

ECORA RESOURCES PLC

ENVIRONMENTAL, SOCIAL AND GOVERNANCE POLICY

1. INTRODUCTION

- 1.1. Ecora Resources PLC believes that investment success and long-term value can only be achieved through sustainable and responsible investment with a strong focus on environmental, social and governance (“**ESG**”) factors. As a result, we are committed to integrating ESG considerations into our strategic decision-making and capital allocation.
- 1.2. This policy provides the framework for our overall ESG approach. It is approved by our Board of Directors and supported by detailed policies covering issues such as anti-bribery, corruption and money laundering, health and safety, equal opportunities and board diversity.
- 1.3. While we do not operate any of the assets underlying our royalty portfolio and hence do not control the manner in which operations are carried out, we recognise that we face ESG risks through the investments we make and that we can use our influence to contribute to good ESG practice in the mining industry. Therefore, we seek to promote responsible mining extraction and strong management of ESG issues through a range of mechanisms at our disposal, including our policies, our due diligence on new investments and our ongoing engagement with operating partners.
- 1.4. At the Group level, we are committed to:
 - a) conducting business ethically and transparently, in accordance with the highest anti-corruption and integrity standards in all areas of our business;
 - b) promoting and respecting the benefits of diversity among our staff at all levels of the organisation;
 - c) endorsing and, to the extent possible, encouraging our operating partners to align with, international ESG best-practice initiatives; and
 - d) openly and transparently engaging with stakeholders on ESG issues.

2. DUE DILIGENCE PROCESS

- 2.1. Our investment decisions are underpinned by a careful consideration of a comprehensive range of ESG issues, as well as technical, financial and other risks facing specific projects.
- 2.2. Our strategy is to develop a portfolio that maximizes exposure to commodity products or operations which we expect will outperform as a result of social and environmental trends. In our initial screening, we endeavour to rule out potential investment opportunities in jurisdictions characterised by high levels of political, regulatory, corruption or social risk. We subsequently carefully assess potential counterparties, taking into consideration their past ESG track record and how they are managing ESG issues, in order to ensure that we only partner with responsible and reputable operators.
- 2.3. In our due diligence, we assess whether potential operating partners (in no particular order):

- a) align their activities with leading ESG principles and initiatives, including the ICMM Ten Principles for sustainable development and the World Gold Council's Responsible Gold Mining Principles, among others;
- b) take measures to avoid adverse environmental impacts on stakeholders around their projects, including by minimising air pollution, dust and noise and by preserving biodiversity;
- c) have systems and processes in place for managing climate risks and take measures to reduce their carbon footprint, including by maximising the efficiency of their use of energy;
- d) implement international best practice on waste management and ensure responsible design and management of tailings and other waste storage facilities throughout the project lifecycle;
- e) commit to responsible water use and management, particularly if operating in water-stressed areas;
- f) respect and protect internationally-recognised human rights and act in line with relevant global human rights standards;
- g) respect and promote the internationally-recognised core labour rights, comply with all applicable national labour protection legislation and act in line with international labour standards, such as those enshrined in the International Labour Organisations Conventions concerning freedom of association, collective bargaining, forced labour, child labour and employment discrimination;
- h) conduct their operations in accordance with high health and safety standards and encourage a strong safety culture;
- i) foster positive social and community relationships through regular engagement and social investment practices;
- j) comply with all applicable anti-corruption and bribery legislation and maintain high integrity standards within their business;
- k) implement appropriate internal whistleblowing mechanisms for staff, as well as grievance mechanisms through which affected community members can voice their concerns and seek redress; and
- l) communicate their ESG-related activities, where possible in accordance with international standards.

3. ROYALTY AND STREAMING AGREEMENTS

3.1. We also mitigate ESG risks facing our underlying assets by integrating ESG considerations into our primary royalty and streaming agreements where possible, including through:

- a) encouraging participation in leading ESG initiatives among operating partners such as, for example, the ICMM Sustainable Development Framework, International Finance Corporation Performance Standards, Voluntary Principles on Security and Human Rights, UN Guiding Principles on Business and Human Rights, and the World Gold Council's Responsible Gold Mining Principles;
- b) regular site visits, which allow us to obtain greater assurance on the operator's management approach and the level of ESG risk at each asset and

- c) encouraging our operating partners to adopt policies on relevant ESG issues, acting as a positive agent of change.

4. **ONGOING ENGAGEMENT WITH UNDERLYING ASSETS**

4.1. We support our operating partners to work towards strong ESG performance, to the extent possible within the limitations of our business model and the terms of our contracts. We encourage operators' adherence to ESG best practice by:

- a) monitoring their ESG performance on a periodic basis using our monitoring and reporting framework, which tracks the asset's performance on a range of relevant ESG issues;
- b) reviewing external media reports and other publicly-available information on the assets to triangulate the ESG data reported by our operating partners;
- c) engaging in regular dialogue with operating partners, including during periodic site visits, where possible; and
- d) considering supporting relevant environmental and social initiatives in host communities on a standalone basis or in partnerships with our operating partners.

4.2. Where we suspect an operating partner has breached globally-recognised ESG standards by, for example, causing damage to its stakeholders or the environment, we explore the full range of options available to us, including:

- a) intensifying the monitoring of the asset's ESG activities, particularly in terms of the operating partner's management of the incident; and
- b) increasing the level of engagement with the operating partner for a period of time, until the issue is resolved.

4.3. The course of action with respect to ESG-related incidents at our underlying assets is determined by our Sustainability Committee on a case-by-case basis. We recognise that ESG is a constantly evolving area and accordingly our Sustainability Committee reviews this policy on an annual basis and provides recommendations to the Board for enhancing it where appropriate.