

# Sustainability Report

NYSE: SAND TSX: SSL

2022



**SANDSTORM**  
GOLD ROYALTIES

# Contents

<b>Company</b> .....	<b>04</b>
Introduction.....	04
Business Model.....	08
Commitments and Ratings.....	10
Approach.....	13
<b>Corporate Impact</b> .....	<b>14</b>
Environment.....	15
Social.....	16
Governance.....	21
<b>Investment Decisions</b> .....	<b>25</b>
Due Diligence Process.....	26
Third Party Evaluation.....	28
Ongoing Due Diligence.....	28
<b>Mining Partners</b> .....	<b>29</b>
<b>Appendices</b> .....	<b>39</b>
Appendix A: Task Force on Climate-Related Financial Disclosures.....	40
Appendix B: UN Global Compact Reference Index.....	47
Appendix C: Sandstorm Policies and Committees.....	48

**Date of Publication: May 10, 2023**

Inclusion of information in this report is not an indication that the contents are necessarily material to investors or required to be disclosed in SEC filings. In this regard, the standard of 'materiality' for purposes of federal securities law disclosure requirements and SEC filings is not the standard that many companies apply when determining which issues to address and the level of detail to be included in their sustainability reports.

# Highlights

## “AA” Rating

by MSCI in 2022

## Low Risk

by Sustainalytics

## ESG Credit Facility

First Royalty Company with Sustainability-Linked Loan

## Carbon Neutral

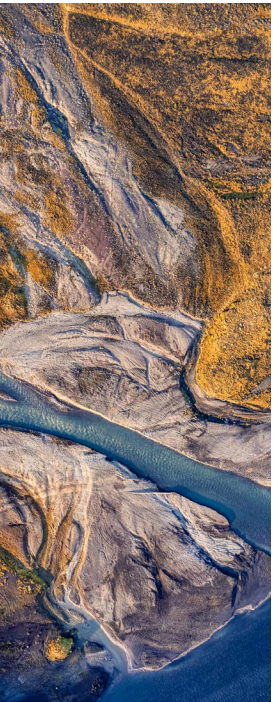
For Scope 2 emissions, by the end of 2023

# 53%

Diverse Persons Among Senior Management & Board



Founded over a decade ago, Sandstorm was established with the vision to do things differently and create meaningful change in an industry that has both a rewarding and complex history.



Over the years, our team has worked to build a company with the highest standards in terms of integrity, diversity, and making a positive global impact. Sandstorm believes that these values are not mutually exclusive to creating shareholder value, which is proven by our track record.

Sandstorm provides financing solutions to mining companies through royalty and streaming transactions. These royalty interests are held on properties developed and operated by independent mining companies, and as such Sandstorm is uniquely positioned to influence Environmental, Social, and Governance (ESG) issues. While Sandstorm has no control over the day-to-day operations, we recognize that mining companies must make a meaningful positive impact in their communities. Because of this, Sandstorm has developed a comprehensive due diligence process that integrates ESG related issues

into the evaluation of every investment opportunity. Our team reviews hundreds of projects each year and discards many opportunities for not meeting our stringent due diligence standards. Over the last several years, Sandstorm has rejected over half a billion dollars in potential transaction deals because of various environmental and social concerns.

Beyond the due diligence process, Sandstorm is committed to leading ESG practices, which includes building a diverse workforce, reporting on Scope 3 emissions, and empowering our mining partners and employees to engage in initiatives that support their communities. Sandstorm has also committed to a step plan towards being carbon neutral, with the first step being accomplished by the end of 2023, with being carbon neutral for Scope 2 emissions. As a result, Sandstorm is ranked as an industry leader by some of the most

respected regulating bodies including an “AA” rating from MSCI, and top rankings by Sustainalytics in the Precious Metals Industry and Gold Subindustry. Sandstorm is also a member of the World Gold Council and the UN Global Compact, and has committed to voluntarily aligning its operations and corporate strategy with the spirit of the 10 universally accepted principles in the areas of human rights, labour, environment, and anti-corruption, and to take actions that support broader UN goals.

In February 2022, Sandstorm Gold announced the creation of Horizon Copper – a new strategic growth partner. Copper is a critical component in renewable energy technologies and mass electrification. As world economies rapidly develop clean energy infrastructure and continue to electrify various industries, copper demand is expected to outstrip supply in just a few years. To meet this demand, more copper

discoveries and projects need to move into production. Horizon will play a key role in financing these projects, helping to facilitate a more sustainable future. Sandstorm’s partnership with Horizon Copper represents a paramount step forward in the transition to a greener, more sustainable world. Through financing these extraordinary copper projects, we are supporting the development of critical infrastructure and technologies helping to create a more resilient and sustainable future for all.

This report is designed to provide our shareholders and interested parties with a clear understanding of Sandstorm’s corporate responsibility practices. Our goal is to create long-term value for our stakeholders while minimizing our environmental footprint, supporting our employees, and contributing positively to the communities in which we operate.





## Senior Management

**1 Nolan Watson** FCPA, FCA, CFA  
President & CEO

**2 David Awram** B.Sc, Geologist  
Senior Executive VP

**3 Erfan Kazemi** CPA, CA, CFA  
CFO

**4 Tom Bruington** P.E., M.Sc.  
Executive VP, Project Evaluation

**5 Ian Grundy** CPA, CA, CFA  
Executive VP, Corporate  
Development

**6 Ron Ho** CPA, CA, CFA  
Senior VP, Finance

**7 Imola Götz** M.Sc., P.Eng.  
VP, Mining & Engineering

**8 Keith Laskowski** Mining Geologist, MSc, QP  
VP, Geology

**9 Livia Danila** CPA, CA  
VP, Corporate Controller

**10 Sarah Ford** CPA, CA, CFA  
VP, Financial Planning & Analysis

**11 Kim Bergen** CFA  
VP, Capital Markets



## Board of Directors

- 1 David E. De Witt**  
Chairman
- 2 Mary L. Little**  
Independent Director
- 3 John P. A. Budreski**  
Independent Director
- 4 Vera Kobalia**  
Independent Director

- 5 Andrew T. Swarthout**  
Independent Director
- 6 Nolan Watson**  
Non-Independent Director
- 7 David Awram**  
Non-Independent Director

# Business Model

Sandstorm Gold Royalties provides an alternative source of capital to the mining industry in the form of stream and royalty financing arrangements. In exchange for upfront capital, Sandstorm receives a portion of the future metal or revenue generated from a mining operation. Being a financier, Sandstorm does not directly own or operate the projects and thus has indirect exposure to ESG issues that can arise during the life-cycle of a resource project. Sandstorm’s indirect exposure to ESG risk factors is mitigated in part by our diversified portfolio.

There is no evidence of a statistical relationship or positive correlation between the ESG successes and challenges at the various mining projects within Sandstorm’s royalty portfolio, indicating a clear diversification benefit to this portfolio approach.

Sandstorm is committed to furthering sustainable development in the mining and metals industry through its investments and seeks to address ESG risks through the company’s due diligence process that guides its investment decisions.

## How a Gold Royalty Works

A gold royalty is a contract that gives the owner (i.e. a gold royalty company) rights to a portion of the final product. This can be a percentage of revenue or actual gold production (called a “stream”). Gold royalty companies pay an upfront sum for royalty rights and use these contracts to finance mining companies in need of capital. Since royalties typically cover the life of a mine, gold royalty companies benefit from the exploration upside that may extend the life of the mine and increase the amount of revenue (or gold) they receive from the mine at no additional cost.





# Portfolio Map

- Producing Assets
- Development & Exploration



250

Royalty & Streams

40

Cash Flowing Assets

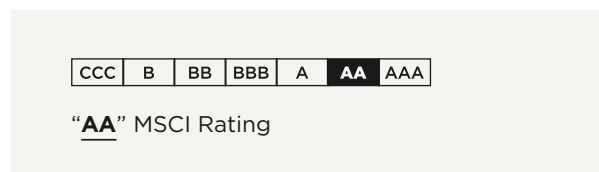
# Commitments and Ratings

Sandstorm Gold Royalties is continuously graded on our ESG efforts by some of the world’s most reputable agencies. In addition, Sandstorm has voluntarily committed to certain regulatory bodies and member groups that work to promote sustainability best practices on a global scale.

## MSCI

MSCI creates industry-leading, research enhanced solutions that investors use to gain insight into and improve transparency across the investment process. Every year MSCI provides rankings for corporations in a wide range of industries in order to grade companies on their ESG efforts.

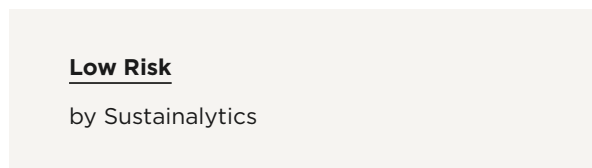
In 2022, Sandstorm maintained its “AA” rating with MSCI, consistent with 2021.



*The use by Sandstorm of any MSCI ESG Research LLC or its affiliates (“MSCI”) data, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement, recommendation, or promotion of Sandstorm by MSCI. MSCI services and data are the property of MSCI or its information providers, and are provided ‘as-is’ and without warranty. MSCI names and logos are trademarks or service marks of MSCI.*

## Sustainalytics

Sustainalytics’ ESG Risk Ratings measure a company’s exposure to industry-specific material, ESG risks and how well a company is managing those risks. This multi-dimensional way of measuring ESG risk combines the concepts of management and exposure to arrive at an assessment of ESG risk (i.e., a total unmanaged ESG risk score or the ESG Risk Rating) that is comparable across all industries. Sustainalytics’ ESG Risk Ratings provide a quantitative measure of unmanaged ESG risk and distinguishes between five levels of risk: negligible, low, medium, high and severe. Sandstorm Gold Royalties is in the top rankings by Sustainalytics.



*Copyright © 2023 Morningstar Sustainalytics. All rights reserved. This 2022 Sustainability Report contains information developed by Sustainalytics (www.sustainalytics.com). Such information and data are proprietary of Sustainalytics and/or its third party suppliers (Third Party Data) and are provided for informational purposes only. They do not constitute an endorsement of any product or project, nor an investment advice and are not warranted to be complete, timely, accurate or suitable for a particular purpose. Their use is subject to conditions available at <https://www.sustainalytics.com/legal-disclaimers>.*

# World Gold Council's Responsible Gold Mining Principles

- 
**1** Ethical Conduct
- 
**2** Understanding Impacts of Mining
- 
**3** Supply Chain
- 
**4** Health and Safety
- 
**5** Human Rights and Conflict
- 
**6** Labour Rights
- 
**7** Working with Communities
- 
**8** Environmental Stewardship
- 
**9** Water, Energy and Climate Change
- 
**10** Biodiversity, Land Use and Mine Closure

## World Gold Council

Sandstorm is a member of the World Gold Council; a community of members in the gold industry who are committed to responsible corporate practices. Members of the World Gold Council are required to commit to the Council's Responsible Gold Mining Principles, which outline a number of corporate responsibility measures as they relate to ESG matters. As a royalty company that does not operate mines, Sandstorm has agreed to endorse these principles and ensure that our due diligence process reflects these commitments. Sandstorm's existing portfolio of royalties already includes several projects owned and operated by World Gold Council members.

## UN Global Compact

The UN Global Compact aims to mobilize a global movement of sustainable companies and stakeholders by aligning their strategies and operations with 10 principles on human rights, labour, environment and anti-corruption. Sandstorm joined the UN Global Compact in 2020, committing to incorporate the spirit of these 10 principles into our corporate strategies, policies, and procedures.

### PROGRESS REPORT

As a member of the UN Global Compact, Sandstorm has committed to annual reporting of the company's progress in aligning our operations and corporate strategy with the 10 principles. For details on where to find related materials please refer to [Appendix B](#) the of this report.



# UN Global Compact 10 Principles



## HUMAN RIGHTS

- 1 Businesses should support and respect the protection of internationally proclaimed human rights; and
- 2 Make sure that they are not complicit in human rights abuses.



## LABOUR

- 3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- 4 The elimination of all forms of forced and compulsory labour;
- 5 The effective abolition of child labour; and
- 6 The elimination of discrimination in respect of employment and occupation.



## ENVIRONMENT

- 7 Businesses should support a precautionary approach to environmental challenges;
- 8 Undertake initiatives to promote greater environmental responsibility; and
- 9 Encourage the development and diffusion of environmentally friendly technologies.



## ANTI-CORRUPTION

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



## Sustainability-Linked Credit Facility

In 2021, Sandstorm became the first royalty company with a credit facility linked to sustainability goals. The ESG revolving loan incorporates sustainability-linked incentive pricing terms that allow Sandstorm to reduce the borrowing costs as certain sustainability performance targets are met.

The performance targets, to be met by 2025, are based on the following ESG goals of the company:

- **Alignment with ESG Reporting Standards:**  
Achieve a certain percentage of producing assets reporting under sustainability and climate-related standards;
- **External ESG Rating:**  
Maintain or improve an MSCI ESG rating of “A”; and
- **Diversity & Inclusion:**  
Maintain or improve diverse representation at the senior management and Board levels.

With this credit agreement, Sandstorm is helping to lead a new era of corporate lending that benefits shareholders while promoting corporate responsibility.

# Approach

Sandstorm Gold Royalties is in the business of providing financing solutions to companies in the mining sector—principally through stream and royalty transactions. This financing enables resource companies to further the exploration, development and operations at a mining property. Our business is unique in the mining industry as it reflects both indirect exposure to ESG issues from mining operations and direct exposure to ESG factors in the day-to-day corporate environment.

## Corporate Impact

Sandstorm operates solely within an office environment with a relatively small workforce. The company has 27 full-time employees split between the Vancouver head office and a smaller Toronto office. As such, the direct impact on the environment is very small. Nonetheless, Sandstorm continues to do its part to address climate change through reducing our environmental footprint and by managing the environmental and social impacts of our investing activities. For the first time, Sandstorm has included our mining partners attributable Scope 1 and Scope 2 emissions as part of our Scope 3 emission reporting. The company also follows best practices in regard to employee management practices and maintaining the highest level of integrity in corporate governance.

## Investment Decisions

The properties over which Sandstorm holds stream and royalty interests are owned and operated by independent mining companies and Sandstorm does not exercise control or influence over the activities of the property owners. However, Sandstorm is committed to furthering the responsible development of mineral projects and the sustainable extraction of metals through its financial investments, including with respect to environmental factors (e.g., social license to operate, toxic emissions and waste,

biodiversity and land use and water stress), social considerations (e.g., occupational health and safety, labour management), and governance issues (e.g., corruption and instability, corporate governance).

We primarily seek to address ESG issues initially through the due diligence process when making new investments, which is described in more detail in this report. Our team has adopted internal policies that guide our investment process and our ongoing relationships with both operators and shareholders. We are proud to have made meaningful social contributions at both the corporate and individual levels and we intend to consider additional partnerships with our mining partners to support appropriate environmental and social initiatives in the communities associated with our investments.

## Mining Partners

At the core of Sandstorm's business are the partnerships with our mining operators. Each year our mining partners produce various reports and documentation regarding their own sustainability efforts. We have highlighted a selection of operators, which made up the majority of our attributable gold ounces for 2022. Sandstorm is proud of the accomplishments of these companies and the ongoing commitment to responsible production that they demonstrate.

# Corporate Impact



**Erfan Kazemi**  
Chief Financial Officer

*“Sandstorm is in the business of investing, and that rings true for our employees as well. Not only do we have policies designed to encourage employees to further their careers, but we also encourage the investment in philanthropic endeavours at both the individual and corporate level.”*

Sandstorm has policies and programs in place to manage the ESG risk factors that are directly related to the company. These policies and programs are regularly reviewed by the company’s Corporate Social Responsibility (“CSR”) Committee, which reports directly to the CEO and CFO. In 2023, Sandstorm has committed to creating an ESG sub-committee, led by members of the Board of Directors, to which the CSR committee will report to and meet with regularly to push our company toward improved ESG performances and disclosures, working to create Sandstorm as the leading royalty and streaming company when it comes to sustainability. The social policies and programs discussed in this section are reflective of Sandstorm’s commitment to a high standard of employee management practices including a safe and inclusive workplace, competitive compensation and benefits, training and learning opportunities, and channels for employee engagement.

Sandstorm seeks to incorporate industry best practices with regards to governance and is committed to conducting its business with integrity, maintaining high ethical standards, and contributing to the community in which it operates.

Sandstorm is proud to continue reporting under the Task Force on Climate-Related Financial Disclosures (“TCFD”), and as part of our continual improvement in disclosures, we have included our Scenario Analysis for the first time in 2022, as included in [Appendix A](#).

# Environment

As the company operates in an office environment, Sandstorm's direct environmental impact and carbon footprint is small. Regardless of the size and nature of our operations, we believe it is important to report on Sandstorm's annual emissions output in the spirit of transparency and working towards a more sustainable future. The company's head office is situated in a LEED Gold certified building in Vancouver, British Columbia, Canada. The LEED Canada rating system applies a rigorous, internationally recognized standard measuring and evaluating the effectiveness of a property's sustainable practices and policies in a range of green categories. LEED addresses whole-building cleaning, general maintenance issues, recycling programs, exterior maintenance, and systems upgrade or modernization.

Sandstorm occupies approximately one half of one floor in the Vancouver office building and a small office space in Toronto. With a relatively small workforce, our impact on the environment is extremely limited. As an office-based company, Sandstorm does not have any Scope 1 emission activities or sources within the company's operational control to report. In 2022, we established a methodology for measuring Scope 3 greenhouse gas emissions (GHG) from our mining partners productions, and have included these emissions as part of our reporting.

## Emissions Activities

The company has a robust composting and recycling program that is utilized by all employees. Sandstorm strives to reduce its direct GHG emissions and has set a step-plan towards being carbon neutral, with the first target being accomplished by the end of 2023, with being carbon neutral for Scope 2 emissions. The company does not have any savings or profits achieved as a result of its energy conservation programs.

### SCOPE 2 (LOCATION BASED)<sup>1</sup>

Utility	2020	2021	2022
<b>Vancouver</b>			
Electricity (KWh)	95,883	42,904	45,466
Water (M <sup>3</sup> ) <sup>2</sup>	456	298	317
Natural Gas (M <sup>3</sup> )	11,019	13,705	15,102
<b>Total Vancouver metric tonnes CO<sub>2</sub>e</b>	<b>22.0</b>	<b>28.2</b>	<b>30.2</b>
<b>Toronto</b>			
Electricity (KWh)	-	-	13,965
Water (M <sup>3</sup> ) <sup>2</sup>	-	-	298
Stream (kg)	-	-	689
<b>Total Toronto metric tonnes CO<sub>2</sub>e</b>	<b>-</b>	<b>-</b>	<b>0.4</b>
<b>Total metric tonnes CO<sub>2</sub>e</b>	<b>22.0</b>	<b>28.2</b>	<b>30.6</b>

### SCOPE 3<sup>3</sup>

	2020	2021	2022
Business travel <sup>4</sup>	107.3	107.5	356.6
Mining partner's emissions <sup>5</sup>	-	-	68,747.6
<b>Total metric tonnes CO<sub>2</sub>e</b>	<b>107.3</b>	<b>107.5</b>	<b>69,104.2</b>

1) Information is for each respective year ended December 31. The company's consumed energy that comes from Vancouver's energy grid is sourced from more than 90% hydropower.

2) All of Sandstorm's water withdrawal comes from municipal water supplies, which comes from local reservoirs. No water is sourced from regions with High or Extremely High Baseline Water Stress. The company did not recycle or reuse any water used in 2022, 2021 or 2020.

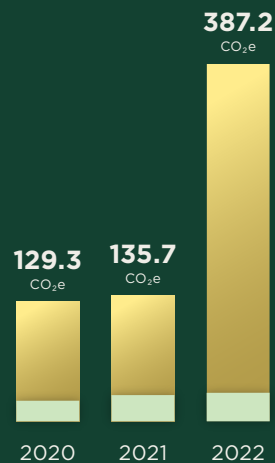
3) Information is for each respective year ended December 31.

4) Business travel emissions include activity data from flight, car and bus travel records from Sandstorm's employees.

5) Mining partner's emissions are calculated based on publicly available GHG emission reporting, where available, based on Sandstorm's share of mine partner revenue or production. In select cases where emissions data was not publicly available, a mine proxy average was used. Due to the timing of GHG emissions reporting from mining partners, emissions for 2021 have been calculated and used in calculation reporting for this year. Results represent streams and royalties which were in production during the reporting year.

Annual CO<sub>2</sub>e Emissions  
(in Metric Tonnes)

- SCOPE 2 EMISSIONS
- SCOPE 3 EMISSIONS\*



Mining Partners  
recorded 68,747.6 CO<sub>2</sub>e  
Emissions for 2022

\* Only including Sandstorm Gold's Business Travel CO<sub>2</sub>e Emissions

## Social

Sandstorm is committed to retaining a highly skilled and engaged workforce and developing and investing in its employees. This is showcased by Sandstorm's high retention rate, which across the company was 96% in both 2022 and 2021.

Sandstorm's social practices were developed to ensure a safe, inclusive workplace for our employees. Social practices can be considered in three categories; Labour Management (including Health and Safety), Communication & Collaboration, and Diversity Inclusion. The following is an overview of Sandstorm's social practices.

### HEALTH & SAFETY

Sandstorm has 27 full-time employees working in office space located in Vancouver and a smaller office in Toronto. As an office-based organization, Sandstorm has tailored its emergency preparedness procedures and training to the region the offices are located in. Sandstorm follows safe work practices, including having a designated Floor Warden, who completes an

annual safety certification for both fire and earthquake preparedness. We have a health and safety policy in place that provides a guiding framework for ensuring a safe workplace for our employees. The aim of the policy is to keep our employees safe through ensuring compliance with legal and regulatory requirements and to minimize exposure to health and safety risks. As Sandstorm's principal activity is providing financing to other businesses in the mining industry, the company's exposure to health and safety risks is limited. Notwithstanding, our team travels extensively to visit mining operations to conduct due diligence and scheduled audits. We have a Health & Safety Policy applying to our company and employees necessitating compliance with applicable legal and regulatory health and safety requirements of the jurisdictions in which



we operate and setting out standards for a safe work environment, including a workplace free from injuries and from violence and harassment. Sandstorm's health and safety performance is reviewed annually by the CEO. Sandstorm has had no workplace injuries, near-miss injuries, no occupational diseases or work-related fatalities since it began operations.

Beyond the confines of our company, our affiliates, and our employees, we are opposed to activities which cause, support or benefit unlawful armed conflict or contribute to serious human rights abuses or breaches of international humanitarian law. Such abhorrent activities include forced labour or child labour, and any activity that seriously endangers the health and safety of its workers or the surrounding community.

[Health and Safety Policy](#) 

#### **HEALTH & WELLNESS PROGRAM**

Sandstorm's employee health and wellness program encourages active, healthy lifestyles. Sandstorm subsidizes fitness related costs for all employees, as well as offers access to a gym at the office. The Company also provides extended health benefits, which include coverage for health prescriptions, vision and dental costs. Health benefits also provide resources around mental health.

#### **WORKPLACE BULLYING & HARASSMENT**

Sandstorm is committed to creating and maintaining a workplace environment that fosters mutual respect, integrity and professional conduct. In keeping with this commitment, the company has established a Workplace Bullying & Harassment Policy and a set of reporting/investigation procedures for all employees relating to the issue of workplace bullying and harassment. The company will not tolerate bullying or harassment in the workplace and will make every reasonable effort to prevent and eliminate such conduct.

[Workplace Bullying & Harassment](#) 

#### **HUMAN RIGHTS**

Sandstorm respects and supports the Universal Declaration of Human Rights and strives to ensure that we are not complicit in human rights abuses. In 2021, our Code was updated to better align our policies with the UN Global Compact by adding provisions outlining our commitment to human rights, fair practice and freedom of association, collective bargaining and our support for the abolition of forced labour and child labour, as well as other provisions. As a member of the World Gold Council, we endorse the Conflict-Free Gold Standard and Responsible Gold Mining Principles, which include principles regarding the human rights of our workforce, affected communities and all those people with whom we interact.

In accordance with the Canadian Charter of Rights and Freedoms, we are supportive of the fundamental freedoms of our employees (and of all individuals), including the freedom of thought, belief, opinion and expression, the freedom of peaceful assembly and the freedom of association. None of our employees are organized by a trade union or labour union. As a participant in the UN Global Compact, we support the right to collective bargaining.

We work with our Mining Partners to ensure that their approach to human rights and other policies are aligned with ours. We conduct periodic site visits to observe issues such as health and safety incidents or community grievances that might indicate human rights concerns.

Sandstorm's suppliers are primarily Canadian based companies. We ensure we work with high quality companies, who are not complicit in human rights abuses. This includes ensuring that they are not involved in forced labour and child labour, as well as other provisions.

There have been no human rights allegations related to Sandstorm in the history of the company.

## DIVERSITY

Sandstorm is committed to creating and maintaining a culture of workplace diversity. “Diversity” is any dimension that can be used to differentiate groups and people from one another, and it means the respect for and appreciation of the differences in gender, age, ethnic origin, religion, education, sexual orientation, political belief or disability.

Sandstorm recognizes the benefits arising from employee and board diversity, including a broader pool of high-quality employees, improving employee retention, accessing different perspectives and ideas and benefiting from all available talent.

By fostering an environment that promotes and values diversity, Sandstorm enhances its effectiveness through broadening its scope of experiences, skills, talents and knowledge. Sandstorm is proud of the various initiatives offered to employees to ensure a diverse workforce, which include working from home, flexible work arrangements, sick day coverage and a wheelchair accessible office.

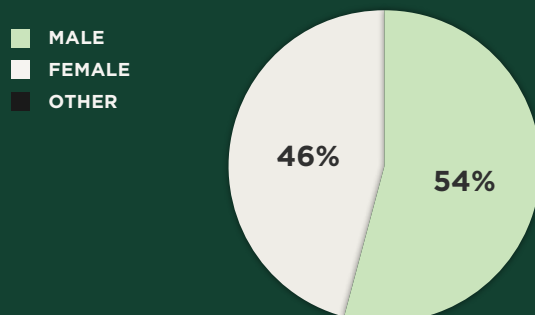
Sandstorm also has a parental leave policy, which provides a top-up payment for 26 weeks. This is available to all employees of the Company.

Sandstorm defines “Diverse Persons” as individuals designated under the Employment Equity Act, which includes women, Aboriginal peoples, persons with disabilities, and members of visible minorities. As at December 31, 2022, 53% of the company’s senior management, including Board of Directors and Officers of the company identified as a Diverse Person.

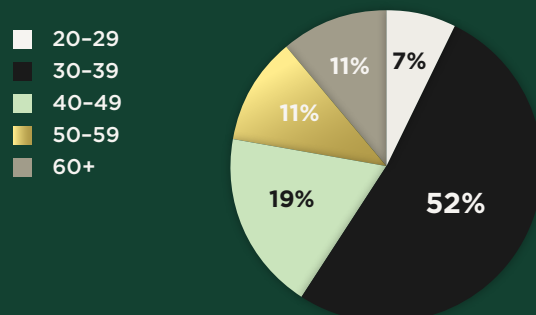
Sandstorm is proud to announce a female candidate as a new nominee for our Board of Directors, which will be voted on by shareholders at the Company’s next Annual General Meeting on June 9, 2023. If voted in, Sandstorm’s Board of Directors will be 38% female.

[Diversity Policy](#) 

Employee Gender Identity  
as of December 31, 2022



Employee Age  
as of December 31, 2022



# First Forward: Investing in the Heart of Vancouver

First Forward is a redevelopment project led by First United, an organization responding to the most pressing needs of Vancouver’s Downtown Eastside, and aims to provide essential services, housing, and support to marginalized and vulnerable populations. Through the transformation of the historic First United Church building into a state-of-the-art community hub, located in the heart of Vancouver’s Downtown Eastside, this project will create affordable housing, health and wellness services, educational opportunities, and artistic programming for the local community.

In 2022, Sandstorm’s Board of Directors approved a pledge of CAD\$1 million over the course of four years to the First Forward project. Sandstorm’s donation will contribute to the development project of the new facility and help First

United fulfill its vision of creating a safe, welcoming space for all members of the community. Sandstorm is proud to partner with this initiative that will have a positive impact for those most in need.

Nolan Watson, Sandstorm’s President & CEO, commented, “We have always understood the importance of supporting sustainable development initiatives in the communities in which we operate—and that goes beyond the underlying mining operations in our royalty portfolio. Our partnership with the First Forward project is a testament to Sandstorm’s belief that our resources can make a positive impact on society. By partnering with First United, we hope to contribute to the development of a more equitable and inclusive society, and to inspire others to follow our lead in creating positive change.”



Rendering of the new First United Church Vancouver.

firstunited.ca



## C\$1 M

pledge to the First Forward development project

## Compensation and Benefits

Sandstorm offers comprehensive compensation and benefits packages and broad-based professional development and training opportunities for its employees. The following principles guide the company's overall compensation philosophy:

- *Compensation is determined on an individual basis by the need to attract and retain talented high-achievers;*
- *Calculating total compensation is set with reference to the market for similar jobs in similar locations;*
- *An appropriate portion of total compensation is variable and linked to achievements, both individual and corporate;*
- *Internal equity is maintained such that individuals in similar jobs are treated fairly; and*
- *The company supports reasonable expenses in order that employees continuously maintain and enhance their skills.*

All Sandstorm employees receive a base salary and are considered for incentive bonus compensation annually, at the Board's discretion. Stock-based compensation, extended health benefits, dental benefits and health and wellness benefits are also provided to all staff. Sandstorm provides a fair living wage to all employees. Professional development and training opportunities that are relevant to an employee's role are encouraged and are reimbursed by the company. Sandstorm provides paid days off for training, as well as study leave for those employees who pursue additional education while employed by the Company.

Sandstorm also encourages its employees to volunteer and support charitable causes. A charitable donation matching program has been instituted for all employees.

## Communication and Collaboration

Sandstorm believes it is important to have regular and constructive engagement directly with our shareholders to allow and encourage shareholders to express their views on governance matters directly to our Board outside of our annual meetings. These

discussions are intended to be an interchange of views about governance and disclosure matters that are within the public domain and will not include a discussion of undisclosed material facts or material changes. Our Board continues to develop practices to increase engagement with our shareholders as is appropriate for our shareholder base and size. Our Board recognizes that shareholder engagement is an evolving practice in Canada and globally and we will review our shareholder engagement annually to ensure that we are effective in achieving our objectives.

Our shareholders and other interested parties may communicate with any member of the Board of Directors, including the Chair of the Board, and our independent directors as a group, by contacting our Investor Relations team at 400 Burrard Street, Suite 1400, Vancouver, BC, Canada V6C 3A6.

## Information Security

Sandstorm's information systems, and those of its counterparties under the precious metal purchase agreements and vendors, are vulnerable to an increasing threat of continually evolving cybersecurity risks. To help in mitigating this risk, the company has an ongoing Cyber Awareness program, which first began in 2019, as well as cyber security insurance.

Sandstorm's cyber security program is aligned to the National Institute of Standards and Technology Cyber security framework and best practices.

Each year, the Company expands its cyber security program to include additional items such as disaster recovery simulation, penetration tests and vulnerability assessments, to ensure the company is as proactive as possible to mitigate cybersecurity risks.

Sandstorm's 2023 IT Strategy includes a Cyber Tabletop exercise to mature the Cyber Incident Response Process and evaluating company Executives' and IT readiness in responding to a simulated significant cyber event.

The Cyber Awareness program is run by experts in the field and provides an ongoing reassessment of cyber risk that the company is potentially exposed to. The program provides annual training and simulations to all of Sandstorm’s employees, educating employees of what they can do to reduce this risk. Training is required of all employees and in 2022, Sandstorm achieved a 100% training completion rate for all employees. As a result of this training, Sandstorm achieved a phishing-failure rate of 0.3% in 2022, as compared to the industry average of 3.2% in

comparable organizations. The Company’s Cyber Awareness program also assesses new risks, and Sandstorm’s exposure to ongoing risks, including social engineering and phishing emails. The CFO is provided with a monthly update on the program, and the Disclosure Committee reviews any significant changes or updates as they occur. The Audit Committee is updated on an annual basis, or as needed, for all information security activity. Due in part to this program, Sandstorm has not experienced a material security breach in the history of the company.

## Governance

Sandstorm takes seriously the ethical nature of our corporate governance practices and has put in place various measures to ensure the company conducts its affairs at the highest standard. Below you will find Sandstorm’s corporate governance policies that relate to corruption and instability as well as descriptions of various committees, policies and programs that have been implemented to ensure governance best practices.

### CODE OF BUSINESS CONDUCT AND ETHICS

The Sandstorm Code of Business Conduct and Ethics is intended to document the principles of conduct to be followed by Sandstorm employees, officers, directors and contractors. Its purpose is to:

- *Promote honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;*
- *Promote avoidance of conflicts of interest, including disclosure to an appropriate person of any material transaction or relationship that reasonably could be expected to give rise to such a conflict;*

- *Promote full, fair, accurate, timely and understandable disclosure in reports and documents that Sandstorm files with, or submits to, the securities regulators and in other public communications made by Sandstorm;*
- *Promote compliance with applicable governmental laws, rules and regulations;*
- *Promote the prompt internal reporting to an appropriate person of violations of the Code;*
- *Promote accountability for adherence to the Code;*
- *Provide guidance to employees, officers and directors to help them recognize and deal with ethical issues;*
- *Provide mechanisms to report unethical conduct; and*
- *Help foster Sandstorm’s culture of honesty and accountability.*

All directors, officers and employees, including Sandstorm's subsidiaries, are required to adhere to the Code and to confirm their understanding and acceptance of the Code. Directors and officers are further required confirm their understanding and acceptance of the Code on an annual basis.

Sandstorm's policy of fair dealing extends to supplier relationships and forbids kickbacks and rebates. Throughout our history, there have been no reported incidents of corruption, allegation of fraud, executive misconduct or insider trading. In addition, Sandstorm has not faced any fines and /or non-monetary sanctions for non-compliance and/or regulations.

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

[Code of Business Conduct and Ethics Policy \(Consultants\)](#) 

#### ANTI-CORRUPTION

Sandstorm expects its employees, officers, directors and contractors to promote honest and ethical behavior, to avoid conflicts of interest, to comply with governmental laws and applicable rules and regulations, and to help foster the company's culture of honesty and accountability. To this end, Sandstorm has outlined a comprehensive bribery and fraud prevention program which covers topic areas such as bribery, fraud, conflict of interest, administrative corruption, facilitation payments, breach of duty, misuse of authority and criminal activity. All employees, officers, directors and contractors are required to read and sign the policy in order to evidence that they understand and agree to conduct their work in accordance with the terms of the policy.

[Bribery & Fraud Prevention Program](#) 

#### WHISTLEBLOWER

The company's whistleblower policy allows for the anonymous submission of any concerns regarding questionable accounting or auditing matters or violations of the company's Code of Business Conduct and Ethics. Employees may submit concerns directly to the audit committee using either the whistleblower hotline (a confidential, anonymous and toll-free telephone line available 24 hours a day, 7 days a week) or via mail or email. The audit committee reviews and investigates each complaint and takes appropriate corrective actions. To date, the company has received one complaint in the history of the Whistleblower hotline. The complaint received was not specific to Sandstorm, but was issued to multiple companies as a potential concern regarding specific Canadian and United States securities laws requirements. In accordance with Sandstorm's protocols set forth in the Whistleblower Policy, the Audit Committee reviewed the complaint, and based on procedures and policies that were already in place at Sandstorm, it was determined that Sandstorm was in compliance with these requirements, and no further actions were required.

[Whistleblower Policy](#) 

#### DISCLOSURE POLICY

The communications and corporate disclosure policy is intended to assist Sandstorm in fulfilling its obligations to ensure that all information relevant and material to the company's shareholders and the market is disclosed in a timely manner.

[Communications and Corporate Disclosure Policy](#) 

## Board of Directors

		Audit Committee	Corporate Governance and Nominating Committee	Compensation Committee
<b>Nolan Watson</b>	Non-independent			
<b>David Awram</b>	Non-independent			
<b>David E. De Witt</b> Chairman	Independent	✔	✔	✔
<b>John P.A. Budreski</b>	Independent	✔	✔	✔
<b>Andrew T. Swarthout</b>	Independent	✔	✔	✔
<b>Mary Little</b>	Independent		✔	✔
<b>Vera Kobalia</b>	Independent			

✔ Committee Chair

### AUDIT COMMITTEE

The primary function of the Audit Committee is to assist the Board of Directors in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by Sandstorm to regulatory authorities and shareholders, the company's systems of internal controls regarding finance and accounting, and the company's auditing, accounting and financial reporting processes. Consistent with this function, the committee will encourage continuous improvement of, and should foster adherence to, Sandstorm's policies, procedures and practices at all levels. The Committee's primary duties and responsibilities are to:

- *Serve as an independent and objective party to monitor financial reporting and internal control system and review of financial statements.*
- *Oversee the audit of financial statements.*
- *Review and appraise the performance of external auditors.*
- *Provide an open avenue of communication among auditors, financial and senior management and the Board of Directors.*

[Audit Committee Charter](#) 

### CORPORATE GOVERNANCE & NOMINATING COMMITTEE

The Corporate Governance & Nominating Committee is in place to provide a focus on governance that will enhance Sandstorm's performance, to assess and make recommendations regarding the Board of Directors effectiveness and to establish and lead the process for identifying, recruiting, appointing, re-appointing and providing ongoing development for Directors.

[Terms of Reference for the Corporate Governance & Nominating Committee](#) 

### COMPENSATION COMMITTEE

A Compensation Committee has been established by the Board of Directors of Sandstorm to assist the board with ensuring that the company has a compensation plan that is both motivational and competitive for executive officers and other members of senior management so that it will attract, hold and inspire performance of executive management of a quality and nature that will enhance the sustainable profitability and growth of the company.

[Terms of Reference for the Compensation Committee](#) 

# Empowering the Next Generation of Mining Professionals

Women Leaders of Tomorrow is a non-profit organization that is dedicated to promoting gender equality and empowering young women to become leaders in their communities. Through various programs and initiatives, the organization provides educational and professional opportunities to women around the world, including in Afghanistan.

In collaboration with members of the mining community, Sandstorm has helped to raise CAD\$350,000 to support young Afghan women pursuing graduate-level studies in mining and engineering at the University of British Columbia (UBC).

Sandstorm's support provides financial assistance to female students from Afghanistan, many of whom face significant obstacles in pursuing their studies. Women Leaders of Tomorrow helps these young women escape dire conditions in their

home country where conflict, political instability, and social barriers have made it difficult for women to access education and employment opportunities. The funding provides them with the support and resources they need to continue their education in mining.

“Since the beginning, Sandstorm has promoted gender equality and human rights throughout all aspects of our business,” said David Awram, Sandstorm’s Co-Founder and Senior Executive Vice President. “Through this partnership, Sandstorm continues its commitment to empowering women and providing them with the opportunity to pursue quality education. Together, Sandstorm and Women Leaders of Tomorrow are working to create a brighter future for young women, providing the support and resources needed to succeed. We believe that through investment in women’s education, we can help to build a more equitable and prosperous world for everyone.”

## C\$350K

raised to support young Afghan women



Scholarship recipients sponsored by Women Leaders of Tomorrow.

Women Leaders of Tomorrow



Arezo Ebrahimi at the Vancouver International Airport after receiving her study permit.



# Investment Decisions



**Mary L. Little**

Director

Chair of Corporate Governance  
and Nominating Committee

*“Central to Sandstorm’s mandate of financing mining operations is the investment due diligence process. Each year, the technical team at Sandstorm reviews hundreds of opportunities in the relentless pursuit of finding projects that not only have attractive investment potential but also meet our high standards of ESG due diligence.”*

Sandstorm drives shareholder value by realizing long-term investment opportunities in mining assets. Often our royalties outlive the operators of the asset, so we imagine not only how a mine functions under current management and conditions but how it will operate under future operators and markets. ESG factors play a central role in determining the success of a long-term mining investment. Sandstorm’s strategy to mitigate ESG risks involves a thorough investigation and evaluation of the risk factors related to a mineral property prior to an investment. While Sandstorm has no control over a project or the various ESG risks associated with a mine, we recognize that a good investment is a mine that will function safely, successfully, and with multi-generational support of local communities and governments.

# Due Diligence Process

The aim of Sandstorm’s due diligence process is to successfully identify projects and companies that will operate successfully and profitably while acting in a sustainable manner.

Sandstorm’s management team applies a multi-disciplinary approach when evaluating potential transactions. In addition to relying on management’s expertise, Sandstorm benefits from the experience and expertise of its Board of Directors. Board members are active in the review of potential material investments including participation in due diligence and providing technical, operational, political, financial, environmental, corporate social responsibility, and other expertise where applicable. The due diligence team consists of professionals with experience and expertise in the fields of geology, mining, metallurgy, engineering, government policy and finance. By conducting a robust and detailed due diligence process, Sandstorm endeavours to invest in projects with relatively low ESG risk. Where appropriate, the due diligence process involves, among other things, thorough desktop studies, the engagement of expert consultants, extensive interviews with the project management team, site visits, as well as in-depth deliberation. The due diligence process may vary depending on the project’s stage of development and the materiality of the investment to Sandstorm. Sandstorm will determine if an investment should be made based on overall criteria, including ESG factors. The overall criteria are reviewed regularly by management and/or the Board of Directors where applicable.

## ESG Criteria

Elements of Sandstorm’s due diligence process related to ESG factors can include, but are not limited to, the following considerations where material or applicable.



### ENVIRONMENT

#### Land Use

Confirm that mineralization is not located in or near an environmentally sensitive or protected area.

#### Biodiversity and Land Use

Research the proposed development footprint and confirm the impact on the region’s biodiversity. Take into account what offsets or mitigation measures are contemplated.

#### Metallurgy

Check what risks are associated with the process flow sheet including potential discharge and reagent use. Understand how the environmental impacts have been properly assessed and mitigation steps taken.

#### Emissions & Water Usage and Management

Study and understand the project’s emissions, hydrology and hydrogeology. Confirm there are appropriate management/usage plans in place. Recognize the plan for the discharge of water from the operations.

#### Tailings Management

Assess the risk factors associated with the tailings management plan, both during operations and post-closure. Confirm the tailing storage facilities and waste rock storage plans at the project.

#### Assessment

Evaluate which aspects will trigger future environmental impact assessments and how will that affect the permitting and longevity of the project.

## SOCIAL

### Management Team

Research the management team and Board of Directors to determine they are of good repute and they have shown integrity and competency in their business.

### Community Engagement

Confirm the resource company has engaged with the community where the project is located, including Indigenous peoples.

### Community Impact

Determine the impacts of mining operations and related activities on surrounding communities.

### Social License

Establish that the resource company has a social license to explore, develop and mine the property.

### Health & Safety Record

Confirm if the operation, or previous operations run by the management team in question, had disruptions caused by workplace accidents.

### Workplace Standards

Determine the workplace standards, protections and policies in place.

### Labour Availability

Conclude if there's a local workforce available, and assess the implications of an outside workforce. Confirm if training programs are available for local and Indigenous workers.

### Labour Management

Ascertain the company's engagement with the workforce and unions.

### Child Labour

Sandstorm is firmly opposed to child labour and forced labour practices, and would not work with a mining partner or supplier that was engaged in either practice. The company's Code of Business Conduct & Ethics promotes compliance with Canadian governmental laws, rules and regulations, which strictly condemn practices that involve child labour and forced labour.

### Compensation

Deduce workforce compensation, and confirm company, employee, and investor incentives are aligned.

### Resettlement

Verify if there are resettlement requirements to develop the project. If so, certify the community has been dealt with on an open and fair basis with appropriate consultation. Confirm if there is a Resettlement Action Plan required.

### Deal Structure

Establish that the stream/royalty transaction is structured in such a way as to mitigate some of the potential social risks.

## GOVERNANCE

### Political Stability

Verify the asset is located in a politically stable climate. Evaluate if the political climate is improving or deteriorating.

### Regulatory Framework

Establish the developed regulatory framework for mineral exploration and mine development. Verify any permitting risks related to the jurisdiction in question.

### Corruption and Instability

Determine the owners or the management team have not been involved in or been accused of corruption. Investigate the ethical track record of the company.

### Corporate Governance

Confirm corporate governance practices the resource company adheres to.

### Accounting

Establish the resource company exhibits a high degree of accounting and operational transparency.

## Third Party Evaluation

Sandstorm routinely engages third-party experts to assist in its evaluation of new investments, which can include external legal counsel (including in the jurisdictions in which a project is located), technical consultants, and other consultants for purposes that can include ESG factors.

## Ongoing Due Diligence

After making an investment, Sandstorm has avenues in place to monitor the ESG performance of its counterparties on an ongoing basis. Sandstorm's streaming and royalty agreements typically include the following types of provisions for ongoing due diligence and to reduce exposure to ESG risks:

### AUDIT AND INSPECTION RIGHTS

Sandstorm may be entitled to audit the books and records of its partners on a periodic basis and may access and inspect the properties comprising the project. These rights provide Sandstorm further insight into the operations and assist in confirming compliance with the terms of the streaming and royalty agreements.

### REPORTING OBLIGATIONS

Streaming and royalty agreements typically contain a series of reporting obligations including the delivery of monthly and/or annual reports, updated mine plans, forecasts, and other documentation which serve to keep Sandstorm informed of operations.

### TRANSFER RESTRICTIONS

Sandstorm's agreements may have restrictions that either (a) require consent for the operator of the agreement to transfer a mine project, or (b) otherwise establish the circumstances in which such transfer is permissible. Such constraints are intended to ensure Sandstorm continues to be partnered with a quality operator over the life of the agreement.

### SECURITY

Where appropriate, Sandstorm will look to have in place suitable security arrangements, including corporate guarantees and/or other security over the mine project. This security is designed to secure Sandstorm's investment during the term of the streaming or royalty agreement, to help mitigate the risks of insolvency or bankruptcy of the operator.

In addition to these factors, Sandstorm manages ESG risks arising from current streams and royalties by undertaking ongoing due diligence where applicable, which includes but is not limited to, site visits, ongoing dialogue with the operators, and review of the corporate and social responsibility reports that are published by the company's partners. We closely monitor and rely on all public disclosures of our operators.

Sandstorm endorses the ICMM Principals, the IFC Environmental, Health and Safety Guidelines for Mining and the e3 Plus Framework for Responsible Exploration.

# Mining Partners



**Imola Götz**  
VP, Mining & Engineering

*“Our mining partners are a reflection of Sandstorm and our values. As such, Sandstorm seeks to partner with operators who perform their important task of mineral extraction with integrity, environmental sustainability, and best-in-class corporate governance.”*

At the core of Sandstorm’s business are the partnerships with our mining operators. Each year our mining partners produce various reports and documentation regarding their own sustainability efforts. We have highlighted a selection of operators, which made up the majority of our attributable gold equivalent ounces (GEOs) for 2022. Sandstorm is proud of the accomplishments of these companies and the ongoing commitment to responsible production that they demonstrate.

In 2022, Sandstorm’s producing mines reporting under a Sustainability standard and Climate-related Standard were 71% and 61% respectively.<sup>1</sup>

The following information related to Sandstorm’s mining partners is based on the public disclosure of the operator and has not been independently verified by Sandstorm.<sup>2</sup>

1) Partners are required to meet a minimum threshold to be included in the calculation. Sustainability Standards include Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB), and Climate-related Standards include Task Force on Climate-related Financial Disclosures (TCFD) and CDP.

2) All values are in \$USD unless indicated otherwise.

# Yamana Gold Inc.

<b>ASSET</b>	Cerro Moro
<b>COUNTRY</b>	Argentina
<b>2022 GEOs</b>	19%
<b>REPORTING UNDER</b>	GRI, SASB, TCFD, CDP

[www.yamana.com](http://www.yamana.com)

See Yamana's website for their Sustainability Report and various news releases pertaining to sustainability efforts.



## ENVIRONMENT

- Yamana announced a target of 46% reduction in absolute Scope 1 and 2 emissions by 2030 and net-zero by 2050. The 2030 reduction target aligns with a 1.5°C science-based target.
- Total Scope 1 and 2 GHG emissions in 2021 decreased by 9% from 2019 baseline year.
- In 2021, there were zero discharges of process water and it was the seventh consecutive year without any material spills across operations.
- Total water withdrawal in 2021 decreased by 8% compared to 2020. Recycled water represented 72% of total water consumption in 2021.

## SOCIAL

- Achieved a third consecutive year with zero fatalities and the 2021 lost time injury frequency rate decreased by 4%.
- Commitment to local employment and procurement by maintaining over 99% national employment and sustaining a high in-country procurement level at 93%, spending over \$544 million in-country.
- Female representation across the workforce rose to 9.4% in 2021 from 8.2% in 2020.

## GOVERNANCE

- During 2021, 43% of independent board members were women and 35% of senior leadership positions were held by women.
- Yamana established an Independent Tailings Review Board to further enhance its governance and assurance processes to align with evolving international best practice.
- Publication of a new Responsibility Policy and eight supporting Statements of Commitment which outline more specific commitments covering functional areas of health, safety, and sustainable development.

# Lundin Mining Corporation

<b>ASSET</b>	Chapada
<b>COUNTRY</b>	Brazil
<b>2022 GEOs</b>	11%
<b>REPORTING UNDER</b>	GRI, TCFD, CDP

[www.lundinmining.com](http://www.lundinmining.com)

See Lundin Mining's website for their Sustainability Report and various news releases pertaining to sustainability efforts.



## ENVIRONMENT

- Lundin Mining maintained its "B" rating for the 2021 CDP climate change report and committed to reducing Scope 1 and 2 emissions by 35% by 2030 across its operations.
- In 2021, Lundin Mining continued implementation of its Tailings Management Standard, which is aligned with the Global Industry Standard on Tailings Management (GISTM). The goal is for conformance with GISTM at all tailings facilities by August 2025.

## SOCIAL

- Achieved best-ever total recordable injury frequency rate of 0.54 versus a target of 0.55.
- Total direct social investment expenditures across operations and corporate headquarters were approximately \$4.7 million. These investments supported education, health, culture, community development, and small businesses.
- In 2021, operational site employees were almost exclusively from in-country, with expatriates accounting for only 0.6% of employees across operation.

## GOVERNANCE

- In 2021, the company completed the development of its Sustainability Strategic Framework with the establishment of a multi-disciplinary sustainability working group that represented all operations and core functional areas across the organization.
- Lundin Mining approved a new Human Rights Policy and amended its Diversity and Inclusion Policy. It also implemented the Social License to Operate Index at all sites to enhance understanding of the level of trust and acceptance at its operations.
- Commitment to maintaining a Board composition in which women comprise at least 30% of all directors and to sustaining female representation at 30% for executive officer positions.

# Americas Gold and Silver Corporation

<b>ASSET</b>	Relief Canyon
<b>COUNTRY</b>	United States
<b>2022 GEOs</b>	7%
<b>REPORTING UNDER</b>	GRI

[www.americas-gold.com](http://www.americas-gold.com)

See Americas Gold and Silver's website for their Sustainability Report and various news releases pertaining to sustainability efforts.

## ENVIRONMENT

- From 2018 to 2021, Americas Gold and Silver recorded zero incidents in water management or tailings storage operations. For the same period, there were zero environmental incidents as a result of strict adherence and compliance with environmental permits and licenses.
- Reduction of fresh water consumption was achieved by recycling over 80% of water used in ore processing. The implementation of tailings thickeners and recirculating water from the tailing's storage facility, reduced water usage significantly.
- Reactivated greenhouse facility leading to production of 5,000 plants that will contribute to the reforestation of the areas near operations.

## SOCIAL

- In 2021, Americas Gold and Silver employed 313 employees with female employees comprising 8% of the total, which is comparable to the mining industry average.
- Americas Gold and Silver continued to generate strong local employment as represented by 81% of employees from the state and 99% in-country.
- No Lost Time Accidents were reported in 2021; Americas Gold and Silver provided more than 1,260 hours of safety training to employees.
- Contribution to local and regional economic development with over \$100 million distributed over a four-year period from 2018 to 2021.

## GOVERNANCE

- Americas Gold and Silver's Board of Directors is comprised of eight senior mining executives, who have global experience in all aspects of mining industry. Aside from the CEO, all Board members are independent.

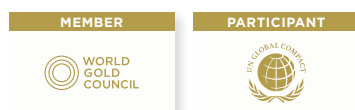


# Equinox Gold Corp.

<b>ASSET</b>	Aurizona
<b>COUNTRY</b>	Brazil
<b>2022 GEOs</b>	5%
<b>REPORTING UNDER</b>	GRI, SASB, TCFD, CDP

[www.equinoxgold.com](http://www.equinoxgold.com)

See Equinox Gold's website for their Sustainability Report and various news releases pertaining to sustainability efforts.



## ENVIRONMENT

- No major or catastrophic incidents were recorded in 2021. Equinox achieved a Significant Environmental Incident Frequency Rate of 0.68, a 58% improvement over its 2020 performance.
- In 2021 Equinox reported its GHG emissions data for the first time to CDP.
- Equinox formalized its Environment and Climate Change Policy, which outlines commitments to environmental protection and climate change, and expectations for its workforce and suppliers.

## SOCIAL

- Equinox achieved excellent health and safety performance with no fatalities.
- In 2021, 20% of Aurizona's workforce was women, which is twice the 10% average in Brazil's mining workforce.
- Equinox spent almost \$195 million on employee wages and benefits and approximately \$7 million in community investments. At Aurizona, Equinox improved water quality by installing a new water treatment plant to better serve the community's needs.

## GOVERNANCE

- Key governance achievements in 2021 included creation of the ESG Committee, Energy and GHG Management Committee, Enterprise Risk Management Committee, and introduction of new Social Responsibility & Human Rights Policy. In addition, Equinox published its first ESG Report and first Tailings Management Overview Report.
- Equinox set a target to achieve at least 30% representation of women on the Board of Directors by 2023; in 2021 women represented 22% of the Board.

<b>ASSET</b>	Northern System (Serra Leste, Serra Norte, Serra Sul), Sossego
<b>COUNTRY</b>	Brazil
<b>2022 GEOs</b>	5%
<b>REPORTING UNDER</b>	GRI, SASB, TCFD, CDP

[www.vale.com](http://www.vale.com)

See Vale's website for their Sustainability Report and various news releases pertaining to sustainability efforts.

## ENVIRONMENT

- Vale's Scope 1 and 2 emissions have reduced by 24% from 2017 to 2021. Scope 3 emissions have been reduced by 15% compared to 2018 base year.
- In 2021, electricity represented 29.6% of Vale's energy consumption matrix, with 89% coming from renewable sources. In Brazil, this percentage is higher, with 99% from renewable sources.
- Environmental performance is assessed annually by ESG-focused institutions and in 2021 Vale received an "A-" rating in CDP assessment.

## SOCIAL

- Vale reduced high-potential recordable injuries by 34% between 2020 and 2021 and achieved the lowest total recordable injury frequency rate in its history.
- In 2021, female representation in the total workforce was 18.7% and in leadership positions 20.9%. The company has moved up by five years, from 2030 to 2025, the goal to double the number of women in the workforce from 13% to 26%.
- Local procurement represented 53% of total purchases and \$18.4 million was spent on hiring and development of local suppliers.
- Socioeconomic expenditures amounted to \$473.5 million and were distributed through the Vale Foundation where initiatives impacted more than 860,000 people in 50 Brazilian municipalities.

## GOVERNANCE

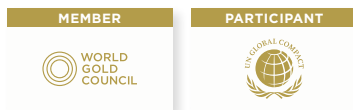
- Vale strengthened its Executive Board, which is responsible for executing the business strategy approved by the Board of Directors, by creating four new positions: Sustainability, People, Legal and Tax, and Business Strategy and Transformation. It also created a new Executive Vice President of Sustainability, signaling Vale's commitment to advancing social and environmental objectives.

# Endeavour Mining Corp.

<b>ASSET</b>	Houndé
<b>COUNTRY</b>	Burkina Faso
<b>2022 GEOs</b>	4%
<b>REPORTING UNDER</b>	GRI, SASB, TCFD, CDP

[www.endeavourmining.com](http://www.endeavourmining.com)

See Endeavour's website for their Sustainability Report and various news releases pertaining to sustainability efforts.



## ENVIRONMENT

- In 2021, Endeavour had zero environmental incidents and committed to reaching net-zero by 2050 and achieving 30% emissions reduction by 2030. Targets are aligned with executives' long-term incentive plans.
- Endeavour maintained a "C" score in CDP reporting, which places Endeavour in the awareness band and the top 60% of respondents.

## SOCIAL

- Health and safety performance in 2021 consisted of zero fatalities. Further, Endeavour achieved 12% reduction in malaria cases.
- Endeavour's workforce comprised 95% nationals, 39% from host communities, and 9% women. Women held 10% of management roles and 12% were employed in technical or supervisory positions. In addition, the company supported 1,700 West African suppliers through procurement of goods and services.
- Community investments amounted to \$1.3 billion spent on in-country suppliers, with \$21.6 million contributed to local development mining funds, and \$2.2 million invested in local projects.

## GOVERNANCE

- Endeavour joined the UN Global Compact and the Single Mine Origin initiative in 2021. The company also progressed its alignment with the World Gold Council's RGMPs.
- Female leadership is represented by 40% of the independent non-executive directors on the Board of Directors.

# Rio Tinto Group

<b>ASSET</b>	Diavik
<b>COUNTRY</b>	Canada
<b>2022 GEOs</b>	5%
<b>REPORTING UNDER</b>	GRI, TCFD, CDP

[www.riotinto.com](http://www.riotinto.com)

See Rio Tinto's website for their Sustainability Report and various news releases pertaining to sustainability efforts.



## ENVIRONMENT

- Rio Tinto announced in 2021 its aim to reduce emissions from operations by 15% by 2025 and by 50% by 2030, with the goal to reach net-zero by 2050. In 2022, Scope 1 and 2 GHG emissions were 7% below the 2018 baseline.
- Total water recycled or reused increased by 6% in 2021.
- At Diavik, Rio Tinto is working with Indigenous partners to develop criteria for water quality to ensure that water is healthy and safe from a western science perspective and from a traditional cultural use perspective.

## SOCIAL

- Rio Tinto continued to increase the number of women in the workforce from 21.6% to 22.9% in 2022. The company hired 2,982 women in the past year, an 18% increase from 2021. The increases were distributed across all levels of the organization from senior leaders to operations and general support.
- In Canada, Rio Tinto spent \$188 million with Indigenous suppliers, and across the company spent \$2.7 billion on local suppliers.
- Total voluntary global social investment was \$62.6 million in 2022, covering a wide range of social and economic programs.

## GOVERNANCE

- Rio Tinto's Board of Directors and committees took a fresh look at governance arrangements to ensure the focus remained on the company's strategic objectives, including a greater emphasis on people and culture, risk management and resilience capabilities, and on strengthening stakeholder engagement.
- The Sustainability Committee reframed its scope of work to split the time between shorter-term monitoring of performance while also considering longer-term strategic objectives.

# Lundin Gold Inc.

<b>ASSET</b>	Fruta del Norte
<b>COUNTRY</b>	Ecuador
<b>2022 GEOs</b>	4%
<b>REPORTING UNDER</b>	GRI, SASB, TCFD

[www.lundin.gold.com](http://www.lundin.gold.com)

See Lundin Gold's website for their Sustainability Report and various news releases pertaining to sustainability efforts.



## ENVIRONMENT

- Water withdrawals were minimized with precipitation accounting for 96% of the water collected, up from 93% in 2020. The remaining 4% was from the underground mine operation and on-site streams, which minimized freshwater withdrawals.
- As Fruta del Norte is an underground operation, the main energy source is hydroelectricity which contributes to low GHG emission intensity.
- Expanded Scope 3 GHG emissions reporting to include additional third-party emissions associated with Fruta del Norte's upstream and downstream activities, including the transportation of concentrate and doré.

## SOCIAL

- Lundin Gold reached 4.74 million hours worked without a single Lost Time Incident.
- At the end of 2021, 90% of the direct workforce was Ecuadorian and 49% from the Province of Zamora Chinchipe.
- National procurement spending increased by 52% from \$126 million in 2020 to \$191 million in 2021 spent on goods and services by Ecuadorian suppliers.

## GOVERNANCE

- Lundin Gold's Board achieved their goal of having no less than 30% women on the Board of Directors in 2021.
- 2021 marked the first year of continuous operations at Fruta del Norte and Lundin Gold's sixth year of sustainability reporting to standard disclosures. The company's commitment to sustainability includes its membership in the UN Global Compact since 2016 and continued participation in associated working groups in Ecuador to advance the 2030 Agenda for Sustainable Development through the Sustainable Development Goals.
- The Board added climate change strategy as one of the explicit responsibilities of the CEO to ensure it garners the highest level of accountability in the company.

# Teck Resources Limited

<b>ASSET</b>	Antamina, Highland Valley
<b>COUNTRY</b>	Peru, Canada
<b>2022 GEOs</b>	3%
<b>REPORTING UNDER</b>	GRI, SASB, TCFD, CDP

[www.teck.com](http://www.teck.com)

See Teck's website for their Sustainability Report and various news releases pertaining to sustainability efforts.



## ENVIRONMENT

- In 2022, Teck set the goal of conserving or rehabilitating at least three hectares for every one hectare affected by mining activities.
- The Highland Valley Copper (HVC) operations were assessed and independently verified against The Copper Mark's responsible production criteria and were awarded the Copper Mark in 2022. The pilot of a fully electric transport truck commenced at HVC, marking the first worldwide use of an electric truck to haul copper concentrate.
- Teck announced updated climate goals: net-zero Scope 2 emissions by 2025, and an ambition to achieve net-zero Scope 3 emissions by 2050.

## SOCIAL

- Teck achieved the safest year on record in 2022, with high-potential incident frequency down by 23% compared to 2021. Teck's total recordable injury frequency rate was 17% lower than in 2021 and lost-time disabling injury frequency decreased year over year by 15% for Teck-operated sites.
- \$24.9 million was invested in 2022 to fund locally led initiatives around our offices and operations, including supporting 134 indigenous-focused organizations.
- Increased diversity in the workforce with women making up 34% of new hires in 2022. Women comprise 24% of the total workforce, 29% of senior management, and 29% of the Board of Directors.

## GOVERNANCE

- Published the sixth annual Economic Contribution Report, providing transparency on Teck's payments to governments and economic contributions where the company operates.
- Worked with federal and provincial governments on critical minerals leadership, to boost the competitiveness and resilience of critical minerals supply chains.

# Appendices

The following appendices includes information on Sandstorm’s Task Force on Climate-Related Financial Disclosures, reference to UN Global Compact Update and links to download Sandstorm’s policy documents committee charters, and governance guidelines.

For more information please contact us at [info@sandstormgold.com](mailto:info@sandstormgold.com) or visit: [sandstormgold.com/our-company/corporate-responsibility](https://sandstormgold.com/our-company/corporate-responsibility) for more details.

# Appendix A: Task Force on Climate-Related Financial Disclosures

Sandstorm is proud to be a leading company in sustainability and recognizes the importance of continuing actions to reduce climate change. In addition to reporting our progress on Greenhouse Gases (“GHG”) and climate change in our Sustainability Report, we also disclose through CDP, formerly known as the Carbon Disclosure Project. This is the second year that we have aligned our sustainability reporting with the recommendations of the Task Force on Climate-related Financial Disclosures (“TCFD”), and the first year that we have included our Scenario Analysis within the reporting.

## Governance

### *The organization’s governance around climate-related risks and opportunities*

Sandstorm’s Board of Directors (the “Board”), and relevant subcommittees, provide oversight on the company’s approach to climate change, and to our overall Environmental, Social and Governance (“ESG”) risks. This includes considerations of climate-related opportunities and risks affecting our business.

The following Board Committees have oversight of ESG and climate-related opportunities, risks, and disclosures:

#### **GOVERNANCE COMMITTEE**

Our Governance Committee works with management to develop and recommend to the Board our approach on ESG, including climate-related issues; reviews the adequacy of our ESG practices and policies and recommends any changes to the Board; and approves the adoption of any ESG-related standards or initiatives. Where applicable, the Committee also engages with our stakeholders in respect of ESG issues.

#### **AUDIT COMMITTEE**

Our Audit Committee oversees the Company’s risk management, which includes climate change risks. This includes a review of our key risks and exposures with

a view to ensuring that such risks and exposures are being effectively managed, monitored or mitigated by reviewing management’s assessment of the significant risks and exposures impacting our company.

The Board and Committees regularly meet with senior management to determine our strategy with respect to our risks and exposures. Management last provided an update to the Board on ESG-related risks and strategies, including climate-related strategies, in early 2023. In 2023, Sandstorm has committed to the creation of an ESG Committee, whose mandates will be focused on climate and ESG risks and opportunities, the company’s practices and policies, and any disclosures or initiatives required. More information will be provided in the 2023 Sustainability report around this subcommittee.

The Board, and relevant subcommittees, oversee senior management, who are responsible for the execution of ESG and climate-related opportunities and for the management of ESG and climate-related risks. Our Chief Executive Officer is responsible for the leadership on ESG and climate-related matters. Our VP, Financial Planning & Analysis has executive responsibility over Sandstorm’s ESG strategy, external ESG-related disclosures and internal reporting of ESG performances, trends, risk and opportunities to the Board of Directors. ESG strategy, and managing climate-related risks, is considered where applicable, in each of the company’s departments, with



specific consideration by our technical team when undergoing due diligence of new opportunities, as further discussed in our Sustainability Report on [page 26](#).

Our Board oversight and management leadership of ESG and climate-related issues is depicted in the chart below:



Sandstorm’s senior executives regularly attend Board meetings, and provide updates on royalty acquisition opportunities, which include, where applicable, ESG and climate-related considerations. Where materially adverse ESG or climate-related considerations arise during the due diligence process, management and/or the Board may decide not to proceed with the royalty or stream opportunity. Over the past several years, Sandstorm has rejected potential transactions valued at over \$500 million, on the basis of ESG concerns.

## Strategy

*The actual and potential impacts of climate-related risks and opportunities on the organization’s business, strategy, and financial planning*

As Sandstorm operates in an office environment, the company’s direct environmental impact and carbon footprint is small. Due to the nature of our business, we are not directly exposed to the majority of climate-related risks that mining operators face. However, we recognize that climate-related risks are material for our

mining stream partners, and in some situations, can pass through to us. Specifically, this can occur where climate-related incidents or developments adversely impact either the production at an operation, and therefore, the royalty payments received by our company; and/or the reputation of our partner, which can have impacts on our company for having invested in them.

To manage our risks, we screen for significant risks through our due diligence process before making an investment with a partner. Our due diligence process helps us assess risks and opportunities from climate change on our investments, where applicable.

## Scenario Analysis

A scenario analysis is an important tool for our company and our stakeholders to better understand our strategy for climate-related risks and opportunities and to assess how this strategy positions our company in a low-carbon future. The TCFD recommends that companies conduct at least one climate scenario analysis at 2°C (i.e.: average global temperatures of 2°C above pre-industrial levels) or lower to evaluate the potential resiliencies of strategic plans and to identify options for increasing business resiliency to plausible climate-related risks and opportunities through adjustments to strategic and financial plans.

We have chosen to apply a 2°C scenario, focusing particularly on the implications and outcomes for our existing streams and royalties, and the climate-related risks and investment opportunities relating to those commodities. The scenario analysis assumes that our strategy will be focused upon growing our exposure to gold and other precious metals.

To guide our 2°C scenario analysis, we have incorporated certain data and assumptions from the International Energy Agency’s (“IEA”) 2020 Sustainable Development Scenario (the “SDS”), which are summarized below. The SDS demonstrates a path until 2050 to simultaneously achieve the three main energy-related UN Sustainable Development Goals on access, air pollution and climate change.

## 2°C Scenario

### HIGHLIGHTS AND ASSUMPTIONS

- *By 2030, low-carbon sources of electricity account for almost two-thirds of total generation worldwide; emissions intensity of industrial activity is 40% lower; and electric cars make up about 40% of new car sales.*
- *The proportion of renewables in global electricity generation grows from just over 25% in 2019 to more than 50% in 2030.*
- *Rapid progress is made in innovation and the deployment of low-carbon fuels and energy technologies.*
- *Investment in clean energy rise to \$2.7 trillion in 2030. Nearly 70% of clean energy and grid investment to 2030 come from private sources, with public finance and policy design playing a vital role in mobilizing it.*
- *Supported by government policy and the non-profit sector and the increase in decentralized energy solutions, universal access to energy is achieved by 2030.*
- *Co<sub>2</sub> pricing is established in nearly all advanced economies. In additional, several developing economies are assumed to put in place schemes to limit CO<sub>2</sub> emissions.*

### 2°C SCENARIO OUTCOME

Category of Risk	Outcome for our Partners/Operators	Outcomes for Sandstorm
<b>Physical Risks</b>	<p>Extreme and intermittent weather events persist and increase over time. However, as climate change is limited to 2°C, such events are manageable.</p> <p>These events may lead to production delays and/or cessation of certain operations. This is unlikely to materially impact the broader gold and precious metal markets.</p>	<p>Short term delay of revenues, with potential longer term elimination of revenues if operations ceased.</p>
<b>Policy &amp; Legal Risks</b>	<p>Stringent climate-related policy &amp; regulatory changes, particularly in jurisdictions pledging alignment with net-zero emissions. These legislative and legal changes will likely require extensive capital expenditures by some of our partners to accommodate or conform to such changes.</p> <p>Carbon-pricing policies are implemented globally with some caps on carbon implemented by governments. Carbon pricing is likely to increase costs for many of our partners, which may lead to projects being abandoned or placed into care and maintenance if such mandatory expenditures erode anticipated profitability.</p>	<p>Inevitable increased capital and operating costs, including carbon pricing costs, will be borne by operators. Subject to instances where the higher costs render certain projects uneconomic, there will not be an exposure to Sandstorm.</p> <p>Permitting new mines may become more difficult, with greater sensitivity to environmental impact from mining operations. This may result in delay of operations where we have existing royalty or streaming interests.</p>
<b>Reputational Risks</b>	<p>Broad reputational risks for companies that are slow to transition to low-carbon options, or who fail to pledge to net-zero goals. Operators committing to and achieving staged decarbonization will retain access to equity capital and debt more easily.</p>	<p>Sandstorm's reputation is impacted by the partners we work with, so where operators are exposed to reputational risks, so too could Sandstorm through extension. Many of our operators are best-in-class and have taken steps towards low-carbon transitions. To the extent that our partners take the necessary steps towards decarbonization through increased access to low-cost large-scale renewable energy that will reduce their carbon footprint, this will mitigate climate-related reputational risks for operators, and indirectly for our company.</p>
<b>Market &amp; Technology Shift Risks</b>	<p>Shifts in supply and demand for certain commodities based on their real or perceived impact on the climate.</p> <p>Potential opportunities for copper companies, due to increased reliance on electric cars and transition to renewable energy. Additionally, as the financial landscape can be increasingly volatile, gold could continue to be a lower risk investment.</p>	<p>Sandstorm has a strategic partnership with Horizon Copper, which focuses on copper production, and has ongoing copper streams. Opportunities realized by partners for this commodity will, indirectly, also benefit Sandstorm.</p>

## Climate Risks

When evaluating new royalty opportunities, Sandstorm employs multiple due diligence methods, which assists in determining climate risks ranging from both short-term to long-term.

Sandstorm enters into agreements with mining partners that cover the life of the mines, often with our royalties outliving the operators of an asset. Accordingly, Sandstorm defines our time horizons in climate change risk management the following way:

- **Short term – Under 5 years**
- **Medium term – 5-10 years**
- **Long term – Greater than 10 years**

The due diligence process is undertaken by Sandstorm’s management team, using a multi-disciplinary approach when evaluating potential transactions. The due diligence team consists of professionals with experience and expertise in the fields of geology, mining, metallurgy, engineering, and finance. By conducting a robust and detailed due diligence process, Sandstorm endeavours to invest in projects with a relatively low ESG, and climate-related, risk. Where appropriate, the due diligence process will utilize the expertise of third-party consultants. During the due diligence process, climate risks and opportunities may be identified, including potential impacts to the investment related to physical and transition climate change risks.

The table below outlines the physical and transition risks that could impact the operations of our partners and our Company’s results, many of which are considered throughout the due diligence process and through ongoing monitoring:

Category of Risk	Description of Risk and Potential Financial Impact for our Partners	Potential Financial Impact for our Company
<b>Acute Physical Risks</b>	Extreme weather events caused by global warming, such as droughts, floods, hurricanes, etc. These events may lead to production delays and/or cessation of operations.	Short term delay of revenues, with potential longer term elimination of revenues if operations ceased.
<b>Chronic Physical Risks</b>	Gradual shifts in weather conditions could lead to water scarcity, shifts in rainfall patterns, rising sea levels, etc. These shifts may lead to recurring production delays, cessations of operations and/or increased operating costs to adapt to climate changes. These results may lead to mines being abandoned or placed into care and maintenance if adaptation costs erode anticipated profitability.	Longer-term and potentially recurring delays of revenues, long term impact to asset value including impairment.
<b>Policy &amp; Legal Risks</b>	Policy & legal changes in a jurisdiction that seeks to promote adaptation to climate change and/or constrain the activities of operators and operations that contribute to adverse effects of climate change. These legislative and legal changes may require extensive capital expenditures by our partners to accommodate or conform to such changes, which may lead to projects being abandoned or placed into care and maintenance if such mandatory expenditures erode anticipated profitability.	Potential impairment of assets, delays of revenues, and additional expenses to legal experts to ensure meeting legislative requirements.
<b>Regulation Risks</b>	Regulations of emissions, such as through carbon taxation or cap-and-trade schemes, can increase costs for businesses. As more companies and countries set net-zero emissions goals and targets, carbon pricing regulations could become more widely implemented and/or made more stringent globally. The impact of these regulations are expected to differ depending on the location of the assets, and carbon intensity of the product.	Longer-term and potentially recurring delays or revenues, long term impact to asset value including impairment.
<b>Reputational Risks</b>	Changing public perceptions of our partner’s climate-related activities and their contributions to or detractions from the transition to a low carbon economy. This may affect access to capital which may lead to projects changing hands or being temporarily or permanently abandoned.	Delays of revenues, and impairment of assets.
<b>Market Risks</b>	Shifts in supply and demand for certain commodities based on their real or perceived impact on the climate. Reductions in commodity prices may impact our partner’s revenues and, in severe cases, render a project uneconomic, causing projects to be abandoned or placed into care and maintenance until commodity prices recover.	Delays of revenue and lack of opportunities for future growth. Potential impairment of assets.

## Risk Mitigation through Diversified Portfolio

Sandstorm has 250 royalty and stream agreements, therefore our exposure to climate-related risks is partially mitigated by our diversification. In 2022, our revenue was made up from 39 producing partners, located in countries throughout the world. This helps mitigate both operator-specific risks, as well as localized climate-related risks. Our due diligence process is focused on identifying high-quality mine operators that share our values in responsible mining. While the majority of our revenue is generated through precious metals, including gold and silver, we also receive revenues from various commodity types produced in multiple jurisdictions, which helps mitigate risks impacting broader regions and markets.

## Climate Opportunities

The mining industry supplies commodities to sectors that are essential for the transition to a low carbon economy. Sandstorm is well positioned to participate in climate-related opportunities in connection with this transition. The following describes climate-related opportunities that we have within our portfolio, and that we expect will continue to be available to our company throughout the short, medium and long-term.

### PRODUCTS AND SERVICES

#### COPPER

Copper is the best nonprecious metal conductor of heat and electricity, and is already used in low carbon technologies such as wind, solar power, nuclear power, and electrical vehicles. Therefore, it will play an important role in the decarbonization of the planet.

Sandstorm currently receives copper from the Chapada mine, with Lundin Mining Corp. In 2022, our Chapada copper stream made up 11% of total revenue. Strong demand for copper increases the prospects of greater production from this operation, which is currently anticipated to produce through to 2050. Sandstorm also receives copper from the world's third-largest copper mine<sup>1</sup>, Antamina, with Compañía Minera Antamina SA. The Antamina copper mine has been in consistent production since 2001, producing approximately 560,000 copper equivalent tonnes per year. This low-cost copper operation contains Resources that support a multi-decade mine life producing high-grade copper. As part of

its strategic partnership with Horizon Copper, Sandstorm plans to sell a portion of its net profits interest ("NPI") on the Antamina copper mine, while retaining a portion of the NPI and a silver stream (see below for further details). The transaction is expected to close in the first half of 2023.

In 2022, Sandstorm closed the first part of our announced transactions with Horizon Copper Corp., creating a strategic partnership with the company which will have a focus on copper projects. Sandstorm and Horizon Copper may partner together further in the future, whereby Sandstorm will purchase streams on the precious metals by-products from the copper project acquisitions made by Horizon Copper.

1) On a copper equivalent basis

#### SILVER

Silver has proven to be invaluable across numerous applications, and is essential in the production of both solar panels and electrical vehicles. Silver is also used in electronics, alloying, chemical catalysts and photographic film. Due to its numerous uses, it will play a key role in transitioning from fossil fuels.

Sandstorm currently receives silver from our Cerro Moro stream, with Yamana Gold. In 2022, the Cerro Moro stream made up 19% of total revenue. In March 2023, Pan American Silver completed their acquisition of Yamana Gold.

As part of the transaction with Horizon Copper, Sandstorm will hold a 1.66% life-of-mine silver stream referenced to silver production from Antamina mine (the transaction is expected to close in the first half of 2023).

Sandstorm will continue to look for opportunities to allocate capital into the silver space.

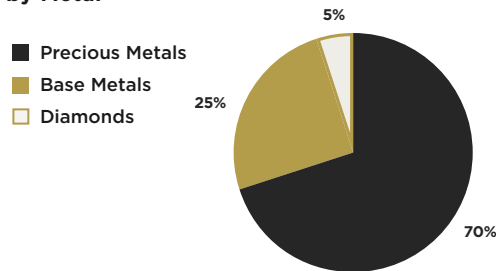
#### OPERATIONS

Sandstorm's head office is situated in a LEED Gold certified building in Vancouver, British Columbia, Canada. The LEED rating system is recognized as the international mark of excellence for green building in over 160 countries. As a LEED Gold certified building, specific measures are taken to reduce waste, conserve energy, and decrease water consumption. In Vancouver, 90% of the energy is supplied from renewable, clean energy sources, mainly using hydroelectric generation.

While our direct environmental impact and carbon footprint is small, operating out of a sustainably designed building is a strategic decision to further minimize our impact on the environment.

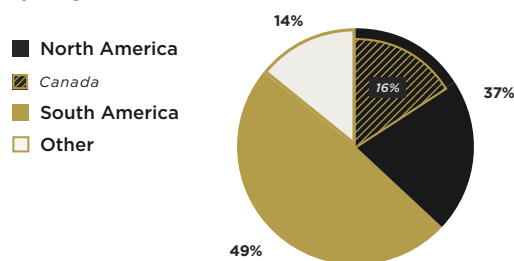
## 2022 Attributable Gold Equivalent Ounces

### by Metal



## 2022 Attributable Gold Equivalent Ounces

### by Region



## Risk Management

### *How the organization identifies, assesses, and manages climate-related risks*

Our Company does not operate mines, but instead provides upfront capital to mining operators, in exchange for a portion of the future metal or revenue from the mining operators, with the view of holding onto these interests for extended time horizons. Therefore, the key period for assessing and identifying ESG risks, including climate-related risks, is prior to making an investment with our partners. Accordingly, we have a due diligence process for potential operating partners. With 250 royalty and stream agreements, our due diligence team has put in thousands of hours reviewing investment opportunities. This process involves utilizing the extensive experience of our management team, technical team and Board of Directors to evaluate ESG and climate-related risks, where appropriate, specific to a mining operation and

the plans adopted by the operator to manage risks. For a detailed description of our due diligence process, refer to [page 26](#) in our Sustainability Report.

If ESG risks, including climate-related risks, identified in our due diligence process are assessed and deemed to be materially adverse to the prospects of the respective mine, this may result in Sandstorm's decision not to proceed with an investment. Over the last several years, we have rejected over \$500 million in potential transactions on the basis of ESG concerns. If we elect to proceed with an investment, we endeavour to include in our agreements, specific provisions that include reporting obligations, audit and inspection rights, etc. For further information, refer to [page 28](#) in our Sustainability Report.

Once we have acquired a royalty or stream agreement, we do not have control over the mines or their operations. Due to the nature of our business, we are exposed to other risks, which we may be unable to mitigate. For additional discussion on these risk factors, refer to the Company's Annual Information Form dated March 23, 2023, which is available on [www.sedar.com](http://www.sedar.com).

As discussed in our Governance section above, the Board of Directors meet with senior management to discuss our company's ESG and/or climate-related risks and exposures on a regular basis. This collaborative effort is aimed at defining our ESG and climate strategy going forward. In 2023, our Board of Directors plans to create a subcommittee, focusing specifically on ESG, climate-related risks and opportunities, and other areas focused on sustainability.

## Metrics and Targets

*The metrics and targets used to assess and manage relevant climate-related risks and opportunities, where such information is material*

### Metrics

Sandstorm has been reporting our Scope 2 and relevant Scope 3 emissions in line with the Greenhouse Gas (GHG) Protocol through the CDP Climate Change Questionnaire since 2019. As announced for the first time in this year's Sustainability Report, we have committed

to a new goal of achieving net-zero emissions for our Scope 2 emissions from the year 2023. Details on our Carbon Footprint, and greenhouse gas emissions are on [page 15](#) of our Sustainability Report. As a summary, for 2022, our Scope 2 GHG was 30.6 metric tonnes CO<sub>2</sub>e, and Scope 3 GHG was 69,104.2 metric tonnes CO<sub>2</sub>e. Our Scope 3 emissions this year also include our Mining Partners Scope 1 and Scope 2 emissions, which is a new disclosure for Sandstorm.

## Targets

Sandstorm is an office-based company with 27 employees, therefore our carbon footprint is minimal. As a royalty company, we are not involved in, nor control, the operational decisions of the mine projects on which we have royalties or streams. Our targets used to assess and manage our climate-related risks and opportunities reflect this fact, with the focus on our own actions and initiatives. Our climate-related targets were first disclosed in our 2021 Sustainability report, which we have included below our initial targets, 2021 performance and an update to reflect the 2022 activities to further achieve these targets as follows:

### PARTNERING WITH BEST-IN-CLASS PARTNERS

To ensure that we are partnering with high quality partners, Sandstorm has set the goal to have a percentage of our assets align with sustainability and climate related reporting standards and frameworks by the year 2025.

#### 2021 PERFORMANCE

Per our 2021 Sustainability report, 82% of our producing partners were reporting under a sustainability reporting standard, and 59% of our producing partners were reporting under a climate related reporting standard.

#### 2022 UPDATE

Due to extensive acquisitions in the year, Sandstorm increased the number of producing partners from 2021 to 2022 from 29 producing partners to 40. With this 34% increase in number of producing partners, we saw a slight decrease in those reporting under a sustainability reporting standard to 71% and saw an increase to 61% of producing partners reporting under a climate related reporting standard.

## CARBON NEUTRAL

We aim to be carbon neutral for our direct Scope 2 and Scope 3 emissions, by the year 2035.

#### 2021 PERFORMANCE

In 2021, our Scope 2 emissions were 28.2 metric tonnes CO<sub>2</sub>e, and Scope 3 emissions were 107.5 metric tonnes CO<sub>2</sub>e. We believe we are on track to becoming carbon neutral within our timeline.

#### 2022 UPDATE

Sandstorm has updated our carbon neutral goal, specifically recognizing that all carbon credits do not have the same impact to the environment, and to provide a committed plan to shareholders of how we will become carbon neutral. Carbon credits can be grouped into two main categories: avoidance credits, and removal credits. Avoidance credits are defined as emissions reductions from projects that reduce emissions compared with the most likely course of action, i.e.: current emissions are reduced by improved alternatives, but existing CO<sub>2</sub> is left untouched. Removal credits are defined as emissions offset projects that absorb additional CO<sub>2</sub> back from the atmosphere. While both categories are essential to achieve a net-zero future, Sandstorm sees removal credits as the premium carbon credit option, as this addresses GHG emissions that have already been released into the atmosphere. Carbon credits will be critical to Sandstorm's goal towards becoming carbon neutral, especially for Scope 3 emissions. Therefore, Sandstorm has updated our carbon neutral goal as a step plan towards being not only carbon neutral, but by being carbon neutral through the use of removal credits only.

- *By the end of 2023, Sandstorm will be carbon neutral for Scope 2 emissions through the use of both categories of carbon credits;*
- *By 2030, Sandstorm will be carbon neutral for Scope 2 emissions through the use of removal credits only;*
- *By 2035, Sandstorm will be carbon neutral for all emissions, including Scope 3 emissions, through the use of both categories of carbon credits; and*
- *By 2045, Sandstorm will be carbon neutral for all emissions, including Scope 3 emissions, through the use of removal credits only.*

## **ENHANCED CLIMATE-RELATED TRANSPARENCY**

Sandstorm aims to be on the leading edge of the sustainability movement, and to continue to improve and increase the transparency in our sustainability reporting and continue to address climate-related issues that are important to our stakeholders.

### **2021 PERFORMANCE**

For 2021, we significantly enhanced our climate-related disclosure, with the inclusion of our TCFD-aligned climate disclosure for the first time. We also saw improvement in our ratings with MSCI, moving from a “A” rating in 2020, to an “AA” rating in 2021.

### **2022 UPDATE**

Sandstorm continues to improve and increase the transparency in our sustainability reporting. In 2022, we have fully aligned ourselves with TCFD reporting, adding our scenario analysis to our disclosures. We have also maintained our “AA” rating with MSCI in 2022.

# Appendix B: UN Global Compact Reference Index



Category	UN Principle	References
<b>Human Rights</b>	Principle 1	Human Rights <a href="#">PAGE 17</a>
	Principle 2	Human Rights <a href="#">PAGE 17</a>

Category	UN Principle	References
<b>Labour</b>	Principle 3	Human Rights <a href="#">PAGE 17</a>
	Principle 4	Human Rights <a href="#">PAGE 17</a>
	Principle 5	Human Rights <a href="#">PAGE 17</a>
	Principle 6	Diversity Policy <a href="#">PAGE 18</a>

Category	UN Principle	References
<b>Environment</b>	Principle 7	Emissions Activities <a href="#">PAGE 15</a>
	Principle 8	Emissions Activities <a href="#">PAGE 15</a>
	Principle 9	Due Diligence Considerations <a href="#">PAGE 26</a>

Category	UN Principle	References
<b>Anti-Corruption</b>	Principle 10	Anti-Corruption <a href="#">PAGE 22</a>



# Appendix C: Sandstorm Policies and Committees

## Policies

<b>Bribery and Fraud Prevention Program</b>	<a href="http://www.sandstormgold.com/_resources/downloads/csr/SSL-Bribery-and-Fraud-Prevention-Program.pdf">www.sandstormgold.com/_resources/downloads/csr/SSL-Bribery-and-Fraud-Prevention-Program.pdf</a>
<b>Code of Business Conduct and Ethics</b>	<a href="http://www.sandstormgold.com/_resources/downloads/csr/SSL-Code-of-Conduct.pdf">www.sandstormgold.com/_resources/downloads/csr/SSL-Code-of-Conduct.pdf</a>
<b>Code of Business Conduct and Ethics (Consultants)</b>	<a href="http://www.sandstormgold.com/_resources/downloads/csr/SSL-Code-of-Conduct-and_Ethics-Consultants.pdf">www.sandstormgold.com/_resources/downloads/csr/SSL-Code-of-Conduct-and_Ethics-Consultants.pdf</a>
<b>Communications and Corporate Disclosure Policy</b>	<a href="http://www.sandstormgold.com/_resources/downloads/csr/SSL_Disclosure_Policy.pdf">www.sandstormgold.com/_resources/downloads/csr/SSL_Disclosure_Policy.pdf</a>
<b>Diversity Policy</b>	<a href="http://www.sandstormgold.com/_resources/downloads/csr/SSL-Diversity-Policy.pdf">www.sandstormgold.com/_resources/downloads/csr/SSL-Diversity-Policy.pdf</a>
<b>Health and Safety Policy</b>	<a href="http://www.sandstormgold.com/_resources/downloads/csr/SSL-Health-and-Safety-Policy.pdf">www.sandstormgold.com/_resources/downloads/csr/SSL-Health-and-Safety-Policy.pdf</a>
<b>Whistleblower Policy</b>	<a href="http://www.sandstormgold.com/_resources/downloads/csr/SSL_Whistleblower_Policy.pdf">www.sandstormgold.com/_resources/downloads/csr/SSL_Whistleblower_Policy.pdf</a>
<b>Workplace Bullying and Harassment Policy Statement</b>	<a href="http://www.sandstormgold.com/_resources/downloads/csr/SSL-Workplace-Bullying-and-Harassment-Policy-_Statement.pdf">www.sandstormgold.com/_resources/downloads/csr/SSL-Workplace-Bullying-and-Harassment-Policy-_Statement.pdf</a>

## Committees

<b>Audit Committee Charter</b>	<a href="http://www.sandstormgold.com/_resources/downloads/csr/SSL_Audit_Committee_Charter.pdf">www.sandstormgold.com/_resources/downloads/csr/SSL_Audit_Committee_Charter.pdf</a>
<b>Compensation Committee Terms of Reference</b>	<a href="http://www.sandstormgold.com/_resources/downloads/csr/SSL_Terms_of_Reference-CompCom.pdf">www.sandstormgold.com/_resources/downloads/csr/SSL_Terms_of_Reference-CompCom.pdf</a>
<b>Corporate Governance &amp; Nominating Committee Terms of Reference</b>	<a href="http://www.sandstormgold.com/_resources/downloads/csr/SSL-Terms-of-Reference-CorpGov-NomCom.pdf">www.sandstormgold.com/_resources/downloads/csr/SSL-Terms-of-Reference-CorpGov-NomCom.pdf</a>