

ENVIRONMENTAL, SOCIAL RESPONSIBILITY AND GOVERNANCE POLICY

Royal Gold, Inc.

Adopted May 29, 2019

This Environmental, Social Responsibility and Governance Policy applies to Royal Gold, Inc. and its direct and indirect subsidiaries (collectively, “Royal Gold”) and is reviewed annually by Royal Gold’s Board of Directors.

Royal Gold acquires precious metals streams, royalties and similar passive mineral interests (collectively, “Passive Mineral Interests”) primarily through the provision of financing to developers and operators of mining projects worldwide (“Operators”) and manages a portfolio of nearly two hundred Passive Mineral Interests. With fewer than 25 professional and administrative staff in four offices across three countries, Royal Gold’s direct environmental footprint is modest. Nonetheless, Royal Gold is committed to furthering responsible and sustainable mineral development as a means to create long-term value for its stakeholders.

While Passive Mineral Interest agreements generally do not permit Royal Gold control over projects owned by the Operators, Royal Gold promotes responsible and sustainable mineral development by:

- Endorsing the International Council on Mining and Metals 10 Principles of Sustainable Development and the World Gold Council Responsible Gold Mining Principles;
- Encouraging adherence to these or similar principles by the Operators; and
- Integrating the principles into Royal Gold’s own strategic plans and business operations that are appropriate for its business model.

When conducting due diligence concerning new acquisitions of Passive Mineral Interests, Royal Gold considers whether potential counterparties hold values and promote practices that align with this policy, including whether they:

- Conduct their business and operations ethically, with integrity, transparency and sound systems of corporate governance;
- Respect internationally recognized human rights, including those relating to children’s rights, child labor, human trafficking, slavery and forced labor and who avoid complicity in human rights violations;
- Comply with applicable labor protection laws and adhere to international labor standards, such as those promulgated by the International Labor Organization relating to collective bargaining, forced labor, child labor, fair wages and discrimination;
- Demonstrate controls to combat bribery and corruption, including by adopting and enforcing anti-corruption policies and procedures and maintaining a functioning grievance procedure;
- Commit to preserving and protecting the health, welfare and safety of their employees;
- Commit to respecting the culture, customs, traditional livelihoods and heritage of local communities and indigenous peoples, and encourage engagement, consultation and collaboration with local communities and indigenous peoples;

- Commit to protecting the environment, including complying with applicable environmental laws, regulations and permits in all phases of exploration, development, construction, operations, reclamation and closure work, and including compliance with environmental management plans relating to water resources, waste management, pollution management, tailings management, biodiversity and management of other project resources;
- Respect the right to sufficient, safe, accessible and affordable water, and commit to responsible use and efficient management of water resources; and
- Support sustainable development of local communities through educational, health, industry and/or other causes.

When entering into new agreements for Passive Mineral Interests, Royal Gold manages these risks by obtaining, when possible, contractual rights to:

- Require Operators to conduct project operations in compliance with applicable laws and industry recognized best practices, including management and mitigation of environmental, social and governance risks;
- Receive regular reports concerning material developments in project operations, including written notice of labor disputes, material environmental issues and concerns raised by local and indigenous communities;
- Audit books and records, and inspect project operations, to confirm compliance with laws and industry best practices for, among other things, environmental stewardship;
- Enforce reasonable restraints on an Operator's transfer of a project to ensure that projects continue to be owned and operated by strong and reputable Operators, including those whose values and principles align with this policy; and
- Require delivery of precious metals under metals streaming agreements meeting the London Bullion Market Association's "Good Delivery" standards, which standards require adherence to LBMA's "Responsible Sourcing Programme" designed to combat money laundering, terrorist financing and human rights abuses. In this respect, Royal Gold considers Operators delivering precious metals under streaming agreements to be its "suppliers."

In the course of managing the Passive Mineral Interest portfolio, Royal Gold monitors Operators' adherence to the values and principles expressed in this policy by:

- Considering publicly available information and, more particularly, data and information it receives directly from Operators under its Passive Mineral Interest agreements;
- Conducting periodic project inspections of the properties covered by Royal Gold's Passive Mineral Interests; and
- Considering its enforcement rights where it identifies deviation from contract terms.