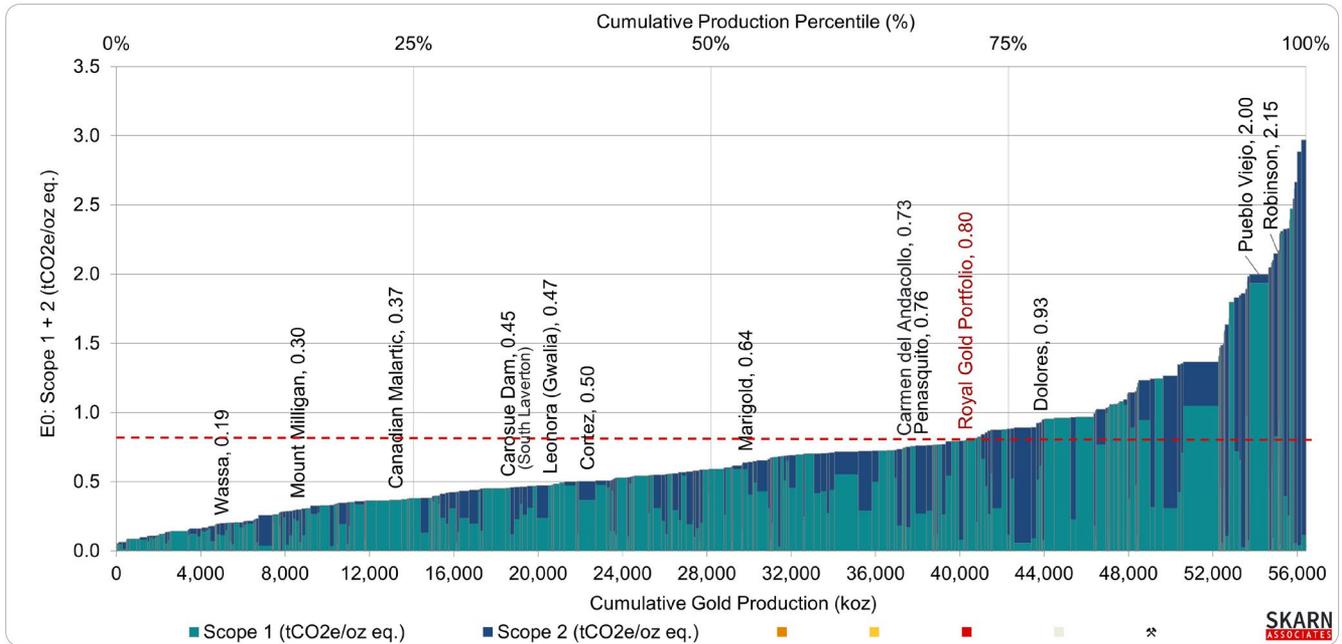
<sup>1</sup> Principal Properties is a subset of our revenue generating properties that typically make up greater than 70% of our revenue.

<sup>2</sup> Gold Equivalent Ounces ("GEO") production is estimated based using the following metal prices for each year using production units identified by Skarn Associates: \$1,758/oz Au; \$20.54/oz Ag; \$6,185.82/lb Cu; \$1,826.14/lb Pb; \$2,268.85/lb Zn, and typical metal payability factors associated with refining.

<sup>3</sup> Metal delivered under stream contracts have been reduced by the contractual cost during the relevant period of sales to derive Net GEO.

<sup>4</sup> Estimates subject to rounding

With an assessment of the Scope 1 and 2 GHG emission intensity associated with our stream and royalty interests we have benchmarked this performance against the gold mining industry using a 2020 GHG emission database of gold mining operations compiled by Skarn Associates. The figure below shows that our stream and royalty interests are in the third quartile of GHG emission intensity per GEO for the 56.4 million GEOs represented in the database. For context the figure below also shows the GHG emission intensity for several of our Operator properties.



### Water Availability and Risk

Mining and ore processing operations require significant amounts of water. Water sourcing and consumption can be a prominent concern to local communities and established water users, and unique water supply strategies are often used at mining operations to allow production while addressing local environmental and social concerns. In our due diligence of new opportunities we review the project water balance, the sustainability of water supply sources and the potential for water competition with other users in the region. We routinely benchmark the actual or estimated water consumption performance of a project against similar operations. Many of the opportunities we evaluate are in areas of water stress which requires an in-depth review of the Operator’s water management plans, including consideration of all stakeholders’ concerns.

Water availability and risk require ongoing monitoring to understand if the risk exposure is changing from that which we identified in our initial due diligence. To do this we collect water consumption data to understand water use intensity and also consult external sources that assess water related risks. These data collection activities support our efforts to understand how climate change could impact our stream and royalty interests.

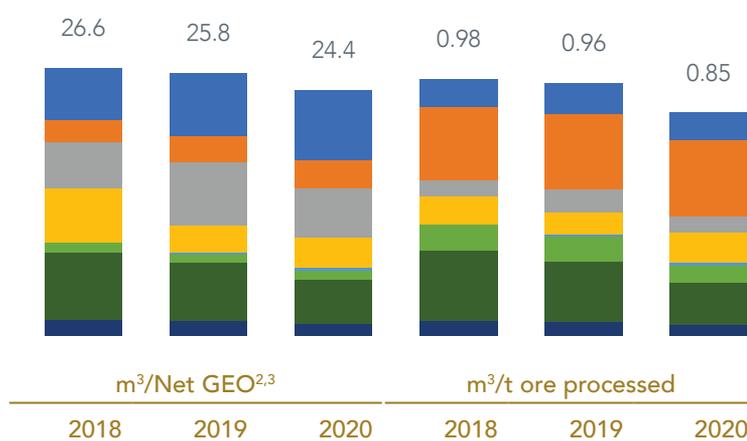
## Water Consumption Intensity

We track water consumption intensity as a useful metric to assess performance. Water consumption intensity is measured as cubic meters of water consumed per net gold equivalent ounce (GEO) produced by each operation. Using an intensity measurement as a KPI allows changes to be tracked over time, and which remains relevant regardless of changes in annual production. Performance over the three-year period of 2018 - 2020, representing approximately 95% of our revenue, is shown in the figure below. An Appendix included with this report details our revenue generating assets over that period and their associated water consumption data, as compiled by Skarn Associates. We have weighted the water consumption from each stream and royalty interest, based on the proportional revenue received from each asset, to determine water consumption that can be attributed to our beneficial interests. The figure on the next page shows water intensity has been somewhat decreasing on a net GEO basis. The figure below shows that our stream and royalty interests are in the fourth quartile for water consumption per GEO produced for the 56.4 million GEOs represented in the database.



Salar in the Atacama Region, Chile

### Water Consumption Intensity



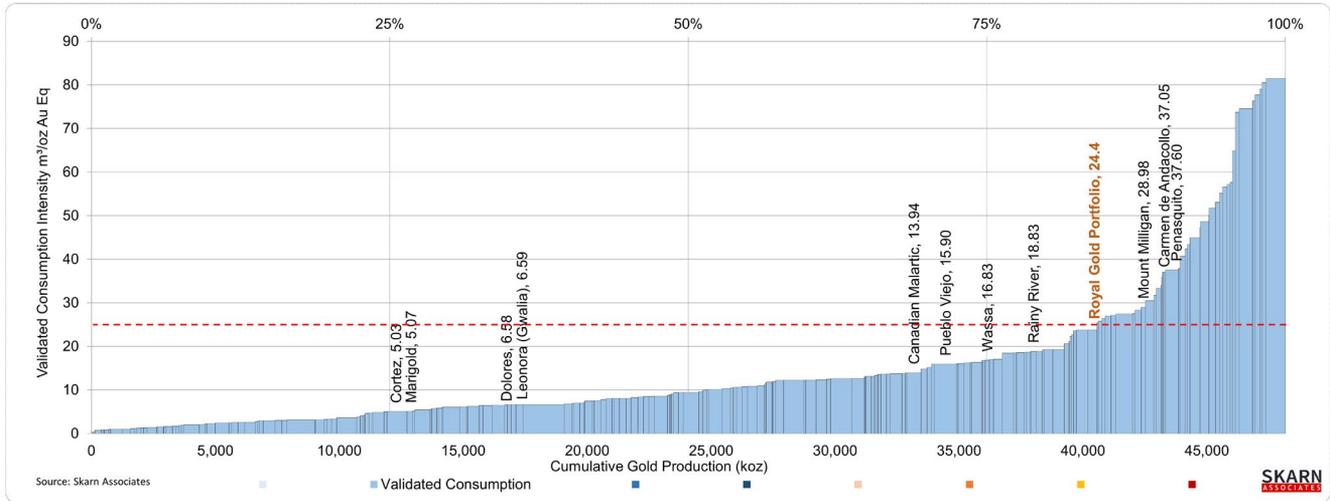
		2018	2019	2020	2018	2019	2020
<b>Principal Properties<sup>1</sup></b>							
Mount Milligan	MM	22.1	26.1	28.4	0.46	0.50	0.44
Pueblo Viejo	PV	14.0	14.6	16.3	1.73	1.73	1.73
Andacollo	A	32.1	38.0	36.8	0.43	0.52	0.46
Peñasquito	P	92.0	58.2	37.4	1.87	1.87	1.46
Cortez	C	2.7	4.3	5.0	0.19	0.19	0.19
Wassa	W	23.5	22.0	16.8	2.20	2.22	1.40
<b>Royal Gold Portfolio Weighted Average</b>							
Principal Properties		28.1	26.7	25.5	1.00	0.97	0.89
Other Properties	O	23.1	23.3	20.6	0.94	0.94	0.74
No Data		26.6	25.8	24.4	0.98	0.96	0.85
<b>Portfolio Total<sup>4</sup></b>		<b>26.6</b>	<b>25.8</b>	<b>24.4</b>	<b>0.98</b>	<b>0.96</b>	<b>0.85</b>

<sup>1</sup> Principal Properties is a subset of our revenue generating properties that typically make up greater than 70% of our revenue.

<sup>2</sup> Gold Equivalent Ounces ("GEO") production is estimated based using the following metal prices for each year using production units identified by Skarn Associates: \$1,758/oz Au; \$20.54/oz Ag; \$6,185.82/lb Cu; \$1,826.14/lb Pb; \$2,268.85/lb Zn, and typical metal payability factors associated with refining.

<sup>3</sup> Metal delivered under stream contracts have been reduced by the contractual cost during the relevant period of sales to derive Net GEO.

<sup>4</sup> Estimates subject to rounding



### Water Risk

Our stream and royalty interests are geographically and climatologically diverse. In 2021 we looked to systematically understand the risk in our portfolio associated with water supply to be able to independently and effectively communicate our findings to stakeholders. We chose to base this initial assessment of our Principal Properties on a global water risk mapping tool, Aqueduct™ Water Risk Atlas, developed by the World Resource Institute (“WRI”). Aqueduct™ Water Risk Atlas is based on a framework of eight physical water risk indicators: Water Stress, Water Depletion, Interannual Variability, Seasonal Variability, Groundwater Table Decline, Riverine Flood Risk, Coastal Flood Risk and Drought Risk. An assessment of all of the water risk indicators for our Principal Properties is presented in the Appendix to this report. We have chosen three of these indicators, Water Stress, Interannual Variability and Drought Risk, as these have a direct correlation to our Principal Properties having sufficient water to operate. The assessment of our Principal Properties associated with the three risk indicators is summarized in the figures on the next page. Identified risk will be reviewed in further detail in the TCFD scenario analysis we expect to complete in 2022.

The review shows that all of our Principal Properties have at least one elevated physical water risk indicator. For example, Mount Milligan is assessed as having low water stress risk as there is limited competition for water resources in the region. However, the interannual variability is classified as medium-high indicating elevated risk in annual precipitation rates varying from year to year. This is important for an operation like Mount Milligan that collects run-off from snow melt as its water supply. As another example Andacollo’s water stress indicator is classified as extremely high as it is located in a very low precipitation region where there is significant competition for available water resource from agriculture and domestic uses. The interannual variability is classified as medium-high indicating elevated risk in annual precipitation rates.

Water related risks are one of the parameters we will use to assess climate related risks and potential impacts to our stream and royalty interests, as we advance our climate scenario analysis as prescribed by TCFD. We will also endeavor to understand the water related risks at our investments, as well as any corresponding action plans to mitigate the identified, risks and will seek to understand how we might be able to incentivize Operators to improve water use intensity and water management.

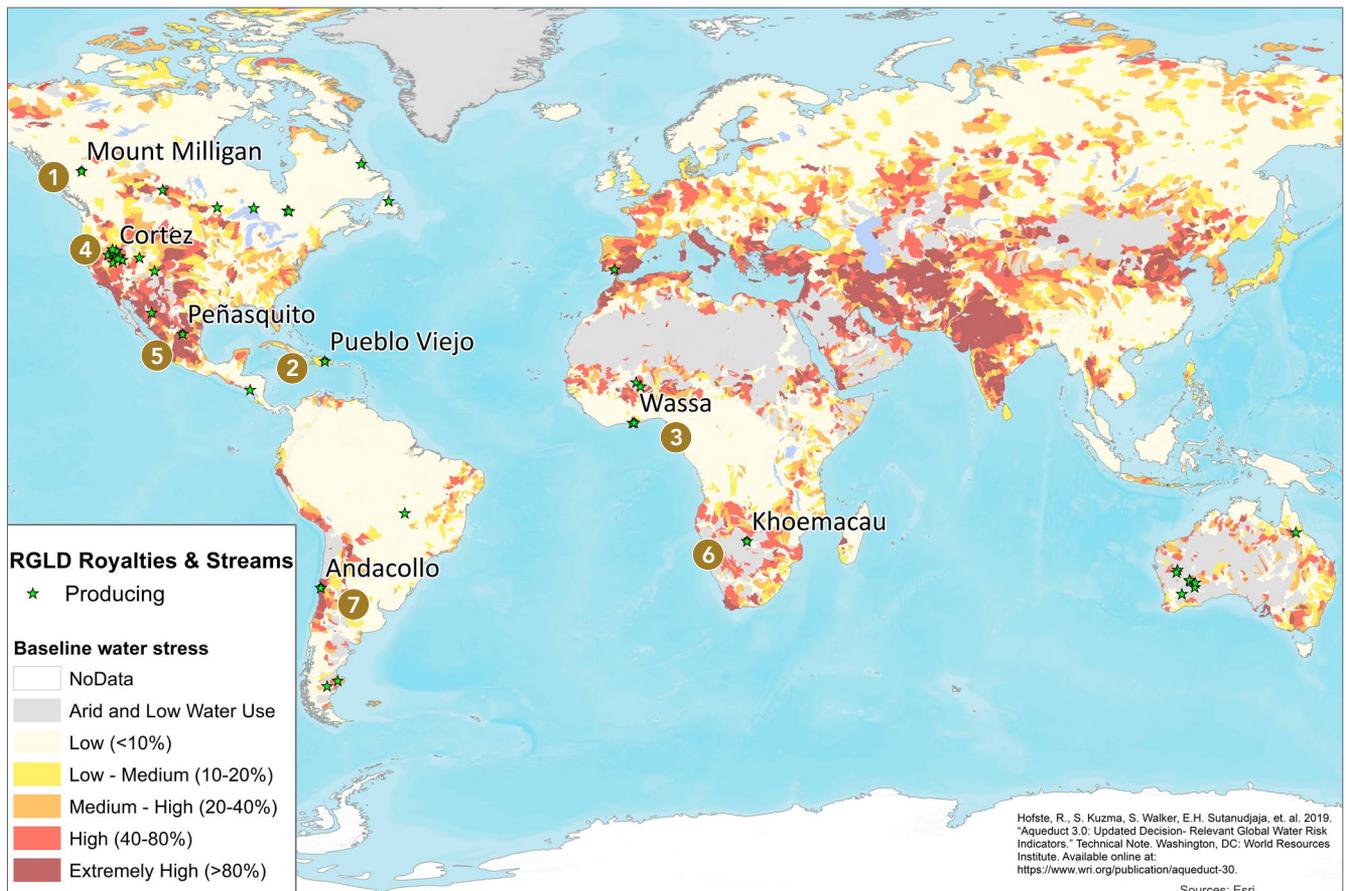
Mine	Country	Water Stress	Interannual Variability	Drought Risk
1 Mount Milligan	British Columbia	Low	Medium - High	Low
2 Pueblo Viejo	Dominican Republic	Low - Medium	Medium - High	Medium - High
3 Wassa	Ghana	Low - Medium	High	Medium
4 Cortez	USA	High	High	Low - Medium
5 Peñasquito	Mexico	High	Medium - High	Medium
6 Khoemacau	Botswana	High	Extremely High	Low - Medium
7 Andacollo	Chile	Extremely High	Extremely High	Medium

Aqueduct™ Indicators provide estimates of the stated indicators of water risk with a resolution of approximately 10 km x 10 km.

**Baseline Water Stress** measures the ratio of total water withdrawals to available renewable surface and groundwater supplies. Water withdrawals include domestic, industrial, irrigation, and livestock consumptive and nonconsumptive uses. Available renewable water supplies include the impact of upstream consumptive water users and large dams on downstream water availability. Higher values indicate more competition among users.

**Interannual Variability** measures the average between year variability of available water supply, including both renewable surface and groundwater supplies. Higher values indicate wider variations in available supply from year to year.

**Drought Risk** measures where droughts are likely to occur, the population and assets exposed, and the vulnerability of the population and assets to adverse effects. Higher values indicate higher risk of drought.



### ***Tailings Management***

Mining and ore processing create tailings which must be stored with both chemical and physical stability in mind. Long-term storage of waste product represents special concern to mining companies, local communities and regulators. In our due diligence of new business opportunities, we identify potential risk of tailings storage. This includes reviews of site seismic, hydrologic and geotechnical characterization, the design of facilities used to store the waste, and management of the storage facilities. We seek to ensure that well-designed storage plans have been developed or are currently employed to ensure long-term public safety and environmental protection.

Our due diligence of all new opportunities includes a waste storage review, and based on the site circumstances, geotechnical expertise is engaged to support the review. From a design and operating perspective we strive to understand how facility designs and operation practices compare with international guidelines such as those promulgated by the Canadian Dam Association and Global Industry Standard on Tailings Management.

For several of the more substantial assets within our portfolio, we typically have information and visitation rights that allow us on an annual basis to inspect the operation. During visits we engage with site personnel to understand how the tailings storage facilities are being constructed, operated and inspected. Specifically, we seek to confirm that facilities are being inspected on a regular basis by both the Engineer of Record and an independent third-party.

In 2020, all six Operators of our producing Principal Properties disclosed details of their tailings storage facilities and operating practices, and we estimate that properties generating 95% of our revenue provide some level of disclosure on their tailings storage facilities. With the heightened public profile associated with tailings storage, we have provided links on our website to the tailings management disclosures presented by our stream and royalty Operators.



Khoemacau Tailing Storage Facility, Botswana

### *Active in our communities*

We believe in supporting the communities where we live and work. Our annual charitable giving is administered by a committee of employees that selects donation targets in our local communities. We are proud to partner with leading charitable organizations in Denver, Lucerne, Toronto and Vancouver who are actively responding to community needs with respect to disaster relief, medical supplies, homelessness, food security, elder care and education. Royal Gold's commitment to community carries beyond our offices. A number of our current and former directors, officers and employees are active in or otherwise support educational institutions and non-profit organizations, furthering such causes as promotion of community health, elimination of food insecurity and protection of at-risk children. We support these efforts by giving all employees two days of paid leave annually in order to volunteer with non-profit organizations of their choosing.

During fiscal year 2021, Royal Gold committed \$1.5 million in support of organizations that serve critical needs in our communities in which our corporate offices are located. The organizations that we supported in 2021 are briefly summarized in the table on the following page.



Royal Gold at Habitat for Humanity project, Denver, Colorado

Supported Organization

Brief Summary of Organization Mission



ACE Scholarships is a nonprofit organization committed to providing children of low-income families with scholarships to private schools in grades K-12, and to advocate for expanded school choice. Based in Denver, Colorado, ACE Scholarships currently operates in Arkansas, Colorado, Kansas, Louisiana, Missouri, Montana, Texas, and Wyoming.



Founded in 1983, Daily Bread Food Bank has grown to become one of Canada's largest food banks. Daily Bread's dedicated staff, volunteers, member agencies, and Board of Directors work together to end hunger in local communities and change the way people think about poverty.



The mission of the Downtown Eastside Womens Centre is to provide a safe, non-judgmental environment for women from all walks of life, who live and/or work in the Downtown Eastside of Vancouver, British Columbia. To achieve this goal the Center provides supportive surroundings with meals, counseling, advocacy and programs which nurture and empower members.



The Food Bank of the Rockies operates with a mission to help families thrive by efficiently procuring and distributing food and essentials to the hungry through its programs and partner agencies.



The Greater Vancouver Food Bank provides assistance to approximately 8,500 people weekly across Vancouver, Burnaby, New Westminister and the North Shore. There are specialized nutrition programs for children from birth to 12 years old. Food support is also provided to approximately 80 community agencies.



Habitat for Humanity of Metro Denver is non-profit organization that builds and sells homes to hard-working people in need of decent and affordable housing.



Invest in Kids' (IIK) vision is to ensure that every Colorado child has a strong start in life. IIK is dedicated to addressing the growing health and education disparities between low-income Colorado children and their higher socioeconomic peers.



Mining4Life is an initiative backed by the global mining industry, with the goal to invest in the economic and social well-being of communities around the world by helping to create and support sustainable health and education solutions for children in need.

Supported Organization

Brief Summary of Organization Mission



Project C.U.R.E. identifies, solicits, collects, sorts and distributes medical supplies and services according to the imperative needs of the world.



Spitex provides home care for seniors on a 24/7 basis, allowing for a more independent life in a familiar environment. Services include assistance with personal hygiene, eating and drinking, care and support for people with dementia, post hospitalization care, advice on health issues and prevention and advice on aid rental and meal services. With COVID-19 impacting the elderly to such a great extent, Spitex offers in-house assistance to the most vulnerable.



United Way is a worldwide not-for-profit movement. United Way Greater Toronto sustains a vital social safety net across Peel, Toronto and York Region. A network of 270 community agencies is there during times of stability and crisis, providing hundreds of thousands of people with much needed support, close to home.



On December 30th, 2021 the Marshall wildfire destroyed more than 1,000 homes and community buildings in Boulder County, Colorado, creating an immediate need for shelter, food and other services for tens of thousands of our Denver-area neighbors. Royal Gold provided its support to the Boulder County Wildfire Fund and the American Red Cross—Colorado & Wyoming Region, to support their efforts to assist victims of the devastating fire.



# ESG Ratings and other Progress Reporting

## 2021 ESG Ratings and Other Progress Reporting

Royal Gold's direct environmental footprint is modest with 29 professional and administrative employees across four professional offices in the United States, Switzerland, and Canada. Still we strive to limit our impact where possible. For many years Royal Gold has subsidized and encouraged employees to use public transportation for their daily commute. In January 2020 we moved our Denver headquarters, where two-thirds of our employees are based, into a LEED Gold certified building at 1144 15th Street. Also, in 2020 we eliminated single use plastic water bottles across all of our offices. In this COVID-19 pandemic we have taken advantage of technological advancements in communication tools and transitioned many in-person meetings, site visits and audits to virtual platforms. We have upgraded our IT systems enabling a reduction in business travel and further decreased the use of paper and paper products. While we look forward to returning to in-person business when it is safe to do so, we also intend to continue to rely on these technologies to reduce the carbon intensity of our corporate operations.

### ESG Ratings

Royal Gold is evaluated by many independent ESG rating agencies. ESG ratings are used differently by stakeholders. Sustainalytics and MSCI are two well-known and commonly-used rating agencies in the precious metal sector, and S&P Global is emerging as an increasingly important rating agency. Surveys distributed by the rating agencies are often very detailed and require significant resources to complete. Royal Gold has focused our efforts to provide detailed responses from surveys given the relatively high importance our shareholders and potential investors place on the ratings from these agencies.

While ESG has always been a core part of Royal Gold's business model, since 2020 we have increased our disclosure and transparency into the elements of ESG within the business, which is reflected in Royal Gold's improved ESG ratings. Our 2021 ratings from these independent third parties is shown on this page. Commentary regarding each of these rankings follows.



# 10.5

ESG Risk Rating  
Low Risk (10-20)



# MSCI



# AA

ESG Rating

# ISS



# 1

ISS QualityScore

# S&P Global

# 22

Sustainability Score

Royal Gold has improved its ESG Risk Rating from Sustainalytics, with a score of 10.5 (from 19.1 previously). This score reflects Royal Gold's strong performance in the areas of corporate governance, human capital, bribery and corruption, and business ethics. We are pleased to have an ESG Risk Rating from Sustainalytics of 3rd out of 123 companies in the Precious Metals Group, with 1 being the lowest risk.

In September 2021 Royal Gold was upgraded to a "AA" ESG Rating from MSCI, up from an "A" rating the prior three years. This represents the top quartile of companies graded. The upgrade highlights strong corporate governance practices, including a formal anti-corruption policy overseen at the Board level to manage corruption-related risks linked to the precious metals stream and royalty business.

In 2020, Royal Gold began active participation in S&P Global's Corporate Sustainability Assessment (CSA). Royal Gold has consistently scored well on governance and economic aspects. Areas for improvement include public reporting of environmental indicators, historical GHG emission statistics and climate strategy. Other key areas for improvement including public reporting on social indicators and certain human rights assessments.

We endeavor to continuously seek ways to improve our various ESG ratings into the future and expect that this inaugural ESG Report will provide additional disclosure that will help rating agencies and other stakeholders understand our business in more detail.

### ***Net Zero on Direct Emissions***

For both fiscal years 2020 and 2021 we acquired verified carbon credits to offset those carbon emissions from our corporate operations that we have not been able to eliminate, achieving Net Zero for the Scope 2 and 3 emissions from our corporate operations. We have no Scope 1 emissions. We commit to achieving net zero emissions for our corporate operations going forward and will continue to work to reduce our corporate carbon footprint and other office-related waste.

### ***Looking for Other Ways to Move ESG Forward Outside of Our Investments***

While we have limited influence over the mining operations where we hold stream and royalty interests, we encourage Operators to implement mining industry ESG best practices in their operations. We support and often participate in efforts to advance technology, education and the rule of law in the mining industry. Since 2020 we have joined with leading mining companies to sponsor the Colorado Cleantech Industry Association's Mining Cleantech Challenge, an industry-judged competition to promote new clean technologies for mining projects.



We also believe in educating the industry's next generation of leadership who will be at the forefront of the continued evolution of responsible resource development and sustainability standards. In the last 10 years, we have committed nearly \$1,000,000 in support of educational initiatives. From 2015 to 2020 Royal Gold committed \$500,000 to the South Dakota School of Mines and Technology to advance the university's minerals and energy industries programs. In 2020, we underwrote costs for a new course on "Community Engagement and Sustainable Development of Mineral Resources" now offered by the University of Arizona James E. Rogers College of Law. The course is intended to offer training in sustainable management of resource projects to students in law, engineering and other disciplines.



THE UNIVERSITY OF ARIZONA  
**James E. Rogers**  
**College of Law**

In 2021, we were proud to recognize the work of the International Senior Lawyers Project through sponsorship of their 20th Anniversary Virtual Celebration. ISLP mobilizes pro bono legal support to advance economic development that is more just, inclusive, sustainable, and accountable, working with governments, civil society organizations, and social enterprises.



International Senior  
Lawyers Project

### **Turnover and Talent Retention**

The continued growth and success of our business depends on our people, and while our portfolio focuses on precious metals interests our people are our most important resource. As of December 31, 2021, Royal Gold had a small team with a total of 29 employees. The value generated per employee points to a highly efficient business model and also highlights the importance of employee retention. Royal Gold has a strong record for employee retention and, excluding the retirement of long-serving employees with at least ten years of service, the average voluntary employee turnover rate, excluding retirements, was 0% over the past three calendar years as shown in the following table.

	2019	2020	2021
Voluntary departures	0	2	1
Retirements of long-serving employees	0	2	1
Number of employees	25	27	29
Voluntary turnover rate	0%	7%	3%
Voluntary turnover rate excluding retirements	0%	0%	0%

## Diversity

Royal Gold recognizes and values the introduction of varied voices and opinions in all aspects of our business. The maintenance of a diverse workforce fosters the type of inclusive work environment envisioned by our People Policy. With respect to our Board, one-third of our independent directors identify as women and one of our independent directors identifies as a minority. When identifying new candidates for our Board we endeavor to include diverse candidates in any search. With respect to our employees, as of December 31, 2021, a total of 41% of our employees and 14% of our senior management team self-identify as female. Given the limited turnover of our staff, and the lack of need to quickly add significant staff at a single point in time, we seek to improve these figures by including diverse candidates in any employment search.

## Political Contributions

Royal Gold's Code of Business Conduct and Ethics provides that corporate funds may not be provided to political candidates, entities or organizations without the written consent of our CEO, or the Chair of the Audit and Finance Committee of our Board in the case of a political contribution suggested by our CEO. This includes direct cash contributions, the donation of property or services, and purchases associated with fund-raising events. As indicated in the table below there have been no political contributions in the three-year period of calendar years 2019 – 2021

Category	2019	2020	2021
Political Contributions	0	0	0

## Whistleblower Complaints

Royal Gold's Whistleblower Policy encourages and enables the reporting of any Prohibited Conduct, as defined in the policy. The Whistleblower Policy is intended to provide a means for directors, officers and employees of the company to report serious concerns that could have a negative impact on Royal Gold or its stockholders, such as actions that may lead to incorrect financial reporting, are unlawful, are not in line with company Policy or otherwise amount to serious improper conduct. As indicated in the table below there have been no whistleblower complaints in the three-year period of calendar years 2019 – 2021

Category	2019	2020	2021
Whistleblower Complaints	0	0	0



# Support of our Operators

## Support of Our Operators

We recognize that we have an opportunity and endeavor to support our Operators in their ESG initiatives. This section provides case studies of our current efforts, and we endeavor to increase and expand our efforts in this area in the years to come. Progress will be reported in subsequent iterations of our annual ESG Report.

### *Golden Star Oil Palm Plantation, Ghana*

In 2021 Royal Gold subsidiary RGLD Gold AG entered into a five-year and total \$750,000 contribution agreement with the multi award-winning Golden Star Oil Palm Plantations (GSOPP). GSOPP is a subsidiary of Golden Star Resources (GSR), which operates the Wassa mine, one of our Principal Properties, and represents the flagship sustainability initiative of GSR. In early 2022 GSR was acquired by Chifeng Jilong Gold. In broad summary, the GSOPP program partners with traditional Ghanaian community authorities and farmers in the area around the Wassa underground mine to develop oil palm plantations without deforestation, and currently provides income for over 700 farmers and part-time contractors. Our contribution is used to expand the organization's operations around Wassa and thereby promote sustainable agribusiness. The GSOPP program was the winner of the 2018 Prospectors and Developers Association of Canada (PDAC) Environmental and Social Responsibility Award as well as the 2021 Mines and Money ESG Producer of the Year.

Royal Gold's commitment to contribute \$150,000 per year for five years is providing direct financial support for the activities of GSOPP. The Royal Gold funds are being utilized to accelerate plantation development, and in 2021 alone funded the development of 93 hectares of plantation, directly employing 46 people (26% female and 33% youth) and indirectly supporting approximately 200 others. GSOPP has a goal of zero deforestation in the creation of this high-value agribusiness. To accomplish this, GSOPP develops plantations on former subsistence farms and land that has previously been used for mining activities, especially decommissioned tailings facilities. Since inception of the program in 2006 a total of over 1,700 hectares of land have been converted to sustainable oil palm plantations. Traditional owners have committed

thousands of hectares of land for future development. With 2021 revenues of \$1.125 million, including Royal Gold's contribution, and expenditures of \$927,000, this resulted in almost \$200,000 of income that can be recycled back into the program.



To establish itself as a leader in the oil palm industry, in 2022 GSOPP set out to become Ghana's first smallholder plantation to achieve the peak international standard for oil palm sustainability, through Roundtable for Sustainable Palm Oil (RSPO) accreditation. Notably, if successful GSOPP will be the only the second smallholder plantation in Africa to achieve this industry leading practice standards. United Nations Sustainable Development Goal (SDG) 17 – Partnerships for the Goals, recognises that the SDGs can only be realized with strong global partnerships and cooperation. Royal Gold strongly believes in the importance of sustainability in the mining industry and is pleased to support GSOPP, itself an example of cooperation, in the creation of sustainable alternative

livelihoods and lasting positive impact for mining host communities.

Year 2022 goals of the GSOPP program include the following:

- Expand the GSOPP plantations and maintain immature palms;
- Sustain crop production and farmer earnings;
- Train farmers and contract workers to ensure compliance with RSPO Principles and Criteria;
- Maintain GSOPP revolving fund;
- Pursue palm oil mill investment and GSOPP growth opportunities;
- Complete GSOPP RSPO certification;
- Establish a new oil palm nursery at Wassa; and
- Select and induct the next batch of smallholder farmers.

### ***Pueblo Viejo, Dominican Republic***

In 2021, Royal Gold joined with the Pueblo Viejo Joint Venture and Denver-based international aid organization Project C.U.R.E. to provide critical medical equipment and supplies to five medical facilities serving the Pueblo Viejo mine catchment area in the Dominican Republic. Specifically, we made a contribution of \$64,000 to cover the cost of shipping three containers of medical equipment to the Dominican Republic. The process of identifying and fulfilling needs for the medical clinics is managed by Project C.U.R.E., and Royal Gold was pleased to assist in fulfilling the identified needs of a communities in which one of our Operators has significant influence.



### ***Rainy River, Canada***

In 2021, Royal Gold joined with New Gold Inc. (“New Gold”) to fund two initiatives supporting communities in the Rainy River mine catchment area.

The first of these initiatives is support of the Riverside Foundation for Healthcare. Developed in 1997, the Riverside Foundation for Health Care is a fundraising entity that supports the Riverside Health Care Facilities. While the operating costs of the health care facilities are financed by the Province of Ontario, the foundation raises money to buy the equipment required to provide needed patient services. In 2021, Royal Gold committed C\$180,000



over three years as part of the successful “Picture This” capital raising effort to purchase new diagnostic imaging equipment, including x-ray room upgrades, a new elevating table, a CT scanner and digital mammography equipment for the La Verendrye hospital.



mental health counseling, providing workshops on substance abuse, traditional healing and wellness and recreation programs. In 2021, Royal Gold contributed C\$ 30,000 to the Auntie Bear Nanodogikendan and Q’s and A’s program bundle to cover the cost of equipment and supplies needed to support the center’s programs.



**NX Gold, Brazil**



In mid-2021 Royal Gold entered into a stream agreement with Ero Copper Corporation (“Ero Copper”) for gold produced from the NX Gold mine in Brazil. As part of the transaction, we agreed to fund \$5 per ounce of gold delivered towards Ero Copper’s ESG commitments within the area of influence of the NX Gold mine. Since the NX Gold investment is relatively new, the allocation of proceeds contributed by Royal Gold to NX Gold’s local community programs has not yet been identified. However, we note that NX Gold is active with a number of organizations in the town of Nova Xavantina and, in particular, the Project Hope and Association of Parents and Friends of the Exceptional. Project Hope targets vulnerable youth in the community, offering courses in financial literacy and job training. The Association of Parents and Friends of the Exceptional cares for children of adults with special needs in the community.

The second of our initiatives is support of the Mikinaak Center for Wellness. The Mikinaak Center for Wellness, located in Northwestern Ontario, works to advance education and promote gender diversity while providing a safe and supportive place for indigenous women and marginalized peoples to be accepted. Services include



# Appendices

# Operator GHG Emissions

The following table presents all of our revenue generating assets and estimates of their Scope 1 and 2 greenhouse gas (GHG) emissions for each asset, as available from Skarn Associates, an independent ESG data analytics firm for calendar years 2018 through 2020. We have estimates of GHG emissions associated with 96% to 97% of our revenue over the period.

Asset / Operator	Year	Royal Gold Revenue <sup>(1)</sup> (%)	Reported Production (kGEO) <sup>(2)</sup>	Emission Estimates <sup>(3)</sup> tCO <sub>2</sub> (eq)			Emission Intensity tCO <sub>2</sub> (eq)/GEO		
				Scope 1	Scope 2	Scope 1 & 2	Scope 1	Scope 2	Scope 1 & 2
<b>Principal Properties</b>									
Andacollo <i>Teck Resources Limited</i>	2018	14.2%	290	40,494	211,176	251,670	0.14	0.73	0.87
	2019	16.7%	231	34,630	181,990	216,619	0.15	0.79	0.94
	2020	13.4%	246	45,340	134,918	180,258	0.18	0.55	0.73
Cortez <sup>(5)</sup> <i>Nevada Gold Mines LLC</i>	2018	1.5%	1,202	215,000	93,000	308,000	0.18	0.08	0.26
	2019	4.2%	963	274,152	123,849	398,001	0.28	0.13	0.41
	2020	6.0%	799	292,832	108,216	401,047	0.37	0.14	0.50
Mount Milligan <i>Centerra Gold Inc.</i>	2018	23.5%	283	51,010	5,157	56,167	0.18	0.02	0.20
	2019	23.6%	313	65,741	16,018	81,759	0.21	0.05	0.26
	2020	24.6%	310	66,580	23,867	90,447	0.21	0.08	0.29
Peñasquito <i>Newmont Corporation</i>	2018	5.7%	717	344,519	537,601	882,120	0.48	0.75	1.23
	2019	4.6%	642	300,254	475,382	775,636	0.47	0.74	1.21
	2020	7.8%	1,192	321,156	577,458	898,614	0.27	0.48	0.75
Pueblo Viejo <i>Barrick Gold Corporation</i>	2018	16.1%	1,028	2,029,000	-	2,029,000	1.97	0.00	1.97
	2019	16.6%	1,022	2,165,898	-	2,165,898	2.12	0.00	2.12
	2020	16.7%	937	1,860,150	57,914	1,918,064	1.98	0.06	2.05
Wassa <i>Chifeng Jilong Gold Mining Co., Ltd.</i>	2018	4.3%	150	18,061	9,364	27,424	0.12	0.06	0.18
	2019	4.3%	156	20,890	9,950	30,840	0.13	0.06	0.20
	2020	4.9%	168	20,409	12,200	32,608	0.12	0.07	0.19

Asset / Operator	Year	Royal Gold Revenue <sup>(1)</sup> (%)	Reported Production <sup>(2)</sup> (kGEO)	Emission Estimates <sup>(3)</sup> tonnes CO <sub>2</sub> (eq)			Emission Intensity tCO <sub>2</sub> (eq)/GEO		
				Scope 1	Scope 2	Scope 1 & 2	Scope 1	Scope 2	Scope 1 & 2
<b>Non-principal Properties</b>									
Allan & Borax <i>Nutrien Ltd.</i>	2018	0.4%	NR	NR	NR	NR	NR	NR	NR
	2019	0.3%	NR	NR	NR	NR	NR	NR	NR
	2020	0.3%	NR	NR	NR	NR	NR	NR	NR
Bald Mountain <sup>(5)</sup> <i>Kinross Gold Corporation</i>	2018	0.5%	285	120,513	12,165	132,678	0.42	0.04	0.47
	2019	0.2%	188	115,195	30,245	145,440	0.61	0.16	0.77
	2020	0.0%	191	127,155	33,951	161,106	0.66	0.18	0.84
Canadian Malartic <sup>(5)</sup> <i>Agnico Eagle Mines Ltd./ Yamana Gold Inc.</i>	2018	2.3%	707	217,225	1,143	218,368	0.31	0.00	0.31
	2019	1.8%	679	228,467	874	229,341	0.34	0.00	0.34
	2020	1.6%	576	210,457	1,100	211,557	0.37	0.00	0.37
Carlin Operations <sup>(5)</sup> <i>Nevada Gold Mines LLC</i>  <i>Goldstrike</i>	2018	0.9%	1,019	639,000	300,000	939,000	0.63	0.29	0.92
	2019								
	2020								
<i>Carlin - Leeville</i>	2018	0.7%	928	1,894,327	545,308	2,439,636	2.04	0.59	2.63
<i>Carlin - Leeville + Goldstrike</i>	2019	1.2%	1,720	2,277,984	742,215	3,020,199	1.32	0.43	1.76
<i>Carlin - Leeville + Goldstrike</i>	2020	1.1%	1,667	1,749,640	526,175	2,275,816	1.05	0.32	1.37
Dolores <i>Pan American Silver Corporation</i>	2018	1.9%	182	86,749	41,634	128,383	0.48	0.23	0.70
	2019	1.8%	175	93,898	46,883	140,781	0.54	0.27	0.80
	2020	1.5%	140	87,521	43,884	131,405	0.62	0.31	0.94
Don Mario <i>Orvana Minerals Corporation</i>	2018	0.5%	NR	NR	NR	NR	NR	NR	NR
	2019	0.2%	NR	NR	NR	NR	NR	NR	NR
	2020	0.0%	NR	NR	NR	NR	NR	NR	NR

Asset / Operator	Year	Royal Gold Revenue <sup>(1)</sup> (%)	Reported Production <sup>(2)</sup> (kGEO)	Emission Estimates <sup>(3)</sup> tonnes CO <sub>2</sub> (eq)			Emission Intensity tCO <sub>2</sub> (eq)/GEO		
				Scope 1	Scope 2	Scope 1 & 2	Scope 1	Scope 2	Scope 1 & 2
Don Nicolas <i>Cerrado Gold, Inc.</i>	2018	0.0%	NR	NR	NR	NR	NR	NR	NR
	2019	0.0%	NR	NR	NR	NR	NR	NR	NR
	2020	0.3%	NR	NR	NR	NR	NR	NR	NR
El Limon <i>Calibre Mining Corporation</i>	2018	0.6%	NR	NR	NR	NR	NR	NR	NR
	2019	0.6%	NR	NR	NR	NR	NR	NR	NR
	2020	0.9%	NR	NR	NR	NR	NR	NR	NR
Gold Hill <sup>(5)</sup> <i>Kinross Gold Corporation</i>	2018	0.2%	371	151,838	68,196	220,034	0.41	0.18	0.59
	2019	0.2%	335	157,664	67,518	225,182	0.47	0.20	0.67
	2020	0.2%	326	162,248	73,114	235,362	0.50	0.22	0.72
Gwalia Deeps <sup>(5)</sup> <i>St Barbara Ltd.</i>	2018	1.4%	257	64,832	-	64,832	0.25	0.00	0.25
	2019	1.0%	184	73,182	-	73,182	0.40	0.00	0.40
	2020	0.9%	156	73,837	-	73,837	0.47	0.00	0.47
Holt <sup>(5)</sup> <i>Kirkland Lake Gold Ltd.</i>	2018	2.9%	127	15,787	2,510	18,297	0.12	0.02	0.14
	2019	2.6%	114	15,668	2,491	18,159	0.14	0.02	0.16
	2020	1.2%	29	4,832	693	5,525	0.16	0.02	0.19
King of the Hills <i>Red 5 Limited</i>	2018	0.0%	79	12,397	40,628	53,024	0.16	0.51	0.67
	2019	0.3%	107	15,257	46,310	61,567	0.14	0.43	0.58
	2020	0.2%	83	17,638	50,242	67,880	0.21	0.60	0.82
LaRonda Zone 5 <sup>(5)</sup> <i>Agnico Eagle Mines Ltd.</i>	2018	0.1%	402	31,010	851	31,861	0.08	0.00	0.08
	2019	0.5%	446	38,306	861	39,167	0.09	0.00	0.09
	2020	0.4%	378	31,861	204	32,065	0.08	0.00	0.08
Las Cruces <i>First Quantum Minerals Ltd.</i>	2018	2.0%	249	68,100	80,800	148,900	0.27	0.32	0.60
	2019	1.1%	169	53,700	54,900	108,600	0.32	0.32	0.64
	2020	1.1%	191	41,253	63,762	105,015	0.22	0.33	0.55

Asset / Operator	Year	Royal Gold Revenue <sup>(1)</sup> (%)	Reported Production <sup>(2)</sup> (kGEO)	Emission Estimates <sup>(3)</sup> tonnes CO <sub>2</sub> (eq)			Emission Intensity tCO <sub>2</sub> (eq)/GEO		
				Scope 1	Scope 2	Scope 1 & 2	Scope 1	Scope 2	Scope 1 & 2
Marigold <sup>(5)</sup> SSR Mining Inc.	2018	1.4%	205	106,100	23,500	129,600	0.52	0.11	0.63
	2019	1.6%	220	101,861	10,284	112,145	0.46	0.05	0.51
	2020	1.7%	234	138,792	10,616	149,408	0.59	0.05	0.64
Meekatharra <sup>(5)</sup> Westgold Resources Ltd.	2018	0.7%	NR	NR	NR	NR	NR	NR	NR
	2019	0.7%	NR	NR	NR	NR	NR	NR	NR
	2020	0.8%	NR	NR	NR	NR	NR	NR	NR
Mulatos Alamos Gold Inc.	2018	2.9%	175	101,031	-	101,031	0.58	0.00	0.58
	2019	0.7%	142	108,894	105	108,999	0.77	0.00	0.77
	2020	0.0%	151	103,198	104	103,302	0.68	0.00	0.69
Prestea and Bogoso Future Global Resources Ltd.	2018	2.5%	75	14,153	6,215	20,368	0.19	0.08	0.27
	2019	1.4%	48	11,057	7,174	18,231	0.23	0.15	0.38
	2020	0.8%	29	4,685	3,040	7,725	0.16	0.10	0.26
Rainy River New Gold Inc.	2018	3.8%	230	140,749	1,865	142,614	0.61	0.01	0.62
	2019	5.3%	257	134,219	2,254	136,473	0.52	0.01	0.53
	2020	4.7%	233	126,878	5,426	132,304	0.54	0.02	0.57
Robinson KGHM International Ltd.	2018	2.6%	213	149,061	329,614	478,675	0.70	1.54	2.24
	2019	2.2%	225	149,061	329,614	478,675	0.66	1.46	2.12
	2020	2.3%	218	146,962	324,972	471,933	0.67	1.49	2.16
Skyline Wolverine Fuels, LLC	2018	0.4%	NR	NR	NR	NR	NR	NR	NR
	2019	0.4%	NR	NR	NR	NR	NR	NR	NR
	2020	0.3%	NR	NR	NR	NR	NR	NR	NR
South Laverton <sup>(5)</sup> Northern Star Resources Ltd.	2018	1.2%	176	82,143	-	82,143	0.47	0.00	0.47
	2019	1.1%	198	87,006	-	87,006	0.44	0.00	0.44
	2020	2.2%	213	96,570	-	96,570	0.45	0.00	0.45

Asset / Operator	Year	Royal Gold Revenue <sup>(1)</sup> (%)	Reported Production <sup>(2)</sup> (kGEO)	Emission Estimates <sup>(3)</sup> tonnes CO <sub>2</sub> (eq)			Emission Intensity tCO <sub>2</sub> (eq)/GEO		
				Scope 1	Scope 2	Scope 1 & 2	Scope 1	Scope 2	Scope 1 & 2
Southern Cross <i>Shandong Tianye Group</i>	2018	0.4%	NR	NR	NR	NR	NR	NR	NR
	2019	0.4%	NR	NR	NR	NR	NR	NR	NR
	2020	0.3%	NR	NR	NR	NR	NR	NR	NR
Taparko <sup>(5)</sup> <i>Nord Gold N.V.</i>	2018	0.6%	100	88,989	-	88,989	0.89	0.00	0.89
	2019	0.4%	69	69,000	-	69,000	1.00	0.00	1.00
	2020	0.6%	92	49,579	-	49,579	0.54	0.00	0.54
Twin Creeks <sup>(5)</sup> <i>Nevada Gold Mines LLC</i>	2018	0.0%	358	10,000	22,000	32,000	0.03	0.06	0.09
	2019	0.1%	667	591,994	180,684	772,678	0.89	0.27	1.16
	2020	0.1%	552	521,255	159,059	680,314	0.94	0.29	1.23
Voisey's Bay <i>Vale S.A.</i>	2018	2.5%	360	75,609	-	75,609	0.21	0.00	0.21
	2019	2.5%	339	81,705	-	81,705	0.24	0.00	0.24
	2020	1.6%	307	60,294	-	60,294	0.20	0.00	0.20
Wharf <sup>(5)</sup> <i>Coeur Mining, Inc.</i>	2018	0.5%	78	33,585	32,789	66,374	0.43	0.42	0.85
	2019	0.6%	85	33,715	37,674	71,389	0.40	0.44	0.84
	2020	0.7%	96	24,769	32,564	57,333	0.26	0.34	0.60
Williams <sup>(5)</sup> <i>Barrick Gold Corporation</i>	2018	0.5%	171	36,752	8,967	45,719	0.22	0.05	0.27
	2019	0.6%	213	38,248	3,651	41,900	0.18	0.02	0.20
	2020	0.7%	223	31,281	5,665	36,946	0.14	0.03	0.17
Other Interests	2018	0.3%	NR	NR	NR	NR	NR	NR	NR
	2019	0.2%	NR	NR	NR	NR	NR	NR	NR
	2020	0.1%	NR	NR	NR	NR	NR	NR	NR

Asset / Operator	Year	Royal Gold Revenue <sup>(1)</sup> (%)	Reported Production <sup>(2)</sup> (kGEO)	Emission Estimates <sup>(3)</sup> tonnes CO <sub>2</sub> (eq)			Emission Intensity tCO <sub>2</sub> (eq)/GEO		
				Scope 1	Scope 2	Scope 1 & 2	Scope 1	Scope 2	Scope 1 & 2
<b>Portfolio Emission Intensity Summary</b>									
Principal Properties	2018	65.3%					0.64	0.24	0.87
	2019	70.0%					0.67	0.27	0.93
	2020	73.5%					0.62	0.21	0.83
Non-principal Properties, with data	2018	31.5%					0.45	0.21	0.66
	2019	27.1%					0.45	0.20	0.65
	2020	23.4%					0.46	0.23	0.69
Subtotal Properties with data	2018	96.8%					0.58	0.23	0.80
	2019	97.1%					0.61	0.25	0.85
	2020	96.9%					0.58	0.21	0.80
Properties, without data <sup>(4)</sup>	2018	3.2%					0.58	0.23	0.80
	2019	2.9%					0.61	0.25	0.85
	2020	3.1%					0.58	0.21	0.80
<b>Total</b>	<b>2018</b>	<b>100.0%</b>					<b>0.58</b>	<b>0.23</b>	<b>0.80</b>
	<b>2019</b>	<b>100.0%</b>					<b>0.61</b>	<b>0.25</b>	<b>0.85</b>
	<b>2020</b>	<b>100.0%</b>					<b>0.58</b>	<b>0.21</b>	<b>0.80</b>

"NR" means not reported in Skarn Associates' databases

- (1) Revenue used to calculate percentage by asset takes into account deductions associated with the contractual purchase price paid for metal stream deliveries.
- (2) Gold Equivalent Ounces ("GEO") production is estimated based using the following metal prices for each year using production units identified by Skarn Associates: \$1,758/oz Au; \$20.54/oz Ag; \$6,185.82/lb Cu; \$1,826.14/lb Pb; \$2,268.85/lb Zn and typical metal payability factors associated with refining.
- (3) Emissions estimates have been compiled by Skarn Associates, and we have relied on there database for emissions presented for gold and copper mining operations.
- (4) Emissions intensity for assets that were not included in Skarn Associates database have been assumed to be equal to the average of the portfolio.
- (5) Royal Gold's interest is either a portion of the asset or part of a complex, and emissions are assumed to be equally proportioned to all Gold Equivalent Ounces.

# Operator Water Consumption

The following table presents all of revenue generating assets and estimated water consumption and water use intensity per Gold Equivalent Ounce (GEO) produced and ore tonne processed for each asset, as available from Skarn Associates, an independent ESG data analytics firm for calendar years 2018 through 2020. We have estimates of consumption and water use intensity associated with 94% to 95% of our revenue over the period.

Asset / Operator	Year	Royal Gold Revenue <sup>(1)</sup> (%)	Reported Production <sup>(3)</sup> (k tonnes)	Reported Production <sup>(2)</sup> (kGEO)	Water Consumption (Validated) <sup>(4)</sup> (ML)	Water Intensity (Validated) <sup>(4)</sup> (kL/GEO)	Water Intensity (Validated) <sup>(4)</sup> (kL/tonne)
<b>Principal Properties</b>							
Andacollo <i>Teck Resources Limited</i>	2018	14.2%	21,549	290	9,306	32.1	0.43
	2019	16.7%	16,987	231	8,770	38.0	0.52
	2020	13.4%	19,811	246	9,032	36.8	0.46
Cortez <sup>(5)</sup> <i>Nevada Gold Mines LLC</i>	2018	1.5%	17,002	1,202	3,220	2.7	0.19
	2019	4.2%	22,025	963	4,182	4.3	0.19
	2020	6.0%	21,169	799	4,020	5.0	0.19
Mount Milligan <i>Centerra Gold Inc.</i>	2018	23.5%	13,556	283	6,252	22.1	0.46
	2019	23.6%	16,350	313	8,177	26.1	0.50
	2020	24.6%	20,067	310	8,817	28.4	0.44
Peñasquito <i>Newmont Corporation</i>	2018	5.7%	35,248	717	65,914	92.0	1.87
	2019	4.6%	19,964	642	37,333	58.2	1.87
	2020	7.8%	30,590	1,192	44,611	37.4	1.46
Pueblo Viejo <i>Barrick Gold Corporation</i>	2018	16.1%	8,347	1,028	14,439	14.0	1.73
	2019	16.6%	8,607	1,022	14,890	14.6	1.73
	2020	16.7%	8,828	937	15,273	16.3	1.73
Wassa <i>Chifeng Jilong Gold Mining Co., Ltd.</i>	2018	4.3%	1,601	150	3,522	23.5	2.20
	2019	4.3%	1,548	156	3,438	22.0	2.22
	2020	4.9%	2,011	168	2,821	16.8	1.40

Asset / Operator	Year	Royal Gold Revenue <sup>(1)</sup> (%)	Reported Production <sup>(3)</sup> (k tonnes)	Reported Production <sup>(2)</sup> (kGEO)	Water Consumption (Validated) <sup>(4)</sup> (ML)	Water Intensity (Validated) <sup>(4)</sup> (kL/GEO)	Water Intensity (Validated) <sup>(4)</sup> (kL/tonne)	
<b>Non-principal Properties</b>								
Allan & Borax <i>Nutrien Ltd.</i>	2018	0.4%	NR	NR	NR	NR	NR	
	2019	0.3%	NR	NR	NR	NR	NR	
	2020	0.3%	NR	NR	NR	NR	NR	
Bald Mountain <sup>(5)</sup> <i>Kinross Gold Corporation</i>	2018	0.5%	23,654	285	1,388	4.9	0.06	
	2019	0.2%	16,475	188	873	4.6	0.05	
	2020	0.0%	18,303	191	1,263	6.6	0.07	
Canadian Malartic <sup>(5)</sup> <i>Agnico Eagle Mines Ltd./ Yamana Gold Inc.</i>	2018	2.3%	20,484	707	11,882	16.8	0.58	
	2019	1.8%	21,049	679	9,858	14.5	0.47	
	2020	1.6%	20,800	576	8,039	13.9	0.39	
Carlin Operations <sup>(5)</sup> <i>Nevada Gold Mines LLC</i>								
	<i>Goldstrike</i>	2018	0.9%	8,365	1,019	20,494	20.1	2.45
		2019	0.0%					
2020		0.0%						
<i>Carlin - Leeville</i>	2018	0.7%	20,243	928	10,340	11.1	0.51	
<i>Carlin - Leeville + Goldstrike</i>	2019	1.2%	16,044	1,720	8,973	5.2	0.56	
<i>Carlin - Leeville + Goldstrike</i>	2020	1.1%	19,829	1,667	11,115	6.7	0.56	
Dolores <i>Pan American Silver Corporation</i>	2018	1.9%	6,903	182	924	5.1	0.13	
	2019	1.8%	6,777	175	1,017	5.8	0.15	
	2020	1.5%	6,430	140	932	6.6	0.15	
Don Mario <i>Orvana Minerals Corporation</i>	2018	0.5%	NR	NR	NR	NR	NR	
	2019	0.2%	NR	NR	NR	NR	NR	
	2020	0.0%	NR	NR	NR	NR	NR	
Don Nicolas <i>Cerrado Gold, Inc.</i>	2018	0.0%	NR	NR	NR	NR	NR	
	2019	0.0%	NR	NR	NR	NR	NR	
	2020	0.3%	NR	NR	NR	NR	NR	

Asset / Operator	Year	Royal Gold Revenue <sup>(1)</sup> (%)	Reported Production <sup>(3)</sup> (k tonnes)	Reported Production <sup>(2)</sup> (kGEO)	Water Consumption (Validated) <sup>(4)</sup> (ML)	Water Intensity (Validated) <sup>(4)</sup> (kL/GEO)	Water Intensity (Validated) <sup>(4)</sup> (kL/tonne)
El Limon <i>Calibre Mining Corporation</i>	2018	0.6%	NR	NR	NR	NR	NR
	2019	0.6%	NR	NR	NR	NR	NR
	2020	0.9%	NR	NR	NR	NR	NR
Gold Hill <sup>(5)</sup> <i>Kinross Gold Corporation</i>	2018	0.2%	24,770	371	6,628	17.9	0.27
	2019	0.2%	25,804	335	6,594	19.7	0.26
	2020	0.2%	23,975	326	6,058	18.6	0.25
Gwalia Deeps <sup>(5)</sup> <i>St Barbara Ltd.</i>	2018	1.4%	672	257	1,120	4.4	1.67
	2019	1.0%	659	184	1,086	5.9	1.65
	2020	0.9%	697	156	1,027	6.6	1.47
Holt <sup>(5)</sup> <i>Kirkland Lake Gold Ltd.</i>	2018	2.9%	860	127	370	2.9	0.43
	2019	2.6%	854	114	367	3.2	0.43
	2020	1.2%	215	29	93	3.2	0.43
King of the Hills <i>Red 5 Limited</i>	2018	0.0%	800	79	280	3.5	0.35
	2019	0.3%	912	107	319	3.0	0.35
	2020	0.2%	989	83	346	4.2	0.35
LaRonda Zone 5 <sup>(5)</sup> <i>Agnico Eagle Mines Ltd.</i>	2018	0.1%	2,333	402	1,003	2.5	0.43
	2019	0.5%	2,927	446	1,259	2.8	0.43
	2020	0.4%	2,674	378	1,150	3.0	0.43
Las Cruces <i>First Quantum Minerals Ltd.</i>	2018	2.0%	6,644	249	3,920	15.7	0.59
	2019	1.1%	6,718	169	4,076	24.1	0.61
	2020	1.1%	6,796	191	3,692	19.3	0.54
Marigold <sup>(5)</sup> <i>SSR Mining Inc.</i>	2018	1.4%	27,526	205	1,628	7.9	0.06
	2019	1.6%	25,676	220	1,624	7.4	0.06
	2020	1.7%	23,556	234	1,189	5.1	0.05

Asset / Operator	Year	Royal Gold Revenue <sup>(1)</sup> (%)	Reported Production <sup>(3)</sup> (k tonnes)	Reported Production <sup>(2)</sup> (kGEO)	Water Consumption (Validated) <sup>(4)</sup> (ML)	Water Intensity (Validated) <sup>(4)</sup> (kL/GEO)	Water Intensity (Validated) <sup>(4)</sup> (kL/tonne)
Meekatharra <sup>(5)</sup> <i>Westgold Resources Ltd.</i>	2018	0.7%	NR	NR	NR	NR	NR
	2019	0.7%	NR	NR	NR	NR	NR
	2020	0.8%	NR	NR	NR	NR	NR
Mulatos <i>Alamos Gold Inc.</i>	2018	2.9%	6,886	175	1,171	6.7	0.17
	2019	0.7%	7,290	142	990	7.0	0.14
	2020	0.0%	7,308	151	1,498	9.9	0.21
Prestea and Bogoso <i>Future Global Resources Ltd.</i>	2018	2.5%	1,302	75	4,466	59.5	3.43
	2019	1.4%	719	48	4,178	87.8	5.81
	2020	0.8%	305	29	1,046	35.9	3.43
Rainy River <i>New Gold Inc.</i>	2018	3.8%	6,546	230	4,767	20.7	0.73
	2019	5.3%	8,023	257	5,354	20.8	0.67
	2020	4.7%	8,795	233	4,391	18.8	0.50
Robinson <i>KGHM International Ltd.</i>	2018	2.6%	14,200	213	19,880	93.2	1.40
	2019	2.2%	14,200	225	19,870	88.2	1.40
	2020	2.3%	14,000	218	19,600	89.8	1.40
Skyline <i>Wolverine Fuels, LLC</i>	2018	0.4%	NR	NR	NR	NR	NR
	2019	0.4%	NR	NR	NR	NR	NR
	2020	0.3%	NR	NR	NR	NR	NR
South Laverton <sup>(5)</sup> <i>Northern Star Resources Ltd.</i>	2018	1.2%	2,221	176	1,776	10.1	0.80
	2019	1.1%	2,378	198	1,751	8.8	0.74
	2020	2.2%	2,690	213	1,791	8.4	0.67
Southern Cross <i>Shandong Tianye Group</i>	2018	0.4%	NR	NR	NR	NR	NR
	2019	0.4%	NR	NR	NR	NR	NR
	2020	0.3%	NR	NR	NR	NR	NR

Asset / Operator	Year	Royal Gold Revenue <sup>(1)</sup> (%)	Reported Production <sup>(3)</sup> (k tonnes)	Reported Production <sup>(2)</sup> (kGEO)	Water Consumption (Validated) <sup>(4)</sup> (ML)	Water Intensity (Validated) <sup>(4)</sup> (kL/GEO)	Water Intensity (Validated) <sup>(4)</sup> (kL/tonne)
Taparko <sup>(5)</sup> <i>Nord Gold N.V.</i>	2018	0.6%	1,974	100	1,919	19.1	0.97
	2019	0.4%	1,920	69	1,850	26.7	0.96
	2020	0.6%	1,797	92	1,722	18.6	0.96
Twin Creeks <sup>(5)</sup> <i>Nevada Gold Mines LLC</i>	2018	0.0%	809	358	1,356	3.8	1.68
	2019	0.1%	5,900	667	5,481	8.2	0.93
	2020	0.1%	5,875	552	5,566	10.1	0.95
Voisey's Bay <i>Vale S.A.</i>	2018	2.5%	NR	NR	NR	NR	NR
	2019	2.5%	NR	NR	NR	NR	NR
	2020	1.6%	NR	NR	NR	NR	NR
Wharf <sup>(5)</sup> <i>Coeur Mining, Inc.</i>	2018	0.5%	4,467	78	223	2.9	0.05
	2019	0.6%	4,185	85	209	2.5	0.05
	2020	0.7%	4,711	96	236	2.5	0.05
Williams <sup>(5)</sup> <i>Barrick Gold Corporation</i>	2018	0.5%	3,062	171	6,430	37.6	2.10
	2019	0.6%	2,914	213	6,119	28.7	2.10
	2020	0.7%	2,002	223	4,204	18.8	2.10
Other Interests	2018	0.3%	NR	NR	NR	NR	NR
	2019	0.2%	NR	NR	NR	NR	NR
	2020	0.1%	NR	NR	NR	NR	NR

Asset / Operator	Year	Royal Gold Revenue <sup>(1)</sup> (%)	Reported Production <sup>(3)</sup> (k tonnes)	Reported Production <sup>(2)</sup> (kGEO)	Water Consumption (Validated) <sup>(4)</sup> (ML)	Water Intensity (Validated) <sup>(4)</sup> (kL/GEO)	Water Intensity (Validated) <sup>(4)</sup> (kL/tonne)
<b>Portfolio Water Intensity Summary</b>							
Principal Properties	2018	65.3%				28.1	1.00
	2019	70.0%				26.7	0.97
	2020	73.5%				25.5	0.89
Non-principal Properties, with data	2018	29.0%				23.1	0.94
	2019	24.6%				23.3	0.94
	2020	21.7%				20.6	0.74
Subtotal Properties with data	2018	94.3%				26.6	0.98
	2019	94.6%				25.8	0.96
	2020	95.2%				24.4	0.85
Properties, without data <sup>(6)</sup>	2018	5.7%				26.6	0.98
	2019	5.4%				25.8	0.96
	2020	4.8%				24.4	0.85
<b>Total</b>	2018	100.0%				26.6	0.98
	2019	100.0%				25.8	0.96
	2020	100.0%				24.4	0.85

"NR" means not reported in Skarn Associates' database

(1) Revenue used to calculate percentage by asset takes into account deductions associated with the contractual purchase price paid for metal stream deliveries.

(2) Gold Equivalent Ounces ("GEO") production is estimated based using the following metal prices for each year using production units identified by Skarn Associates: \$1,758/oz Au; \$20.54/oz Ag; \$6,185.82/lb Cu; \$1,826.14/lb Pb; \$2,268.85/lb Zn typical metal payability factors associated with refining.

(3) Production represents information disclosed by the operator and compiled by Skarn Associates.

(4) Consumption values have been validated by Skarn Associates to be within expected range. A 3-year rolling average is applied to minimize year on year changes in storage (typically unreported) and precipitation extremes.

(5) Royal Gold's interest is either a portion of the asset or part of a complex and water consumption is assumed to be equally proportioned to all Gold Equivalent Ounces.

(6) Water consumption intensity for assets that were not included in Skarn Associates' database have been assumed to be equal to the average of the portfolio.

# Water Sensitivity Assessment

The following tables present details on the physical water quantity risk indicators, as defined by the World Resource Institute Aqueduct™ Water Risk Atlas, associated with our Principal Properties. Definitions of the water risks indicators are also provided.

Principal Properties State/ Province Country	Primary Water Supply <sup>(1)</sup>	Physical Risks Quantity Indicators <sup>(2)</sup>										
		Climate					Groundwater					
		Climate Type <sup>(1)</sup>	Average Precipitation 2001-2020 (mm) <sup>(1)</sup>	Tropical Storm Risk	Baseline Water Stress	Water Depletion	Interannual Variability	Seasonal Variability	Groundwater Table Decline	Drought Risk	Riverine Flooding	Flood Magnitude <sup>(3)</sup>
Mount Milligan British Columbia Canada	Surface	Subarctic	602	No	Low	Low	Medium - High	Low - Medium	Insignificant Trend	Low	Extremely High	No inundation
Pueblo Viejo Sánchez Ramirez Dominican Republic	Surface	Tropical rainforest	1,489	Yes	Low - Medium	Low - Medium	Medium - High	Low	Insignificant Trend	Medium - High	Low - Medium	No inundation
Andacollo Coquimbo Region Chile	Groundwater	Cold desert	108	No	Extremely High	High	Extremely High	Medium - High	Insignificant Trend	Medium	Low - Medium	No inundation
Khoemaqau Botswana	Groundwater	Hot arid steppe	454	No	High	High	Extremely High	Medium - High	Insignificant Trend	Low - Medium	Extremely High	No inundation
Wassa Western Region Ghana	Groundwater / Surface	Tropical wet and dry or savanna	1,358	No	Low - Medium	Low - Medium	High	Low - Medium	Insignificant Trend	Medium	Medium - High	No inundation
Cortez Nevada United States	Groundwater	Cold semi-arid	279	No	High	Low - Medium	High	Low - Medium	Low - Medium	Low - Medium	Low - Medium	No inundation
Peñasquito Zacatecas Mexico	Groundwater	Hot semi-arid	369	No	High	Medium - High	Medium - High	High	Insignificant Trend	Medium	Low - Medium	No inundation

(1) Information Source: Skarn Associates Limited as published in their Skarn Water - Gold Mines tool

(2) Derived from the World Resource Institute - Aqueduct™ Water Risk Atlas, 2019, and the associated descriptors for Baseline climate conditions

(3) Information Source: World Resource Institute - Aqueduct Floods, 2019, 500-year return period flood magnitude as assessed at property site

Aqueduct Water Risk Atlas  
- Physical Risk Indicators

	Description
Baseline Water Stress	Baseline water stress measures the ratio of total water withdrawals to available renewable water supplies. Water withdrawals include domestic, industrial, irrigation and livestock consumptive and non-consumptive uses. Available renewable water supplies include surface and groundwater supplies and considers the impact of upstream consumptive water users and large dams on downstream water availability. Higher values indicate more competition among users.
Baseline Water Depletion	Baseline water depletion measures the ratio of total water consumption to available renewable water supplies. Total water consumption includes domestic, industrial, irrigation, and livestock consumptive uses. Available renewable water supplies include the impact of upstream consumptive water users and large dams on downstream water availability. Higher values indicate larger impact on the local water supply and decreased water availability for downstream users. Baseline water depletion is similar to baseline water stress; however, instead of looking at total water withdrawal (consumptive plus nonconsumptive), baseline water depletion is calculated using consumptive withdrawal only.
Interannual Variability	Interannual variability measures the average between year variability of available water supply, including both renewable surface and groundwater supplies. Higher values indicate wider variations in available supply from year to year.
Seasonal Variability	Seasonal variability measures the average within-year variability of available water supply, including both renewable surface and groundwater supplies. Higher values indicate wider variations of available supply within a year.
Groundwater Table Decline	Groundwater table decline measures the average decline of the groundwater table as the average change for the period of study (1990–2014). The result is expressed in centimeters per year (cm/yr). Higher values indicate higher levels of unsustainable groundwater withdrawals.
Drought Risk	Drought risk measures where droughts are likely to occur, the population and assets exposed, and the vulnerability of the population and assets to adverse effects. Higher values indicate higher risk of drought.
Riverine Flood Risk	Riverine flood risk measures the percentage of population expected to be affected by Riverine flooding in an average year, accounting for existing flood-protection standards. Flood risk is assessed using hazard (inundation caused by river overflow), exposure (population in flood zone), and vulnerability. The existing level of flood protection is also incorporated into the risk calculation. It is important to note that this indicator represents flood risk not in terms of maximum possible impact but rather as average annual impact. The impacts from infrequent, extreme flood years are averaged with more common, less newsworthy flood years to produce the “expected annual affected population.” Higher values indicate that a greater proportion of the population is expected to be impacted by Riverine floods on average.

Aqueduct Water Risk Atlas  
- Physical Risk Indicators

	Description
Coastal Flood Risk	Coastal flood risk measures the percentage of the population expected to be affected by coastal flooding in an average year, accounting for existing flood protection standards. Flood risk is assessed using hazard (inundation caused by storm surge), exposure (population in flood zone), and vulnerability. The existing level of flood protection is also incorporated into the risk calculation. It is important to note that this indicator represents flood risk not in terms of maximum possible impact but rather as average annual impact. The impacts from infrequent, extreme flood years are averaged with more common, less newsworthy flood years to produce the "expected annual affected population." Higher values indicate that a greater proportion of the population is expected to be impacted by coastal floods on average.
Aqueduct Floods	Aqueduct Floods is an online platform that measures riverine and coastal food risks under both current baseline conditions and future projections in 2030, 2050, and 2080. In addition to providing hazard maps and assessing risks, Aqueduct Floods enables its users to conduct comprehensive cost-benefit analysis to evaluate the value of dike flood protection strategies.
Floods Magnitude per Return Period	Measurements of the forecast water inundation depth the selected return period.

# Operator ESG Charters

The following table highlights significant ESG charters to which our various revenue generating counterparties adhere; more than 93% of RGLD revenue is represented in the table.

Operator	Project	Significant ESG Frameworks	Percentage of fiscal year 2021 Royal Gold Revenue
Centerra Gold	Mount Milligan	World Gold Council (RGMP) International Council on Mining and Metals (ICMM) International Finance Corporation (IFC)	26.49%
Barrick	Pueblo Viejo Williams	World Gold Council (RGMP) International Council on Mining and Metals (ICMM) UN Global Compact International Finance Corporation (IFC) The Mining Association of Canada's Towards Sustainable Mining (TSM)	17.14%
Teck	Andacollo	International Council on Mining and Metals (ICMM) UN Global Compact International Finance Corporation (IFC) The Mining Association of Canada's Towards Sustainable Mining (TSM)	10.55%
Nevada Gold Mines LLC	Cortez Goldstrike Leeville	World Gold Council (RGMP) International Council on Mining and Metals (ICMM) UN Global Compact International Finance Corporation (IFC) The Mining Association of Canada's Towards Sustainable Mining (TSM)	9.83%
Newmont Goldcorp	Peñasquito	World Gold Council (RGMP) International Council on Mining and Metals (ICMM) UN Global Compact The Mining Association of Canada's Towards Sustainable Mining (TSM)	8.10%
New Gold Inc.	Rainy River	International Council on Mining and Metals (ICMM) UN Global Compact The Mining Association of Canada's Towards Sustainable Mining (TSM)	5.67%
Vale	Voisey's Bay	World Gold Council (RGMP) International Council on Mining and Metals (ICMM) UN Global Compact	2.86%

Operator	Project	Significant ESG Frameworks	Percentage of fiscal year 2021 Royal Gold Revenue
KGHM Polska Miedź S.A.	Robinson	UN Sustainable Development Goals (SDGs)	2.03%
Pan American Silver	Dolores	UN Global Compact The Mining Association of Canada's Towards Sustainable Mining (TSM)	1.59%
Northern Star Resources Limited	South Laverton	UN Sustainable Development Goals (SDGs)	1.47%
SSR Mining Inc.	Marigold	International Council on Mining and Metals (ICMM)	1.27%
Ero Copper Corp.	NX Gold	International Council on Mining and Metals (ICMM)	1.19%
Agnico Eagle	Canadian Malartic	World Gold Council (RGMP) The Mining Association of Canada's Towards Sustainable Mining (TSM) UN Sustainable Development Goals (SDGs)	1.15%
Yamana	Canadian Malartic	World Gold Council (RGMP) The Mining Association of Canada's Towards Sustainable Mining (TSM)	Revenue included with the Agnico Eagle Operator (total 1.15%)
Calibre Mining Corp.	El Limon	World Gold Council (RGMP) International Council on Mining and Metals (ICMM) International Finance Corporation (IFC) UN Sustainable Development Goals (SDGs)	0.75%
St. Barbara Ltd.	Gwalia Deeps	International Council on Mining and Metals (ICMM) UN Global Compact	0.71%
Westgold Resources	Meekatharra	International Council on Mining and Metals (ICMM) UN Sustainable Development Goals (SDGs)	0.54%
Coeur Mining, Inc.	Wharf	UN Sustainable Development Goals (SDGs)	0.49%
Nord Gold N.V.	Taparko	UN Global Compact International Finance Corporation (IFC) UN Sustainable Development Goals (SDGs)	0.37%
Agnico Eagle	LaRonde Zone 5	World Gold Council (RGMP) The Mining Association of Canada's Towards Sustainable Mining (TSM) UN Sustainable Development Goals (SDGs)	0.33%

Operator	Project	Significant ESG Frameworks	Percentage of fiscal year 2021 Royal Gold Revenue
First Quantum Minerals Ltd.	Las Cruces	The Mining Association of Canada's Towards Sustainable Mining (TSM) UN Sustainable Development Goals (SDGs)	0.30%
Kinross	Bald Mountain Gold Hill	World Gold Council (RGMP) UN Global Compact	0.25%
Nutrien Ltd.	Allan Borax	UN Sustainable Development Goals (SDGs)	0.20%
Americas Gold and Silver Corporation	Relief Canyon	UN Global Compact	0.04%
<b>Total</b>			<b>93.32%</b>

**World Gold Council (RGMP)** – a framework that provides expectations for consumers, investors and the downstream gold supply chain as to what constitutes responsible gold mining.

**International Council on Mining and Metals (ICMM)** – a global industry group whose members commit to implementing the Mining Principles (which define good practice environmental, social and governance requirements for the mining and metals industry) as a condition of membership.

**International Finance Corporation (IFC)** – a member of the World Bank Group, advances economic development and improves the lives of people by encouraging the growth of the private sector in developing countries.

**UN Global Compact** – a voluntary initiative based on CEO commitments to implement universal sustainability principles and to take steps to support UN goals. This includes driving business awareness and action to support of achieving the SDGs by 2030.

**UN Sustainable Development Goals (SDGs)** – a collection of 17 interlinked global goals designed to be a “shared blueprint for peace and prosperity for people and the planet, now and into the future.”

**The Mining Association of Canada's Towards Sustainable Mining (TSM)** – a globally recognized sustainability program that supports mining companies in managing key environmental and social risks.

## Board of Directors

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**William Hayes**

Independent Director

Non-Executive Chair of Royal Gold, Inc.; retired Executive Vice President for Project Development and Corporate Affairs for Placer Dome Inc.



**Fabiana Chubbs**

Independent Director

Retired Chief Financial Officer of Eldorado Gold Corporation



**William Heissenbuttel**

Inside Director

President and Chief Executive Officer of Royal Gold, Inc.



**Kevin McArthur**

Independent Director

Retired Executive Chair and Chief Executive Officer of Tahoe Resources Inc.



**Jamie Sokalsky**

Independent Director

Retired Director and President and Chief Executive Officer of Barrick Gold Corporation



**Ronald Vance**

Independent Director

Retired Senior Vice President, Corporate Development for Teck Resources Limited



**Sybil Veenman**

Independent Director

Retired General Counsel for Barrick Gold Corporation

## Management Team

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**William Heissenbuttel**

President and Chief Executive Officer of Royal Gold, Inc.



**Paul Libner**

Chief Financial Officer and Treasurer



**Mark Isto**

Executive Vice President and Chief Operating Officer, Royal Gold Corp.



**Randy Shefman**

Vice President and General Counsel



**Daniel Breeze**

Vice President, Corporate Development, Rgld Gold Ag



**Jason Hynes**

Vice President, Business Development and Strategy, Royal Gold Corp.



**Alistair Baker**

Vice President, Investor Relations and Business Development, Royal Gold Corp.



**Martin Raffield**

Vice President, Operations



**Laura Gill**

Vice President, Corporate Secretary and Chief Compliance Officer



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