



Environmental, Social and Governance (ESG) Investment Policy

Deterra Royalties Limited
ACN 641 743 348

Adopted by the Board on 11 August 2021

1 Deterra Royalties Limited's approach to ESG

Deterra Royalties Limited (**Company**)'s business is investing in mining projects that are operated by third-party companies (**Operators**), principally through holding royalties and streams. The Company does not itself operate mining assets and it does not have direct control over the ESG policies and practices of the businesses in which it invests.

The Company does, however, acknowledge that it is exposed to ESG risks through its investments. For example, if a mine that provides royalties to the Company is shut down for environmental reasons, it will have a financial impact for the Company.

Accordingly, the Company recognises the importance of investing in mining projects that are operated by Operators with a commitment to responsible mining practices and which conduct their activities with regard to their ESG impact.

2 About this Policy

This Policy sets out the principles regarding ESG matters which will guide the Company's investment decisions.

This Policy is intended to:

- guide the Company's consideration of ESG risks and opportunities in its investment decision-making processes; and
- facilitate appropriate management of ESG risks and opportunities in relation to the Company's investments.

3 ESG investment principles

The Company will seek to establish consistent criteria for assessing ESG risk exposures and opportunities. In making new or further investments, the Company will:

- seek to understand, and take into account, ESG risks and opportunities when evaluating the investment opportunity;
- where appropriate, endeavour to negotiate appropriate contractual protections with a view to seeking sufficient disclosure and transparency regarding Operators' mining projects to facilitate the Company's assessment of ESG risk management and performance on an ongoing basis; and
- continue to monitor Operators' ESG performance.

4 Assessment Criteria

Assessment criteria will facilitate consistent and thorough due diligence of investment opportunities in support of the ESG investment principles.

Environment

E1	Compliance: international standards, government regulations, etc.
E2	Energy: sources, intensity of use, etc.
E3	Climate change: Scope 1, 2, 3 emissions, physical and transitional risks and opportunities, etc.
E4	Water: usage, sources, recycling, disposal, etc.
E5	Waste: general waste, tailings, hazardous waste, etc.
E6	Emissions: noise, dust, air, vibrations, etc.
E7	Biodiversity: conservation status species and ecosystems, etc.
E8	Closure: planning, rehabilitation, etc.

Social

S1	Health and safety: incidents, fatalities, lost time injury frequency rates, etc.
S2	People: diversity and inclusion, attraction and retention, training and development, etc.
S3	Human rights (inclusive of modern slavery): commitment, assessment, remedy, etc.
S4	Communities: social impact management, stakeholder engagement, local content, etc.
S5	Indigenous people: engagement, agreements, etc.
S6	Shared value: contributions, programs, etc.
S7	Supply chain management: due diligence, etc.

Governance

G1	Structures: corporate governance roles and responsibilities
G2	Policies: corporate policies (e.g. Whistleblower policy) and relevant codes of conduct for directors, employees and suppliers, etc.
G3	Anti-bribery and corruption: commitment, allegations, etc.
G4	Memberships: internationally recognised associations, organisations and standards (e.g. International Council on Mining & Metals ("ICMM"))
G5	Public disclosures: ESG and financial performance, tax, etc.

The assessed risks and opportunities will be considered in light of business risk appetite and materiality relative to the specific investment under consideration, as well as the availability of information in the case of existing royalties. Outputs will identify threshold issues, valuation inputs and qualitative issues, such as reputational risk.

Glossary

Scope 1: Greenhouse gas (GHG) emissions, on a CO₂-equivalent (CO₂ equiv.) basis, generated by sources that include fuel combustion, company vehicles and fugitive emissions.

Scope 2: GHG emissions, on a CO₂ equiv. basis, generated by upstream activities associated with purchased electricity, heat and steam generation.

Scope 3: GHG emissions, on a CO₂ equiv. basis, generated by up- and downstream activities associated with purchasing of goods and services, business travel, employee commuting, waste disposal, transportation and distribution, investments and use of sold products.

5 Further information

Any questions about this Policy can be referred to the Managing Director and CEO.

This Policy will be made available on the Company's public website. This Policy will be reviewed from time to time and amended as required.