

2020 SUSTAINABILITY REPORT

Our electronic version is even more sustainable. Please avoid unnecessary printing.



CHAMPION IRON 



SUSTAINABILITY HIGHLIGHTS

Communities

\$5.2 M

Community investments

\$204 M

Sourcing from local suppliers⁽¹⁾

\$23.7 M

Sourcing from Indigenous suppliers⁽²⁾

Human capital

551 Employees

37⁽⁴⁾ Local and Indigenous jobs

\$90.6 M

Salaries and benefits

Health & Safety

2.86

Total recordable injury frequency⁽³⁾

1.18

Lost time injury frequency⁽³⁾

Energy and GHG

1,942 TJ

Energy consumed

56,087 CO₂-eq tonnes

Direct GHG emissions

Site restoration

20 hectares

Revegetated area

Business ethics

\$147.1 M

Mining taxes paid to government

\$5.7 M

Municipal taxes paid⁽⁵⁾

Tailings management

100%

Compliance with the monitoring program for tailings retaining structures

Water stewardship

86%

Reused or recycled mining wastewater

⁽¹⁾ Suppliers with a business unit in the Côte-Nord region of Quebec.

⁽²⁾ Indigenous businesses or businesses that are Indigenous partners.

⁽³⁾ Per 200,000 hours worked (excluding contractors and subcontractors), based on the international standard set by the Occupational Safety and Health Administration.

⁽⁴⁾ Includes regular Indigenous employees, contract workers and interns.

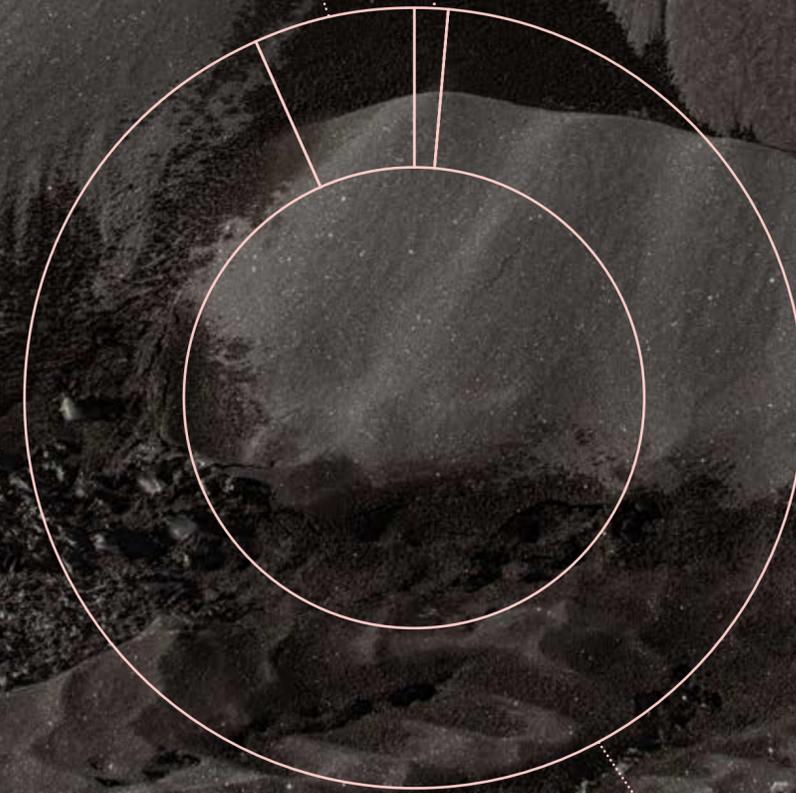
Intensity generated per tonne of iron concentrate produced

0.53 KG

Waste generated

0.13 KG

Hazardous waste generated



207 litres

Water taken from surrounding lakes

254 MJ

Energy consumed

7.3 KG

Direct CO₂e emitted

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A WORD FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS



**MICHAEL
O'KEEFE**

Executive Chairman
of the Board
of Directors

With this past year, marked by the unprecedented challenges posed by the COVID-19 pandemic, I would like to thank our workers, partners, local communities and shareholders for their continued support and commitment.

I am grateful for our employees' tremendous efforts and their flexibility in quickly adapting to the new reality imposed by the pandemic. With their commitment the Company continues to positively impact our region as we advance our goal to build a sustainable mining business.

With the introduction of our 2020 Sustainability Report, we demonstrate that integrating sustainability principles to preserve the integrity of the environment while being socially responsible is beneficial for both our Company and its shareholders. This report reflects our commitment to transparently disclose our efforts to adopt these principles in our day-to-day operations and decision-making.

FINANCIAL PERFORMANCE

Despite the challenges related to the COVID-19 pandemic, Champion has had an exceptional year in terms of operating and financial results. Our workforce, partners and our communities have enabled us to mitigate the impacts of the pandemic, which was instrumental in our Company achieving record production as it capitalized on growing global demand for high-grade iron ore.

The Company ended the fiscal year with an annual production record of 8.0 million tonnes of high-grade iron concentrate for the period from April 1, 2020, to March 31, 2021, compared to 7.9 million tonnes for the comparable period in the previous year.

Champion also generated record revenues of C \$1,282 million and net profits of C \$464 million for the fiscal year ending March 31, 2021.



CLIMATE CHANGE

Prior to re-starting commercial production at the Bloom Lake Mine, Champion had undertaken significant work programs and initiatives, which reduced annual operational GHG emissions by 36%. This approach allows our Company to actively support the United Nations Framework Convention on Climate Change and Canada's commitment under the Paris Agreement, which aims to reduce Canadian emissions by 30% by the year 2030, compared to 2005 levels.

We are proud that Champion is actively participating in the fight against climate change by adapting our product so that our clients can reduce GHG emissions in their steelmaking processes.

The exceptional properties of Champion's iron concentrate enable steelmakers to reduce the amount of energy required to manufacture steel, thereby reducing carbon emissions in their industry.

We have also proven our ability to produce a DR ("direct reduction") [NTD-usually the defined term is the abbreviated one, not the other way around i.e. direct reduction ("DR")] grade iron ore concentrate, which can be converted and used by iron producers who utilize electric arc furnaces. Since this steelmaking process is cleaner, Champion's production of DR product will further contribute to reducing GHG emissions in steel production and position the Company as part of the solution in the fight against climate change in this industry.

GROWTH AND PROJECT

In addition to adapting operations to deal with the pandemic, Champion announced the decision to complete Phase 2 of the Bloom Lake Mine expansion project, which aims to double the production capacity of the Bloom Lake Mine to 15 million tonnes of high purity iron concentrate per year. This growth will be carried out responsibly by minimizing our environmental footprint, continuing to build partnerships with Indigenous groups and local communities, and constantly improving our health and safety measures.

Champion also finalized the acquisition of the Kami project in early 2021. This project and its related mining properties are located in the Labrador Trough

geological belt⁽⁵⁾, just a few kilometers southeast of the Bloom Lake Mine, in the province of Newfoundland and Labrador. The former owner has historically disclosed the presence of an estimated 1,274.5 Mt of measured and indicated resources, and proven and probable reserves of 517.2 Mt on the property⁽⁵⁾.

⁽⁵⁾ Champion does not treat historical estimates as current mineral resources, mineral reserves or ore reserves. The historical mineral resources and reserves mentioned are strictly historical in nature, do not comply with NI 43-101 and the JORC Code (2012 edition) and should therefore not be considered as resources and reserves invoked by Champion.



GOVERNANCE

Champion is committed to protecting and enhancing shareholder value while conducting business ethically in accordance with the highest standards of corporate governance.

Champion's Board of Directors recently established an Environmental, Social and Governance ("ESG") committee. This committee provides the Company with meaningful assistance and oversight, to ensure that good governance practices are followed, particularly on topics related to sustainable development, tailings management, site restoration, health and safety, human rights, and relations with communities and Indigenous people.

Our success also lies in our ability to attract and promote the best talent to our management team and Board of Directors.

In July 2020, we promoted Alexandre Belleau to the position of Chief Operating Officer, following his remarkable contributions while commissioning the Bloom Lake Mine in 2018. His proven leadership abilities encompass our Company's core values, which are being put to good use as we continue building and developing our team during a key stage in the growth of our operations. Additionally, in August 2020, we welcomed Louise Grondin as a member of the Board of Directors. Her distinguished career and extensive leadership experience in multiple facets of the mining industry, including the environment, health and safety, community relations and human resources will be invaluable to our organization.

LOOKING AHEAD

I would like to reiterate our commitment to continually integrating sustainability principles into all aspects of our product lifecycle. This is necessary to ensure the development of a sustainable business that takes into account the social, environmental and economic context in which we operate to create long-term value.

Significant recent developments, including the diversification of our product offering to include a greener alternative for steelmakers, together with the ongoing Bloom Lake Phase II expansion project offer a very promising glimpse into the future of the Company and its contribution to the global green transition.

On behalf of the Board of Directors, I would like to thank everyone who works at Champion for their dedicated commitment to our Company, especially in the context of the COVID-19 pandemic. Their incredible contributions propelled Champion to record profitability and position us as a sustainable mining company with phenomenal growth potential which benefits all our stakeholders, even in these difficult times.

A WORD FROM THE CEO

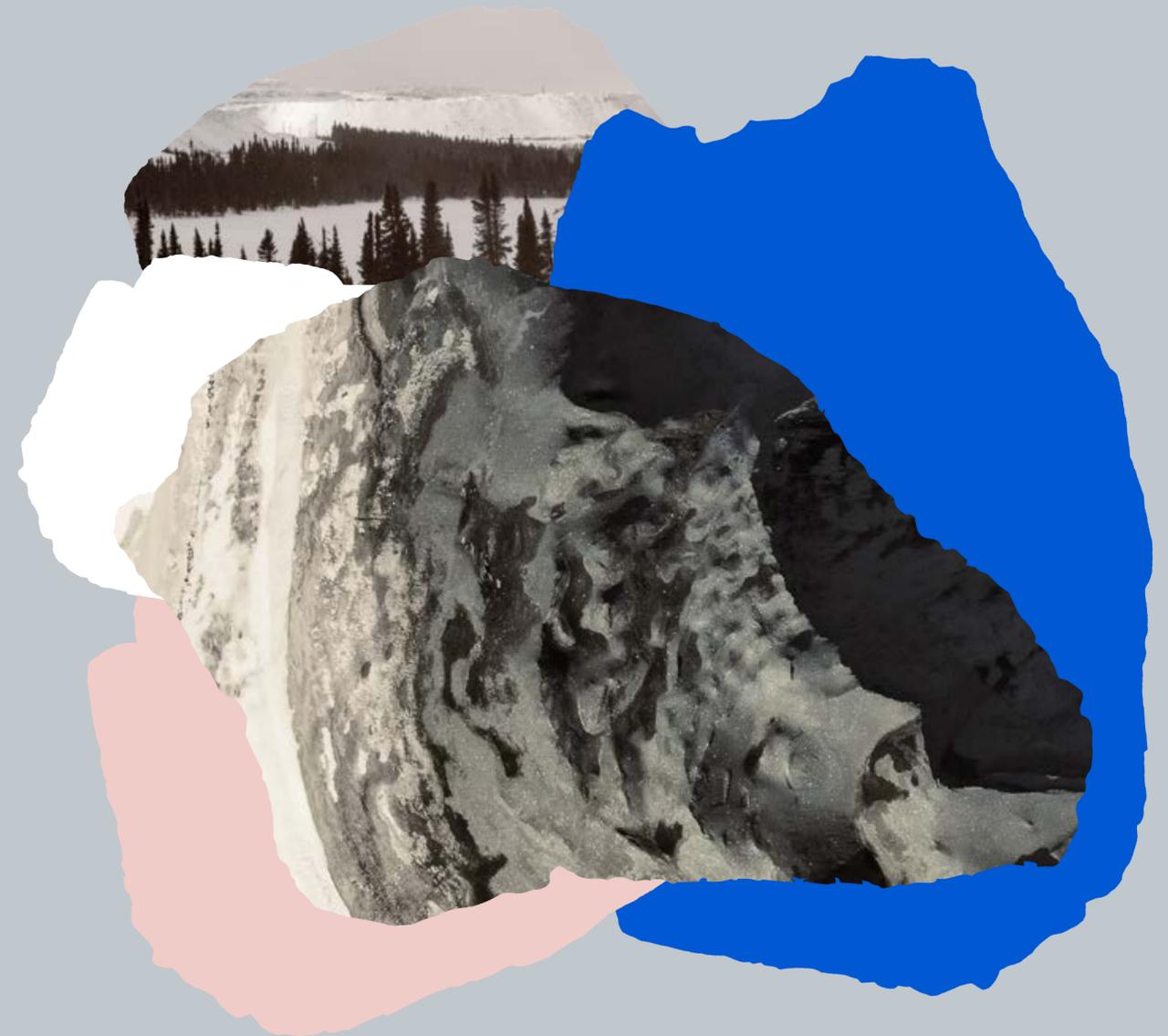


**DAVID
CATAFORD**

Chief Executive
Officer and Director

Our commitment to sustainable development took precedence throughout 2020, despite the COVID-19 related challenges on the local and global economy and our workforce and partners. Integrating our sustainability principles remains a priority for the Company and we continue to manage our environmental, societal and governance responsibilities with the utmost diligence.

Our customers are increasingly interested in the value chain of the products they source, and we are committed to being a lasting partner of choice for them. Fostering social equity, contributing to the development of communities and respecting individuals and their diversity, while preserving the integrity of the natural environment in which we operate are inseparable aspects of the success of our business.



EMPLOYEE HEALTH, SAFETY AND WELL-BEING

We are extremely proud of the fact that our values are deeply rooted in the daily tasks of our employees, who help our company live up to its ambitions and meet high occupational health and safety standards.

We recorded an incident frequency rate of 2.86 per 200,000 hours worked in 2020 and we strive to continuously improve our health and safety performance.

We also take significant pride in how quickly we were able to deploy measures designed to minimize the risk of contracting or spreading COVID-19 infection among our employees and contractors at the onset of the pandemic. Among the many effective measures we implemented was the establishment of a COVID-19 screening laboratory, which made it possible to quickly diagnose, isolate and thereby reduce the spread of the virus, not only at the Bloom Lake Mine site, but also in the host community.



HUMAN CAPITAL

With construction progressing on Bloom Lake's Phase 2 expansion, Champion will need to hire 400 more talented candidates in order to meet the project's enhanced production goals. This presents an opportunity for Champion to increase hiring in host communities and among Indigenous groups, which would provide economic benefits and boost the vitality of the local economy.

We are proud to be the largest mining employer of Indigenous people in the Labrador Trough, with a peak of over 51 individuals working directly or indirectly at the Bloom Lake Mine site in 2020.

With women holding only 11% of the jobs as of December 31, 2020 our Company's intent is to increase this ratio during the required hiring wave in connection with the commissioning of Phase 2.

COMMUNITY AND INDIGENOUS RELATIONS

We recognize that operational success goes hand in hand with the prosperity of the communities in which we operate. In 2020, we contributed over CAD \$5 million in community investments.

The implementation of the impacts and benefits agreement with the Uashat mak Mani-Utenam First Nation, signed in 2017, which also provides benefits for the Matimekush-Lac-John First Nation, allows us to foster productive collaborations with local Indigenous groups and mutually advance our relationships based on increasingly solid foundations.

LOOKING AHEAD

I am excited about the growth prospects of our greener product development initiatives, enabling our Company to make meaningful contributions towards reducing GHG emissions in the steelmaking process.

This development offers key opportunities for Champion and will position the Company as an active participant in the iron industry's green transition as it endeavours to reduce GHG emissions in the fight against climate change.

I invite you to explore our 2020 Sustainability Report and, on behalf Champion Iron, thank you for your interest.

ABOUT THIS REPORT

Champion Iron Limited prepared this report in consultation with its subsidiary, Quebec Iron Ore Inc. (“QIO”), which is also covered by this report owner and operator of the Bloom Lake Mine. The use of the terms “Champion” and “the Company” in the context of this report includes Champion Iron Limited and all of its subsidiaries, including QIO.

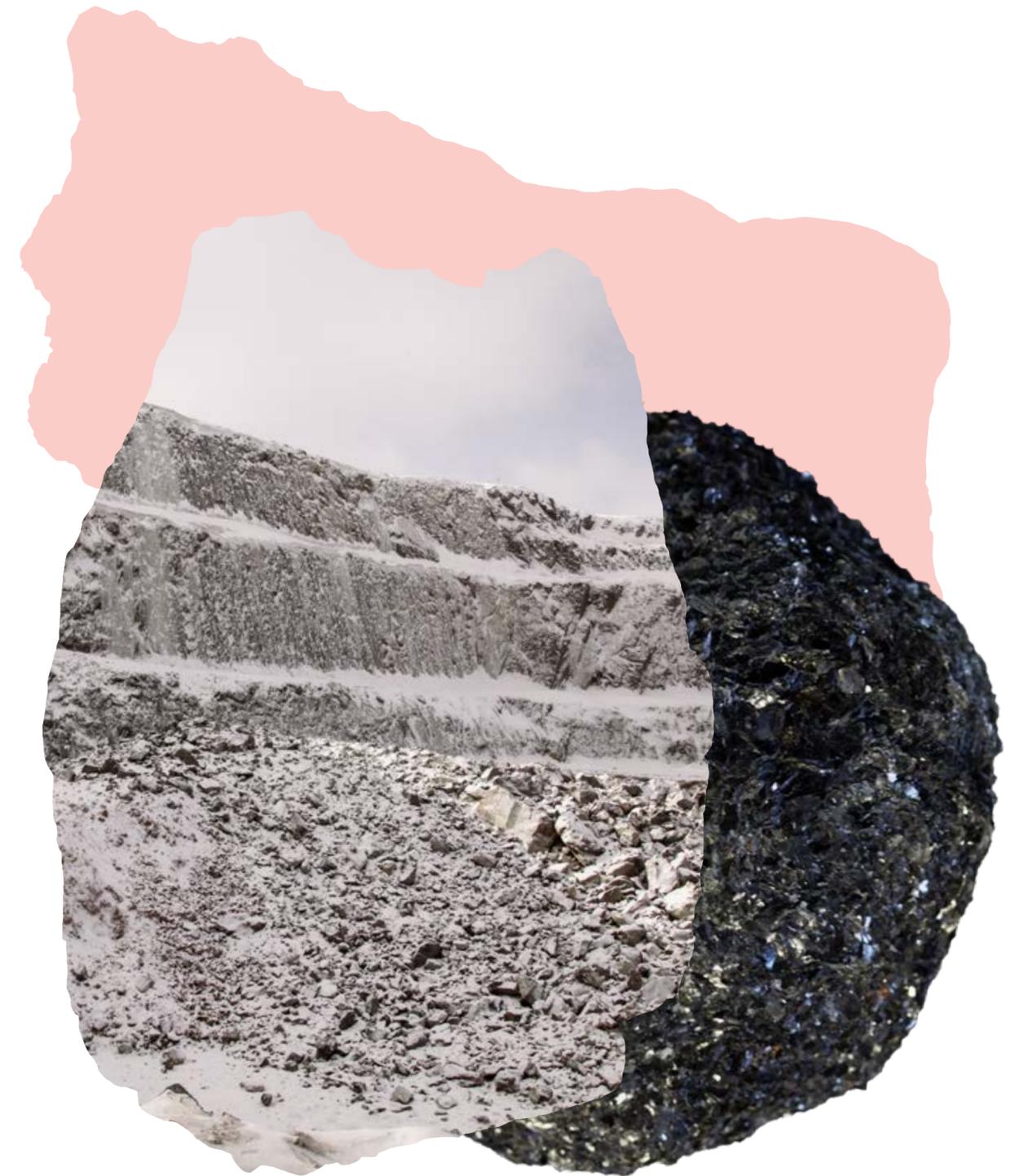
This annual report has been prepared in accordance with the Basic Option of the Global Reporting Initiative (“GRI”) standards. Under GRI standards, companies must focus their reporting on topics that reflect their economic, environmental, and social impacts or significantly influence the decisions of stakeholders.

In accordance with GRI standards, we identified a number of relevant sustainability topics for Champion in 2020 as well as the associated materiality issues.

The Company’s performance in relation to these issues is available in the relevant sections of this report.

This report also provides information on the status of Champion’s commitments to the guidance of key organizations such as the Mining Association of Canada (MAC) and its Towards Sustainable Mining program (“TSM”), as well as the International Council on Mining and Metals (“ICMM”) and its sustainability principles. It also reports the Company’s progress on the United Nations’ sustainable development goals.

All data has been subject to internal reviews and evaluations. This report was approved for publication by the executive management of Champion Iron Limited in July 2021.



LIMITS AND SCOPE

This annual sustainability report only provides information and data on our industrial activities for assets over which we have operational control. We therefore exclude data associated with port and transport activities, which are subcontracted by Champion.

The report contains information on Champion's management structure and environmental, social and governance performance in 2020.

The information presented in this report on the annual production of iron concentrate, and all financial information is based on the fiscal

year running from April 1, 2020, to March 31, 2021. All other environmental, social and governance information is based on the 2020 calendar year, from January 1, 2020, to December 31, 2020.

The data reported on the basis of one tonne of iron concentrate produced is based on the production of iron concentrate for the period from January 1, 2020, to December 31, 2020, to reflect the information presented in the annual reports that Champion submitted to government authorities. Human resources data is based on the situation as of December 31, 2020.

DATA AND INFORMATION

Champion retains all information and data in this report through its document control system. The metrics in this report reflect those used in the markets and industries in which we operate.

All figures shown in this report represent the latest data available, unless otherwise indicated in the text. Some of the totals may reflect the rounding up or down of totals and subtotals.

Unless otherwise indicated, all monetary amounts presented in the report are in Canadian dollars. The tonne unit used is equivalent to 1000 kg.

We may change our approach on how we communicate our data in future sustainability reports without prior announcement.

We also reserve the right to modify the communication of specific data and their interpretation.

Champion's publicly available policies are available at championiron.com.

Champion values its relationships with stakeholders and is committed to maintaining open and transparent communication. We accept questions, comments and requests for information on the report and its content and on our 2020 sustainability performance.

Comments may be sent through the contact platform available at the following address: www.championiron.com/contact/.

THE COMPANY



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OUR FISCAL YEAR IN FIGURES

8.0 M
TONNES OF HIGH-QUALITY
IRON CONCENTRATE
PRODUCED

\$1,281M In revenues	\$819M EBITDA	\$471M Adjusted net revenue
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\$90.6M
Salaries and
social benefits

551
Employees

PROMOTING IRON AROUND THE WORLD

THE COMPANY

Champion Iron Limited is a mining company built on deep respect for the environment and communities. At the core of the Company's identity is a long-term vision of creating sustainable values for its stakeholders and consideration for the land on which it operates.

The Company operates the Bloom Lake mine in the province of Quebec, Canada through its subsidiary, Quebec Iron Ore (QIO). The Bloom Lake mine produces high-grade iron ore concentrate and benefits from cumulative investments of nearly \$4 billion US and optimized infrastructures to support its growth plans.

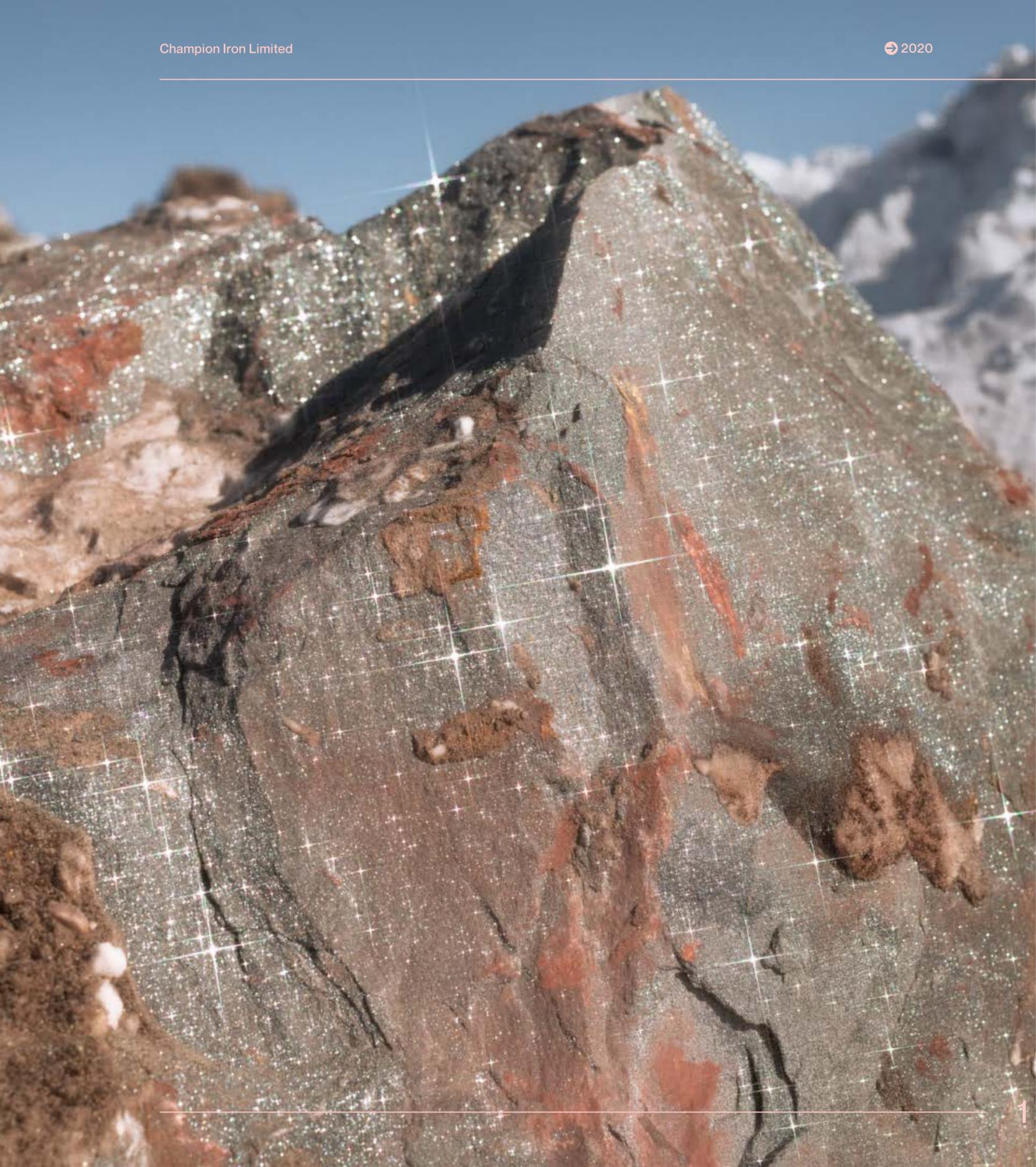
When Champion reopened the Bloom Lake mine in 2018, the Company made investments that reduced GHG emissions by 36% annually per tonne of iron concentrate produced.

The Company benefits from solid partnerships, including those with Indigenous host communities Uashat Mak Mani-utenam and Matimekush-Lac John.

Champion provides over 550 quality jobs in remote areas of the country, currently making it the largest employer of First Nations in its host region.

Following its success and growing demand for its product, Champion announced its intention to carry out its Bloom Lake mine expansion Phase II project, which will double its annual production rate by 2022. This project will have a beneficial impact on the region with the creation of 400 additional jobs.





OUR PRODUCT

The iron concentrate produced by Champion has a high iron concentration of 66.2% Fe. This concentrate meets the highest standards of steelmaking required by its customers, which are located primarily in China, Japan, Europe, India, Korea and the Middle East.

The iron concentrate produced by the Company contains a low level of impurities such as aluminum, sulfur and phosphorus, which facilitates the production of complex steel.

The high iron content and quality of the iron concentrate Champion produces helps the Company contribute to the fight against climate change. In fact, the exceptional properties of Champion iron concentrate make it possible for steelmakers to use less energy to manufacture steel, thereby reducing carbon emissions in steelmaking processes. This competitive advantage of Champion's iron concentrate thus makes it possible to actively contribute to the global transition to a low-carbon emissions economy.

THE TERRITORY

Champion operates an iron deposit in the Labrador Trough in Canada, where a narrow belt of sedimentary and igneous rock 160 km wide and 1,200 km long runs through northern Quebec and Labrador, known for its deposits of high-quality iron.

In addition to operating the Bloom Lake Mine, Champion controls more than 5 billion tonnes of iron

ore resources in the Labrador Trough, which presents attractive long-term growth opportunities for the Company.

Champion also benefits from access to world-class infrastructure for transporting the iron concentrate to a seaport with a deep-water terminal where capesize ships can be loaded in under 50 hours.



Quebec



Bloom
Lake Mine

Labrador
Trough

Labrador

Labrador
Wabush

Fermont

Quebec

RESPECT
TRANSPARENCY

INGENUITY

OUR
VALUES

PRIDE

RESPECT TRANSPARENCY



TRANSPARENCY

RESPECT

We want to conserve resources and the environment, so it is natural for us to comply with safety standards and to consider people, partnerships and equipment.

TRANSPARENCY

TRANSPARENCY

TRAN

INGL
PRID



SPECT
ENCY

TRANSPARENCY

We encourage open dialogue
and active listening among
colleagues to foster a constructive
work environment.

RESPECT TRANSPORT

EFFICIENCY

QUALITY RIDE

Ingenuity

We rely on the creativity and know-how of all. We support efficient practices and our ambition is to always do better.



TRAN

SPECT
ENCY

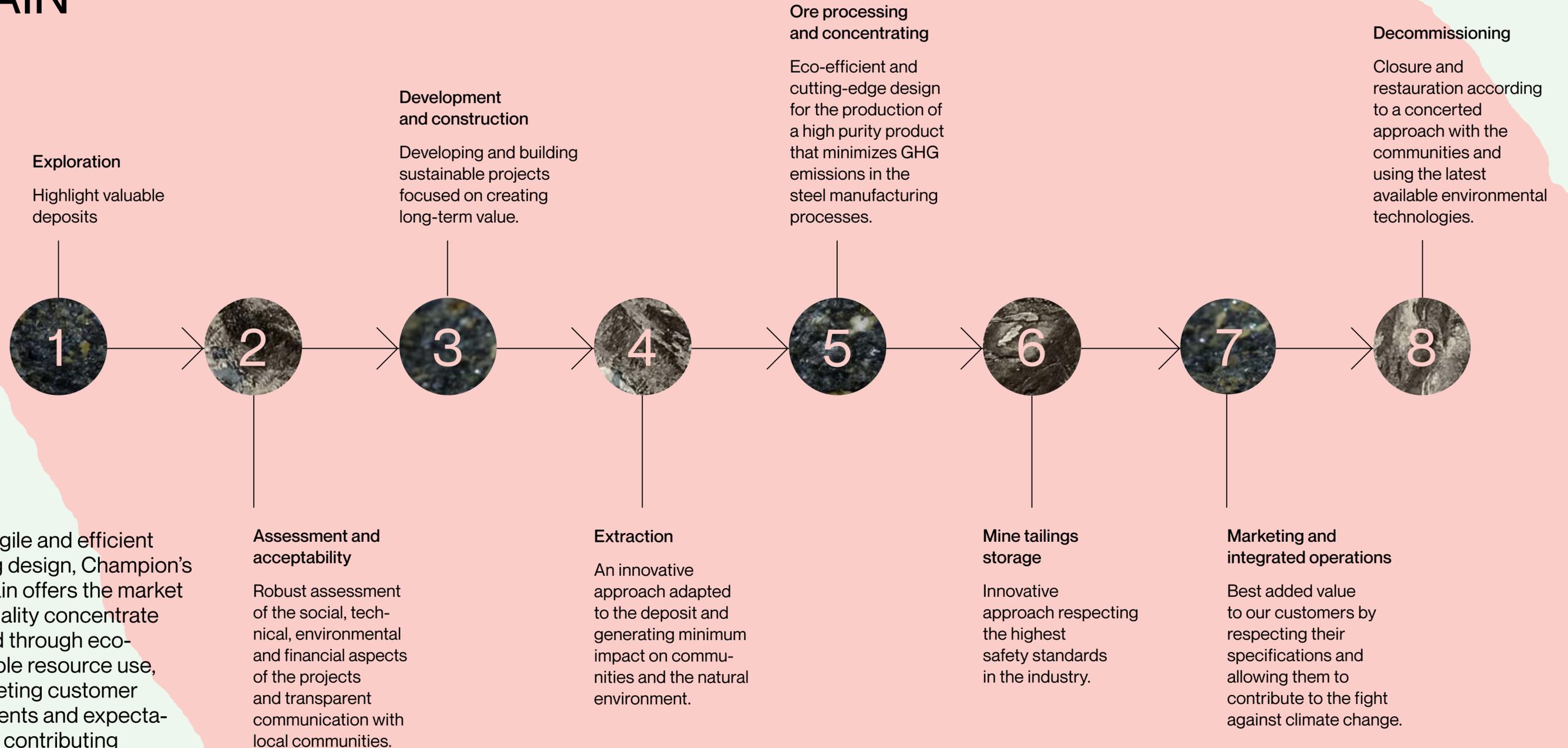
INGE
PRIDE



PRIDE

We are proud of what we do,
as a team, as a company, in
all spheres of iron ore mining.
Our sense of collective
belonging is strong.

OUR VALUE CHAIN



With its agile and efficient operating design, Champion's value chain offers the market a high-quality concentrate produced through eco-responsible resource use, while meeting customer requirements and expectations and contributing to the steel industry's fight against climate change.





OUR SUSTAINABLE APPROACH

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COMPETENCE AND CONSIDERATION

The Board of Directors of Champion Iron Limited is made up of talented, experienced and diversified members, capable of assuming a solid role in governing the business, as well as improving and protecting the interests of shareholders and other stakeholders.

BOARD OF DIRECTORS

ANDREW J. LOVE

B.COMM, MAICD
Lead Director

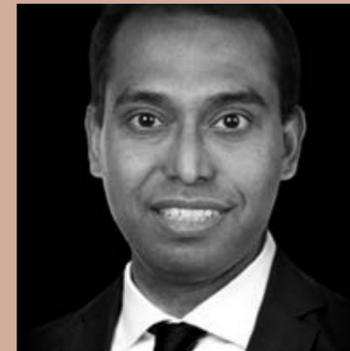


MICHELLE CORMIER

Director

JYOTHISH GEORGE

Non-executive
Director



LOUISE GRONDIN

Director

The Honourable
WAYNE WOUTERS

PC OC
Director



MICHAEL O'KEEFE

Executive Chairman
of the Board
of Directors

DAVID CATAFORD

ENG.
Chief Executive
Officer and
Director



GARY LAWLER

LL. B., LL. M.
Director

The management team is made up of competent members who have proven their worth in the mining industry. The team is responsible for leading the Company in monitoring and developing every avenue that could optimize the production of a high-quality iron concentrate, while minimizing the environmental footprint, acting with integrity and honesty and respecting the values of the Company.

EXECUTIVE MANAGEMENT

DAVID
CATAFORD

Chief Executive
Officer and Director



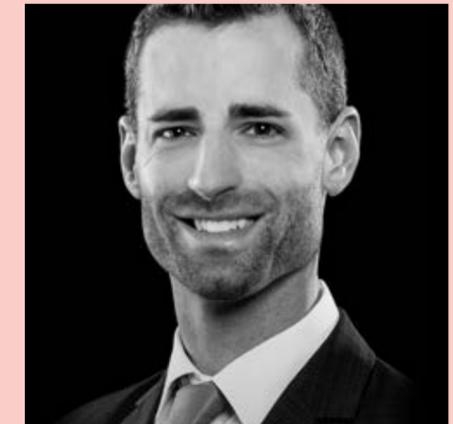
NATACHA
GAROUTE

Chief Financial
Officer



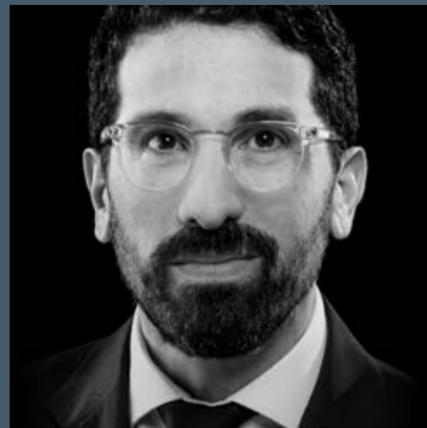
MICHAEL
MARCOTTE

Vice-President,
Investor Relations



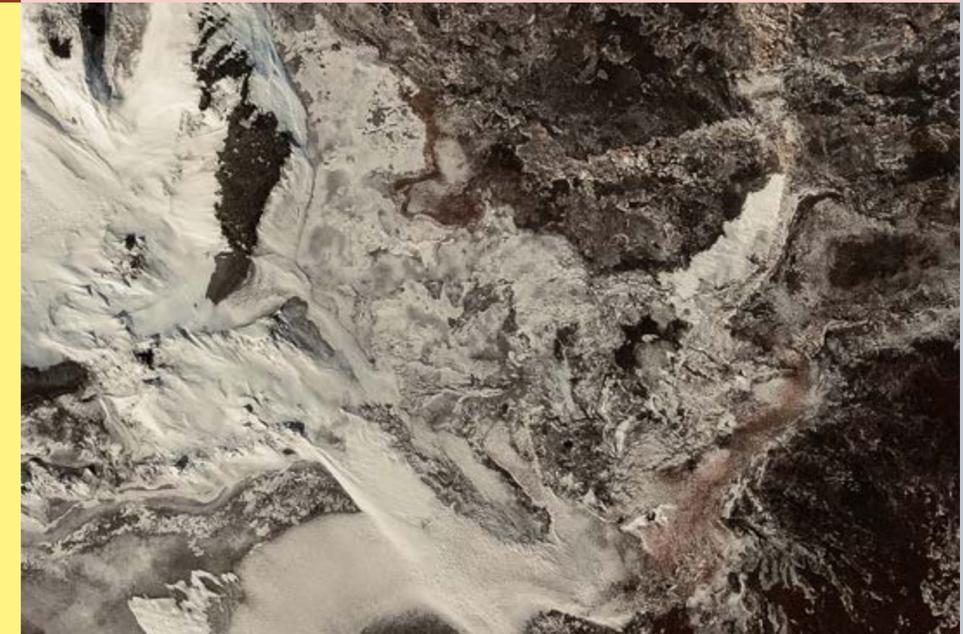
STEVE
BOUCRATIE

Vice-President,
Legal Affairs and
Corporate Secretary



ALEXANDRE
BELLEAU

Chief Operating
Officer



SUSTAINABLE DEVELOPMENT AT CHAMPION

We envision the success of our business by creating value in a way that meets long-term business needs while considering our stakeholders and the environmental, social and economic context in which we operate. Integrating sustainable practices while conducting our business is an essential element in our quest for risk reduction, lower costs, better access to opportunities and, above all, the creation of long-term value for stakeholders.

Our global strategy aims at integrating sustainability principles with our governance policies and corporate values, allowing our young company to implement a sustainable development approach worthy of the responsible companies of tomorrow. The integrated sustainable development structure of Champion Iron Limited is presented on the following page.

Champion Iron Limited's sustainability approach involves a broad vision of its stakeholders and considers the associated material issues throughout the mining lifecycle.



INTEGRATED SUSTAINABLE DEVELOPMENT STRUCTURE





GOVERNANCE ROLES AND RESPONSIBILITIES



BOARD OF DIRECTORS AND ESG COMMITTEE

The Board of Directors is responsible for governing the business and ensuring that appropriate governance structures and systems are in place. It must ensure that the business is effectively run, controlled and monitored, including for sustainable development practices.

The Board continually strives to improve its understanding and mastery of sustainability topics through regular meetings and site visits in order to adjust governance and accountability mechanisms across the Company.

The ESG committee helps the Board oversee policies and commitments as well as sustainability risk and opportunity management. The ESG committee meets

regularly to review sustainability performance and recommend appropriate measures to the Board of Directors.

Diversity on the Board of Directors

Champion believes that employee hires and promotions, including executive officer appointments and the election or appointment of Board members should be based on merit. Champion remains committed to selecting the best people to fulfill these roles, but also recognizes that diversity is important to ensure that the profiles of directors and executive officers provide the necessary range of perspectives, experience and expertise required to achieve effective stewardship and management.

BOARD OF DIRECTORS AND ESG COMMITTEE (CONT'D)

The ability to draw on a wide range of viewpoints, backgrounds, skills, and experiences is critical to the Company's success. It helps ensure that issues will be managed while enhancing the likelihood that proposed solutions will be nuanced and comprehensive.

Champion believes that diversity is an important attribute of a well-functioning Board. The company further believes that building a diverse Board is a critical step in

building a diverse and inclusive culture for all employees of the Company and its subsidiaries.

Champion recognizes that gender diversity is important and acknowledges the important role that women with appropriate and relevant skills and experience can play in contributing to the diversity of perspective on the Board. Women currently represent 25% of Board members.

EXECUTIVE MANAGEMENT

The Chief Executive Officer is responsible for ensuring the application of corporate values and establishing guidelines and the framework for implementing sustainability principles across the Company. He must monitor progress in relation to the overall sustainability strategy and implement the necessary adjustments according to changes observed.

The executive management team is responsible for defining and keeping the guidelines and framework updated for the implementation of the Company's sustainability practices. This comprises corporate policies, commitments and standards, including those relating to occupational health and safety,

the environment, communities, human rights, diversity and responsible sourcing. It must also deploy sustainability risk and opportunity management systems and sustainability performance audit and review programs, as well as determining which strategies, objectives and programs should be implemented, integrating them into a long-term vision.

The executive management team is supported by several professionals whose main responsibilities are focused on the deployment of the corporate social responsibilities.

SITE MANAGEMENT

The mine site general manager is responsible for the application of sustainability guidelines and framework for operations under his helm to ensure that annual objectives are reached. This must be carried out while ensuring that site operations comply with legal obligations and those related to partnerships with our stakeholders.

The general manager must oversee the compliance of systems, processes and procedures with respect to organizational expectations in terms of sustainable development and ensure monitoring with regards to regulatory requirements and permits. He must also ensure management of incidents that may occur during operations and report on the performance of the site, thus providing data for the audit and performance review process.

STAKEHOLDERS

Internal and external stakeholders have needs that are important to the Company. This is why we have a consulting process to identify and understand topics that could become issues for Champion. Taking these issues into consideration is a way for Champion to generate real value for its stakeholders.

The assessment of material issues from stakeholders allows the Company to orient its strategies in a coherent and relevant way, since they are taken into account when establishing annual objectives and sustainability programs.

Monitoring progress against objectives and programs is not only part of the performance review process, but also at the heart of our transparent disclosure process with our stakeholders.

SUSTAINABILITY GUIDELINES



POLICIES, STANDARDS AND COMMITMENT

Sustainable development guidelines are reflected in corporate policies, which serve in particular to establish sustainable development standards and commitments to be met across the organization.

Sustainable development policies also contain the principles and framework serving as a reference in the management of materiality issues, the development of strategies and objectives, decision-making as well as the planning and implementation of business activities and programs.

Sustainable development policies are reviewed on a regular basis in order to improve their suitability with overall strategies and changes in the internal and external context of the Company.

Champion Iron Limited's sustainability and governance policies are available at championiron.com.

COMMITMENTS

Champion considers industry best practices as well as initiatives from outside organizations in setting its sustainability commitments. Although the Company is not a member of these organizations, this makes it possible to contribute to the effort of sustainable development on a global scale.

OUR EXTERNAL COMMITMENTS

The United Nations' 17 Sustainable Development Goals were adopted by world leaders in 2015 and came into force in 2016. These goals incorporate concerns such as the protection of the planet and the desire to give everyone the opportunity to live in security and with dignity.

Although Champion has a relatively modest operational reach in the global mining industry, it is not understating the impact it can have on stakeholders. It is in this context that Champion intends to do its part by pursuing the United Nations goals which are most relevant to its activities.

Champion carried out an evaluation exercise of the various United Nations goals and targets by identifying the elements it can implement to support the achievement of each of them.

Thus, Champion have identified 13 goals, which it intends to pursue specifically.

These goals are presented on the next page and the description of the company's concrete contribution to achieving the associated targets is presented in Chapter 6.

GOALS AND TARGETS



Good health and well-being



Ensure healthy lives and promote well-being for all at all ages.

Quality education



Ensure equal access to quality education for all and promote lifelong learning opportunities.

Gender equality



Achieve gender equality and empower all women and girls.

Clean water and sanitation



Ensure access to water and sanitation for all.

Affordable and clean energies



Ensure access to affordable, reliable, sustainable and modern energy.

Decent work and economic growth



Promote inclusive and sustainable economic growth, employment and decent work for all.

Reduced inequalities



Reduce inequality within and among countries.

Sustainable cities and communities



Make cities inclusive, safe, resilient and sustainable.

Responsible consumption and production



Ensure sustainable consumption and production patterns.

Climate action



Take urgent action to combat climate change and its impacts.

Life on land



Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss.

Peace, justice and strong institutions



Promote just, peaceful and inclusive societies.

Partnerships for the goals



Revitalize the global partnership for sustainable development.

INTERNATIONAL COUNCIL ON MINING AND METALS (ICMM)

ICMM is a global industry association representing international mining and metallurgical companies. In 2003, it established 10 principles that serve as a framework for good practices for sustainable development in the mining and metals industry, and which aim to contribute to the global transition toward sustainable development.

Champion supports the ICMM's principles on sustainability practices and strives to apply them in its operations.

The concrete actions taken by Champion to respect the ICMM principles are presented in chapter 6.

THE ICMM'S 10 PRINCIPLES:

- 1 Apply ethical business practices and sound systems of corporate governance and transparency to support sustainable development.
- 2 Integrate sustainable development in corporate strategy and decision-making processes.
- 3 Respect human rights and the interests, cultures, customs and values of employees and communities affected by our activities.
- 4 Implement effective risk-management strategies and systems based on sound science and which account for stakeholder perceptions of risks.
- 5 Pursue continual improvement in health and safety performance with the ultimate goal of zero harm.
- 6 Pursue continual improvement in environmental performance issues, such as water stewardship, energy use and climate change.
- 7 Contribute to the conservation of biodiversity and integrated approaches to land-use planning.
- 8 Facilitate and support the knowledge base and systems for responsible design, use, reuse, recycling and disposal of products containing metals and minerals.
- 9 Pursue continual improvement in social performance and contribute to the social, economic and institutional development of host countries and communities.
- 10 Proactively engage key stakeholders on sustainable development challenges and opportunities in an open and transparent manner, effectively report and independently verify progress and performance.

MINING ASSOCIATION OF CANADA (MAC)

MAC promotes the growth and development of the mining and mineral processing industry in Canada for communities of interest. MAC's Towards Sustainable Mining (TSM) initiative requires mining companies to take concrete steps to meet their environmental and social commitments.

The TSM Guiding Principles are backed by a set of nine protocols and/or frameworks to measure mining companies' performances in key environmental and social areas. Champion supports the TSM Guiding Principles and strives to implement them throughout its Company.

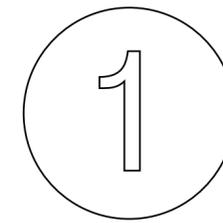
- 1 Indigenous and community relationships
- 2 Energy and GHG emissions management
- 3 Tailings management protocol
- 4 Biodiversity conservation management
- 5 Safety and health
- 6 Crisis management and communications planning
- 7 Preventing child and forced labour
- 8 Mine closures framework
- 9 Water stewardship

EQUATOR PRINCIPLES

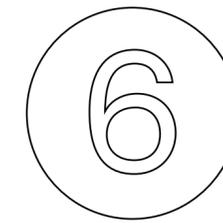
Created in 2003, the Equator Principles are intended to serve as a common baseline and framework for financial institutions to identify, assess and manage environmental and social risks when financing projects. The Ten Equator Principles thus serve to ensure financial institutions that projects are developed in a manner that is socially responsible and reflects sound environmental management practices.

Specifically, the Equator Principles aim to prevent negative impacts on ecosystems, communities, and the climate, wherever possible. If these impacts are unavoidable the principles aim to minimize and mitigate them, and where residual impacts remain, to ensure that promoters provide remedy for human rights impacts and offset environmental impacts as appropriate.

Champion adheres to the Ten Equator Principles.



Review and categorisation



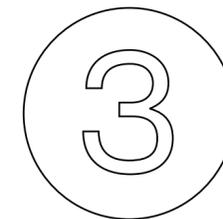
Grievance mechanism



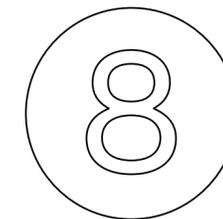
Environmental and social assessment



Independent review



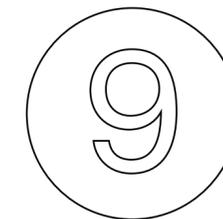
Applicable environmental and social standards



Covenants



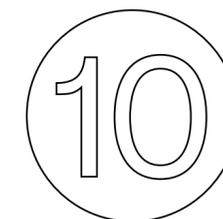
Environmental and social management system and equator principles action plan



Independent monitoring and reporting



Stakeholder engagement



Reporting and Transparency

RISK AND OPPORTUNITY MANAGEMENT

Champion has developed a process to identify, assess and address risks and opportunities. This process makes it possible to understand the economic, social and environmental contexts in which the Company operates and to identify the issues most likely to influence its performance, as well as the needs, expectations and concerns of its stakeholders. The process also allows the Company to determine the aspects of its activities that must be controlled to properly manage the risks and opportunities it faces.

Some of the main risks and opportunities associated with the life cycle of Champion's activities, as identified in 2020, are presented on the next page.

A detailed review is carried out regularly in order to implement or adjust mitigation measures and to improve the risks and opportunities management on a continuous basis.



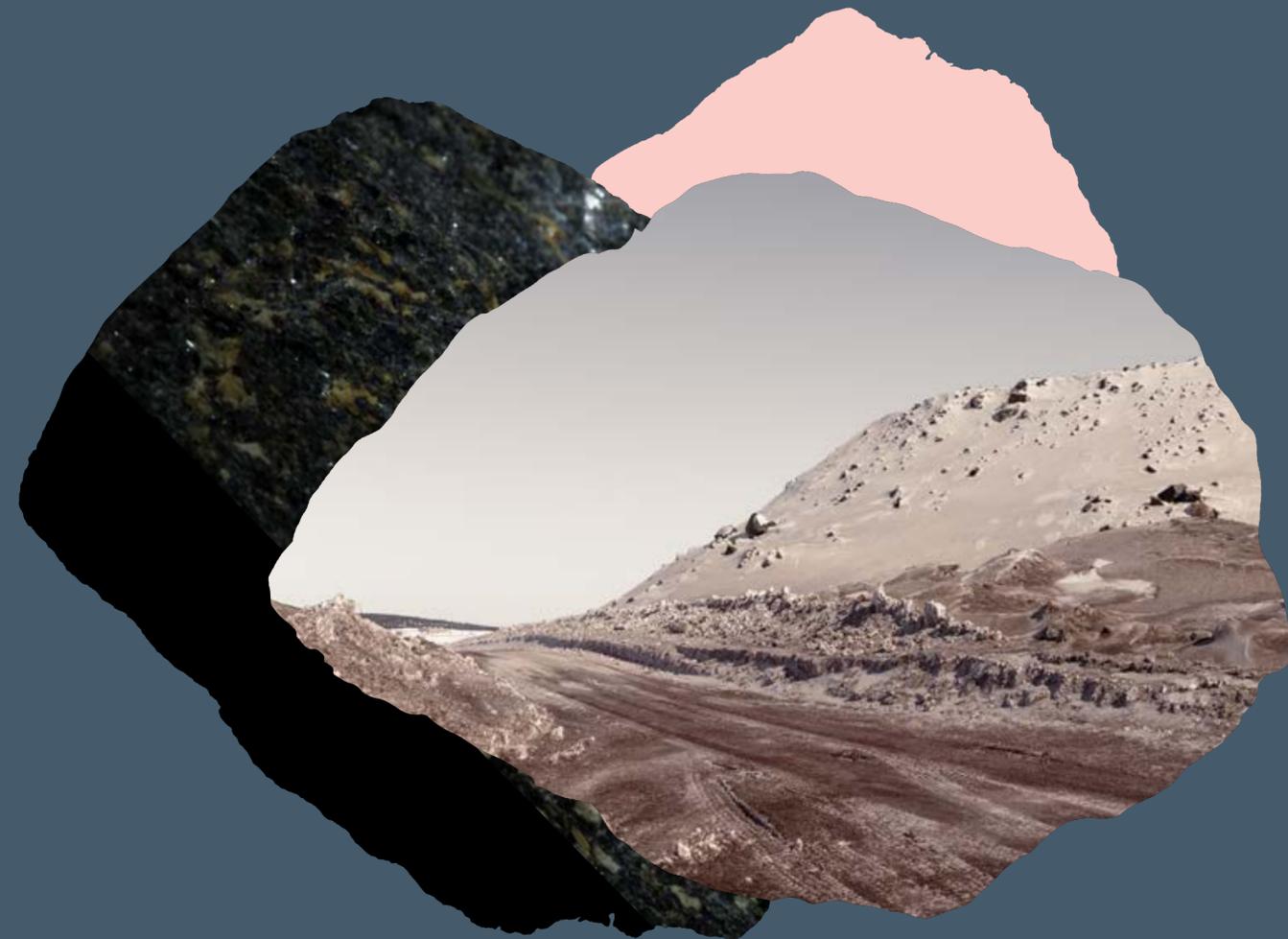
Some examples
of the main
risks and
opportunities

- COVID-19 pandemic
- Health and safety incidents
- Environmental incidents and climate change
- Natural disasters
- Relations with Indigenous and local communities
- Talent acquisition and retention
- Regulations and permits
- Professional relationships
- Supply chain
- Competition
- Financial risk
- Iron ore and stock price
- Climate change
- Transport infrastructure and services
- Fluctuations in supply and demand
- Fluctuations associated with customer needs
- Social legacies and environmental responsibilities linked to site closure
- Cyber security
- Reputational risk

Some examples
of ways to
manage risks and
opportunities

- Implementation of critical control measures
- Health, safety and environmental risk assessment process
- Social and environmental impact assessments of new projects
- Committees with Indigenous groups and local communities
- Legal and legislative watch
- Staff climate and staff well-being survey
- Consultation and engagement with stakeholders
- Environmental management program
- Feasibility studies
- Climate change risk studies
- Emergency preparedness
- Continuous training
- Tracking supply and demand and monitoring of market conditions
- Marketing studies
- Client consultation
- Closure planning to create post-operation value in communities
- Restoration of areas disturbed by mining activities
- Cyber security management measures
- Regular risk review

IMPLEMENTATION FRAMEWORK



STRATEGIES

Sustainable development strategies define all the choices and orientations of the Company serving to achieve its business objectives, which include social and environmental aspects.

The strategies are aligned with Champion's sustainability guidelines and consider the material issues and the most significant risks and opportunities for the business.

Sustainable development strategies are integrated into decision-making processes and will be reviewed on a regular basis. They are deployed according to three (3) time scales:

- Short term (1-2 years)
- Medium term (3-4 years)
- Long term (5-10 years)

Strategies are reflected in the annual objectives.

OBJECTIVES

Champion establishes sustainable development objectives aligned with its commitments, policies and risks to ensure positive results for the business and its stakeholders in the short and long terms. These objectives are monitored on an annual basis and adjusted according to observed performance.

Annual objectives are aligned to support sustainable development strategies.

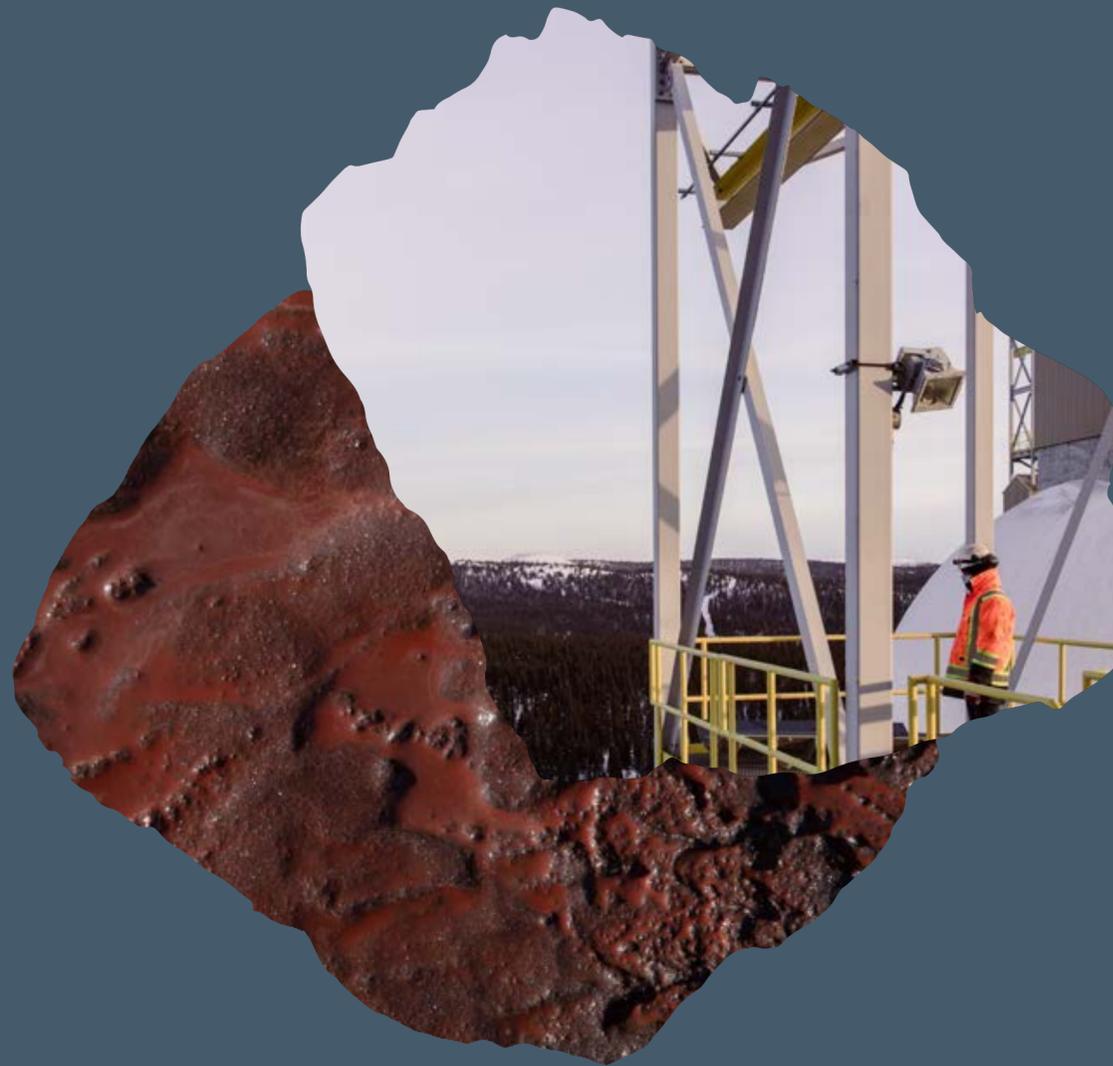


PROGRAMS

Champion Iron Limited uses programs to facilitate the implementation of actions aimed at achieving its goals. The programs help improve sustainability performance and are reviewed regularly to assess observed performance. For example, the employee compensation program is linked to health and safety, environmental management or other sustainability principles through company-wide goals.

Thus, employees and managers participate in the implementation of specific initiatives and practices aimed at achieving the Company's sustainability objectives.

OPERATIONAL EXCELLENCE



SYSTEMS, PROCESSES AND PROCEDURES

Champion uses systems, processes and procedures to ensure that its activities are executed in a controlled manner to meet its sustainability guidelines and adequately manage its material issues, risks and opportunities, and its compliance obligations.

Champion also updates and periodically evaluates the operational control methods it uses to ensure their effectiveness.

The Company uses the principles and provisions of several recognized international standards as a reference to establish the bases of systems dedicated to the control of certain aspects of its sustainable development process:

- ISO-14 001 for environmental management
- ISO-26 000 for the management of corporate social responsibility
- ISO-45 001 for occupational health and safety management
- ISO-50 001 for energy management
- TSM for the management of certain sustainable development principles

INCIDENT MANAGEMENT

In order to minimize the probability of incidents and mitigate potential effects on employees, communities, the environment and the facilities, Champion uses a series of preventive control measures.





Incident management approach

Despite Champion's diligent efforts to avoid them, incidents can occur. The Company has therefore implemented a robust incident management approach that allows for prompt action, minimizes the effects of incidents, and puts in place appropriate measures to prevent such events from happening again. The approach is divided into six stages.

- 1 Immediate actions to mitigate or even eliminate potential and actual effects on people, the environment and facilities without compromising human safety.
- 2 Immediate internal and external reporting to the authorities concerned in accordance with regulatory requirements.
- 3 Completion of incident reports.
- 4 Investigation to identify the root causes and main contributing factors, and establish the lessons learned from the event with a view to continuous improvement.
- 5 Develop corrective action plans to help prevent the recurrence of the same type of incident.
- 6 Efficiency monitoring of the deployed actions.

EMERGENCY PREPAREDNESS

Champion recognizes the importance of developing and implementing comprehensive emergency preparedness and response plans designed to limit and control potential or actual effects of emergencies on people, communities, the environment and facilities.

This is why the Company is developing plans and preparations adapted to the specific conditions of the mine site and making it possible to adequately manage a range of credible, albeit extremely unlikely, incident scenarios that could occur, such as fires, blackouts, power outages, forest fires, and threats to people or property.

The plans include detailed instructions that allow the parties involved to act in order to:

- Maintain the health and safety of employees, subcontractors, visitors, response personnel and the public
- Reduce potential risks to people, property and the environment
- Minimize environmental impacts
- Guide the response personnel according to the measures to be taken and help them to implement these measures quickly and efficiently

- Inform citizens who could be affected by the event
- Contact the municipal authorities regarding civil security
- Recover from the situation as quickly and efficiently as possible to reduce costs and minimize the time required to return to normal activities

Emergency preparedness plans are updated regularly. This approach allows the Company to review and adjust how potential hazards are identified, assess associated risks, and validate control measures used to minimize these risks.

Champion ensures that the appropriate resources are available to respond to emergency situations that may potentially arise.

Furthermore, a series of emergency scenarios are tested each year using simulation exercises to assess the adequacy and effectiveness of emergency preparedness, including human and physical resources.

Emergency preparedness and planning is carried out internally as well as with external stakeholders who could potentially be involved, such as local public bodies.

COMPLIANCE OBLIGATION MANAGEMENT



Champion's ability to meet compliance obligations stemming from regulations, granted permits and agreements with stakeholders helps the Company maintain its social licence to operate as well as to obtain the necessary authorizations for the development of the business.

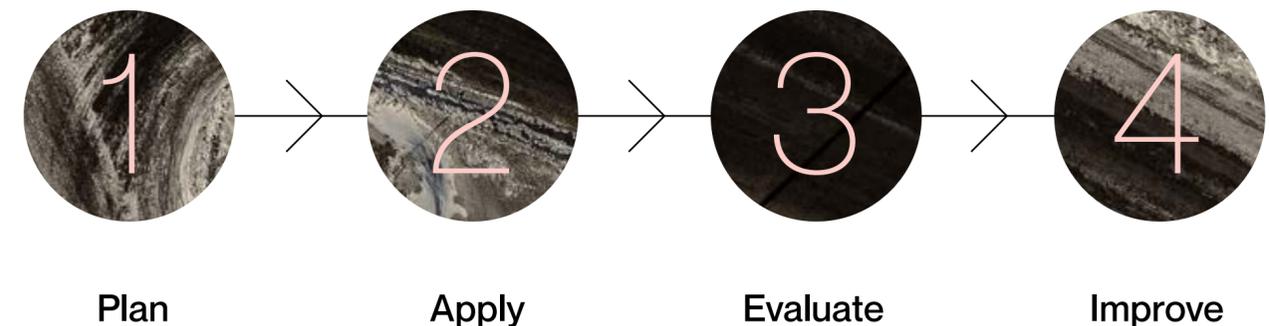
The Company continuously monitors and manages the compliance of its activities to meet legal requirements, such as monitoring mine effluents and other obligations, such as those arising from agreements with Indigenous groups.

Appropriate mechanisms to manage changes and new developments associated with compliance obligations are fully implemented. A legal and legislative monitoring process helps us prepare for future changes and new regulations so that the Company can take the preparatory actions required to maintain compliance.

Champion's developments and new activities can influence its compliance with legal requirements as well as commitments with stakeholders, and lead to risks and opportunities that the Company must include in its activity planning.

A CULTURE OF CONTINUOUS IMPROVEMENT

Champion Iron Limited incorporates the sustainability principles into all phases of its value chain, from exploration to mining site restoration. To do so, the Company relies on leadership that promotes its sustainable development and the establishment of a culture of continuous improvement that allows it to evolve and continually enhance the processes and practices. This approach results in the following sequence:



CHAMPION'S CONTINUOUS IMPROVEMENT APPROACH



① Plan

We plan and define the long-term direction of our sustainable development approach, including our strategies, which are reflected in the corporate policies, commitments and objectives. The context in which we operate is constantly changing and, as a result, we continuously assess and respond to these changes to update our planning.

② Apply

Sustainable development is operationalized through the implementation of a management framework and guidelines. It is also deployed through programs that are consistent with the long-term orientation of the Company and the material challenges associated with the stakeholders.

③ Evaluate

The sustainability performance review process is carried out through monitoring integrated into activities as well as through governance and audit mechanisms. This helps target trends, non-compliance, opportunities for improvement, inefficiencies and other shortcomings that generate sub-optimal performance that prevents the achievement of expected results.

④ Improve

The root causes of the issues identified in the evaluation phase are studied to allow the implementation processes to be modified or the programs and objectives to be adjusted so that planning for the next cycle can be carried out on better foundations.



STAKEHOLDERS

- 60 Our stakeholders
- 61 Our engagements with stakeholders

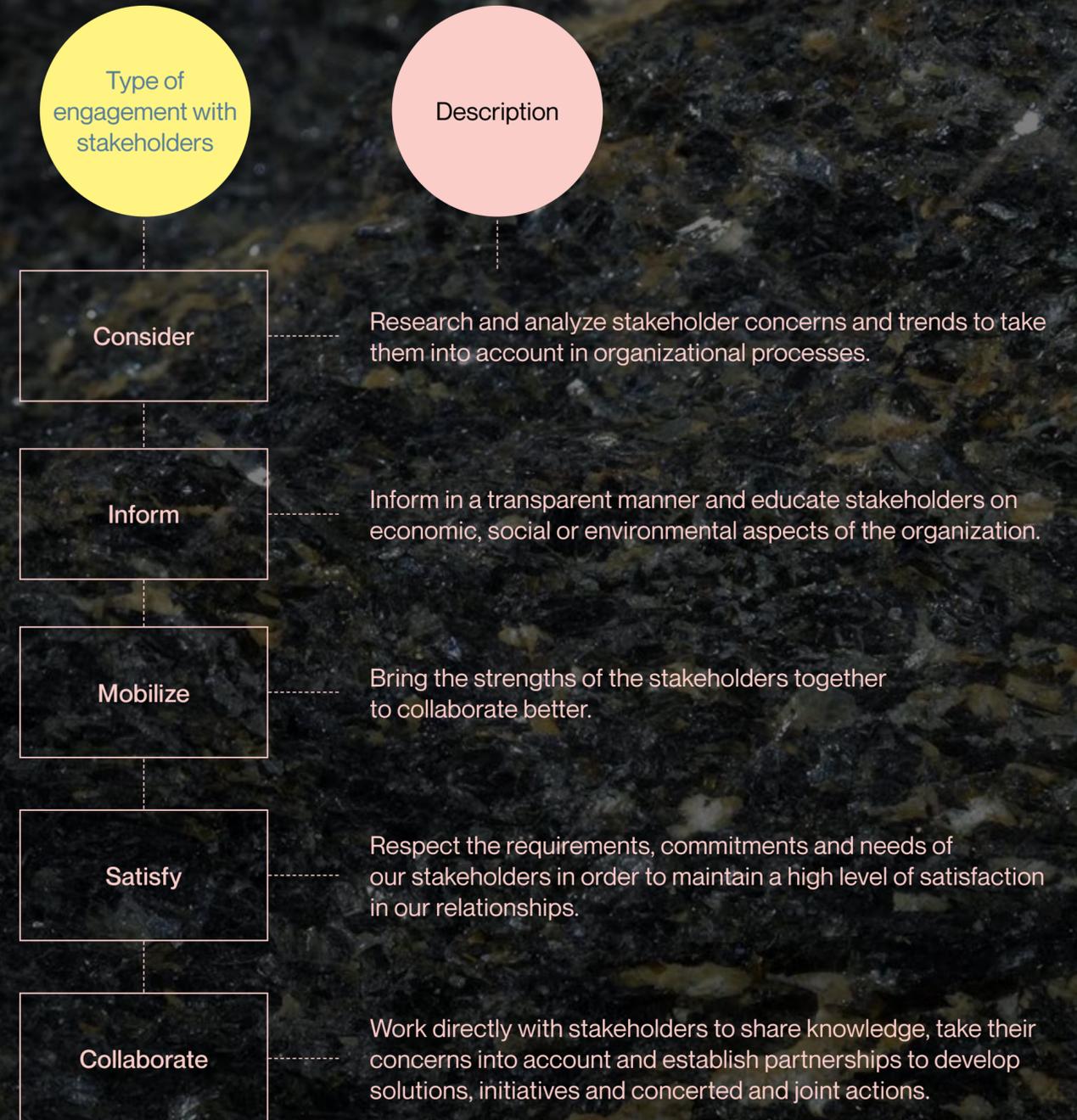
FROM CONVERSATION TO CONSERVATION

OUR STAKEHOLDERS

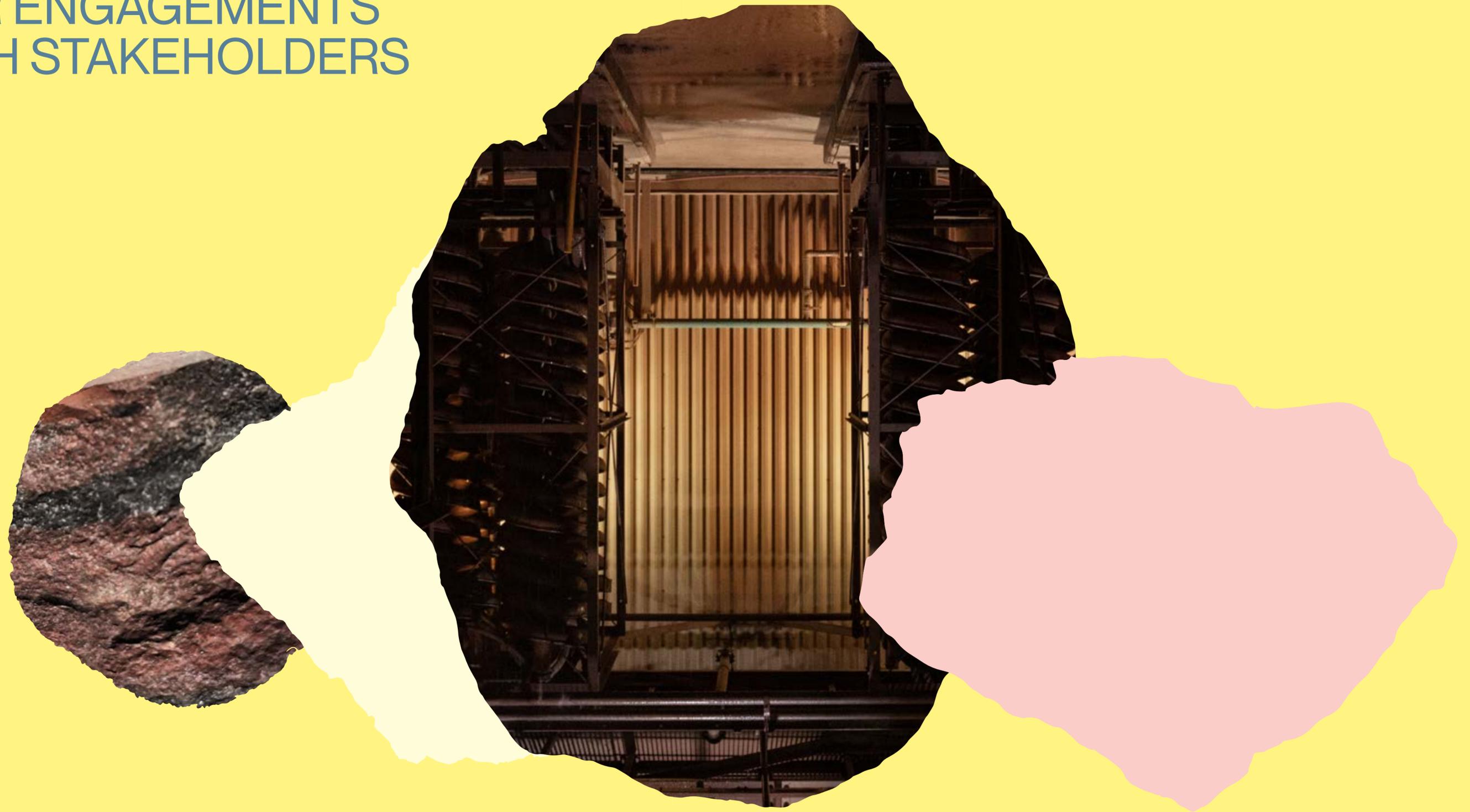
Champion wishes to develop and maintain excellent relationships with its stakeholders. This helps the Company make the right decisions and manage its material issues well.

The type of engagement we have with stakeholders is based on their potential and actual influence on the Company, as well as their impact on and interest in it.

- Governments
- Investors
- Employees
- Clients
- Indigenous groups
- Media
- Local communities
- Society
- Shareholders
- Suppliers
- Union
- Non-governmental organizations
- Industry peers



OUR ENGAGEMENTS WITH STAKEHOLDERS



CONSIDER

Civil society and non-governmental organizations

We research information relating to the concerns, interests, criticisms and trends of society and non-governmental organizations regarding the mining industry in general, and Champion in particular. Research is carried out using tools that allow media monitoring on subjects that affect the mining industry on a global, national and local scale.

We value constructive feedback and make it a point of consideration in decision-making and strategic planning, which allows us to improve our sustainability programs accordingly.

Most important topics for civil society and non-governmental organizations in 2020 ⁽⁶⁾

- Management of environmental impacts on wetlands and watercourses and water bodies
- Social acceptability

Industry peers

We monitor best practices and technologies used by other mining companies nationally and globally through participation in trade fairs, conferences and symposiums.

These initiatives provide an opportunity to identify better ways of doing things and gain a better understanding of how we can contribute to the management of common challenges.

We are a member of the Quebec Mining Association and also sit on the Association's Board of Directors. We take into consideration the national and international information it provides about the mining industry. This allows us to assist in communicating consistent messages from this industry and concerted efforts toward sustainable development.

Finally, we follow the evolution of our iron industry peers through research reports produced by brokerage firms, participation in the process of disclosing their quarterly results, and monitoring information. This approach helps us to understand and follow the

evolution of the dynamics of the iron industry and emerging projects that may have an impact on our business.

Most important topics for our industry peers in 2020 ^(6, 7)

- COVID-19 pandemic management
- Health, safety and well-being of employees
- Environmental impact management
- Social acceptability

⁽⁶⁾ Based on the knowledge and understanding of our internal experts.

⁽⁷⁾ Based on the 2020 stakeholders survey. It should be noted that the stakeholders have identified several other topics as important. Only the most important are mentioned here.

INFORM

Media

Champion engages with the media to inform them of matters of public interest. This can be done in the form of interviews, communications, site visits or question and answer sessions. Our approach is to provide fair and transparent information.

Most important topics for the media in 2020⁽⁶⁾

- COVID-19 pandemic management
- Social acceptability
- Environmental impact management

Shareholders and investors

In addition to wanting performance, our shareholders and investors expect us to meet our financial and operational forecasts, to have appropriate governance mechanisms and to manage organizational risks adequately. This is why we share our financial

and operational results with them along with regular updates on environmental management, health and safety, community relations, the remuneration of the Board of Directors and other aspects of governance and operational risk management.

Information is conveyed through communications, question and answer sessions, newsletters, annual reports, presentation tours and one-on-one meetings. We disclose information transparently, fully and rigorously, and respect corporate policies at all times.

Most important topics for shareholders and investors in 2020⁽⁶⁾

- COVID-19 pandemic management
- The Company's economic prosperity
- Tailings management
- Atmospheric and Greenhouse Gas emissions



MOBILIZE

Employees

Our people are the primary strength of our organization. We believe that the development of an organizational culture that gives meaning to their work, values them and, above all, empowers them in the company, is essential to mobilizing them toward the achievement of our goals and ensuring the success of our Company.

Senior managers meet with staff on a quarterly basis to inform them in person of the results obtained and future actions, and to give them the opportunity to discuss these aspects with the managers. This is an opportunity for employees to express their concerns and for the Company to take them into account. It is also a chance for employees to make connect their own actions to the achievement of Company goals, thereby fostering their engagement.

We regularly conduct workplace climate surveys to understand how our people experience day-to-day work and assess the level of deployment of our corporate values at all operational levels.

By considering our employees' points of view, we can target our efforts to improve the work environment while also giving a say to those at the heart of the Company's success, an essential condition for their mobilization.

Committees bringing together employees of different functions and responsibilities are deployed to discuss questions and issues important to them, in order to implement satisfactory solutions and actions.

During major organizational changes, we communicate information transparently, and support and consider employee feedback.

Managers are given a four-hour period weekly to discuss topics of their choice away from the mine site to promote team building and the development of healthy and harmonious relationships. An individual coaching program for managers is also in place to develop their autonomy and provide them with the tools and means for individual and team success.

Most important topics for our employees in 2020 ^(6,7)

- COVID-19 pandemic management
- Health, safety and well-being of our employees
- Employee compensation

Suppliers

In response to growing consumer concerns and expectations and in accordance with our fundamental values, we hope that the actors in our supply chain share our vision of sustainable development and contribute to our goals, thereby allowing us to fully contribute to those of our customers in turn.

To ensure that they understand our expectations and standards, particularly in terms of ethics and sustainable development, we meet with them regularly through symposiums or conferences organized locally, site visits or individual meetings.

This approach allows us to understand their views, concerns and perspectives and also allows us to involve and mobilize them to work with Champion in achieving its goals.

We reserve the right to carry out supplier audits to assess certain aspects of their operations, including environmental management and Occupational Health and Safety. This process aims at helping them to qualify and to maintain or improve their business relationship with us.

Most important topics for our suppliers in 2020 ⁽⁷⁾

- Water stewardship
- Management of atmospheric emissions
- Conservation of biodiversity



SATISFY

Clients

Champion is committed to providing superior quality concentrate that meets customer requirements and expectations.

To do this, we meet with our customers on a regular basis to determine their satisfaction with our products and help us identify improvements to be made. We use these meetings to identify their emerging needs and expectations to prepare for them and adapt our processes accordingly and proactively.

By focusing on innovation, we constantly strive to develop all avenues in order to optimize our operations and the products we offer to customers, while reducing our environmental and social footprint and increasing the positive impact on our stakeholders.

The Company also shares its understanding and discusses the

quality of its products and business goals with its customers on an ongoing basis.

This helps them better secure their supply chain and achieve their business goals.

Most important topics for our clients in 2020 ⁽⁷⁾

- Atmospheric and Greenhouse Gas emissions
- Health, safety and well-being of our employees
- Company's economic prosperity
- Business ethic Social acceptance

Governments

Champion diligently and rigorously submits to the government all information and operations data required by applicable government regulations. We do this through written reports or software packages provided by the different authorities.

Although unintentional and infrequent, any non-compliance with regulatory criteria related to environmental emissions, or any situation that could potentially lead to it, is immediately reported verbally to relevant government authorities in order to inform them and allow them to become involved quickly.

We speak with governments about future developments in our organization to allow them to express their points of view, thus allowing the Company to take them into account in decision-making and strategic planning.

We do this by various means that are best adapted to the context (provincial or national) through meetings and verbal or written exchanges.

We present our views on laws, policies and regulations to governments through, for example, relevant industry associations and external communications agencies.

When interacting with governments, we behave in accordance with the company Code of Conduct and corporate policies. We do not participate in any way, directly or indirectly, in party politics or make payments to individual political parties or politicians.

Most important topics for governments in 2020 ⁽⁷⁾

- COVID-19 pandemic management
- Energy and GHG emissions management
- Water stewardship
- Respect for ecosystem support capacity

COLLABORATE

Indigenous group

Champion recognizes the importance of establishing and maintaining mutually beneficial partnerships and constructive relationships with Indigenous groups. We are working closely with them in this context and concluded an Impact and Benefits Agreement (IBA) in 2017 for our projects located in the Labrador Trough. This agreement provides for real participation by Indigenous groups, socio-economic benefits for them and measures regarding their traditional activities.

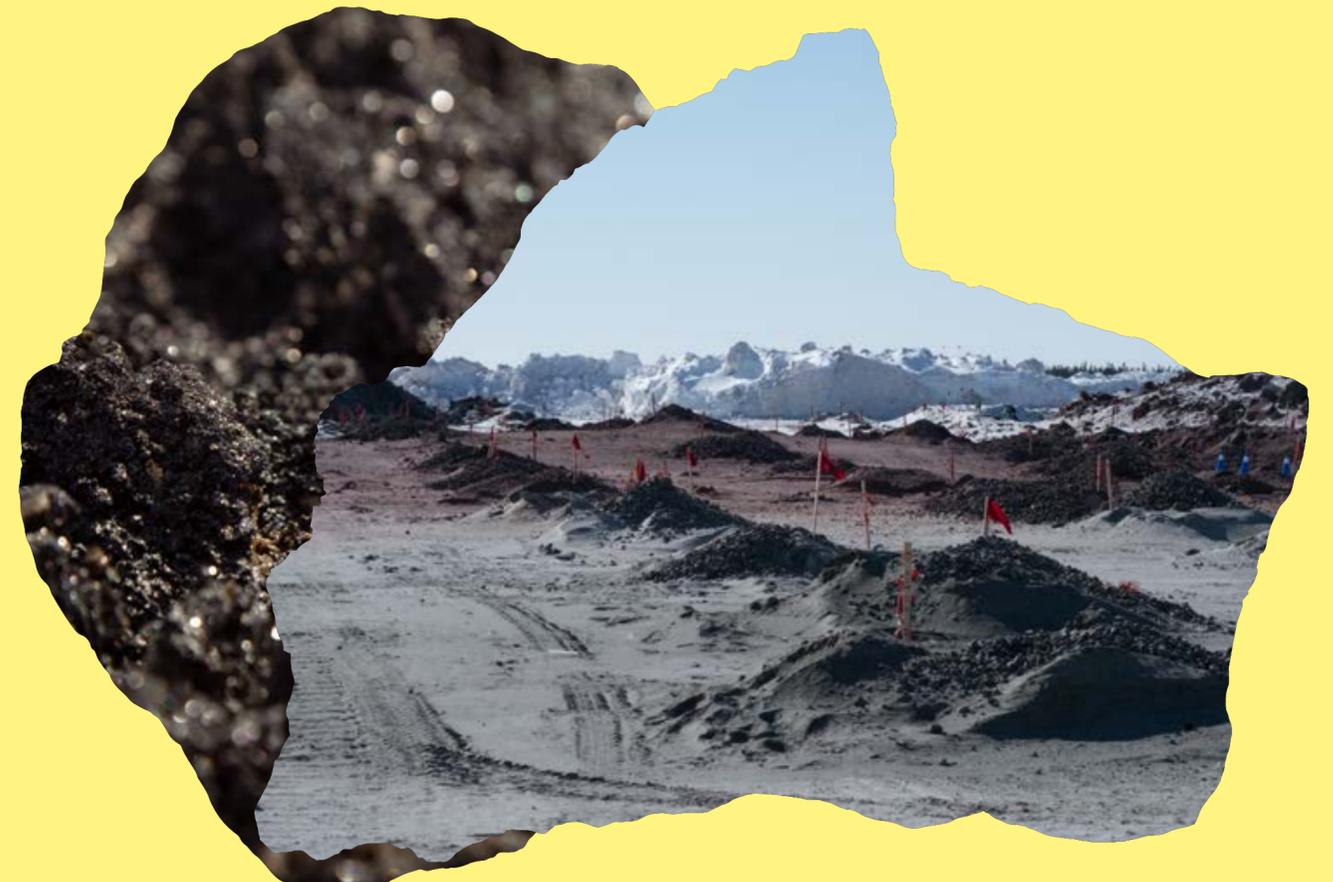
Monitoring and implementing IBA commitments are carried out by a coordination committee. Also in operation are two subcommittees designed to promote the employability of Indigenous groups and the purchase of supplies from them. A third committee reports to the groups on environmental matters.

The committee and subcommittees are made up of members of Champion and Indigenous groups, who meet and exchange ideas actively and regularly.

Visits to the mine site by representatives of Indigenous groups are also organized to allow communities to appreciate the work carried out in the field, to better understand the approaches and means used to protect the environment, and to encourage discussions with employees and company leaders.

Most important topics for the Indigenous groups in 2020 ^(6,7)

- COVID-19 pandemic management
- Commitment to stakeholders
- Protection of cultural heritage
- Water stewardship



Union

Champion is committed to respecting the right to freedom of association and unionization and its employees' right to collective bargaining. Mechanisms and tools are in place to allow workers to file grievances arising from different interpretations, the application or the administration of the collective agreements.

Champion is also committed to working honestly and openly with the union. Roundtables and meetings for discussions between employer and union representatives take place on a regular basis to promote constructive collaboration for the good of the employees and the organization.

Union representatives also sit on committees dealing with matters directly affecting employees, such as the Occupational Health and Safety committee.

The Company is committed to negotiating with the union in good faith while keeping the prosperity of the business in mind for the workers today, as well as those of tomorrow.

Most important topics for the Union in 2020 ^(6,7)

- COVID-19 pandemic management
- Local economy
- Employee compensation
- Human capital management and mobilization

Local communities

Creating and maintaining strong ties with local communities is important for Champion. We use communications tailored to each community to understand their views and concerns and keep them informed about the business and its performance in a transparent manner. These ways of communicating also allow us to keep an open dialogue with communities about issues that affect them, to encourage their participation in the search for solutions with us or even to formally engage with them.

To do this, we organize information sessions with residents and local stakeholders, as well as meetings and presentations with representatives of local municipalities or their decision-making authorities.

We also follow up with the communities through committees made up of local economic and public actors.

Finally, we participate in sociocommunity events and actively encourage, through various types local non-profit organizations. We support the development of local businesses by coaching, holding information meetings and networking. This allows the organization to contribute to the social and economic vitality of local communities.

Most important topics for local communities in 2020 ^(6,7)

- COVID-19 pandemic management
- Management of environmental impacts on wetlands, watercourses and water bodies
- Residual material management
- Local economy
- Human capital management and mobilization
- Equity and equal opportunity employment





DETERMINATION OF MATERIAL ISSUES

- 71 Important sustainability topics
- 77 Our priorities
- 78 Material issues

IMPORTANT SUSTAINABILITY TOPICS

At Champion, sustainable development is planned in collaboration with all internal and external stakeholders in order to enrich our business project and ensure the consistency of our decisions, strategies and actions.

Basically, our approach involves knowing and understanding our impacts on sustainable development and the aspects that are important to our stakeholders. This allows us to focus our efforts on prioritizing and implementing actions that truly meet the needs, expectations and concerns of stakeholders, in addition to properly guiding the management on the main risks, challenges and opportunities related to sustainable development.

We establish and assess our Company's material issues over a three-year cycle. The first year involves detailed research and intensive consultation to identify important topics with the help of our internal experts and external stakeholders. Executive management then validates these topics. The first year of consultation and research was 2019.

Considering the nature of mining operations, the topics are generally similar from one year to the next.

Thus, the second and third years are based on the results of the first year, and the assessment is updated to reflect emerging issues, which was done for the 2020 report.

This process complements other forms of engagement with stakeholders already in place throughout the year.

In accordance with guidelines of the Global Reporting Initiative (GRI) on material issues, we have determined the important topics to be included in the annual sustainability report based on the following two dimensions:

- Topics that substantively influence stakeholder assessments and decisions
- Topics that reflect the organization's significant economic, environmental and social impacts

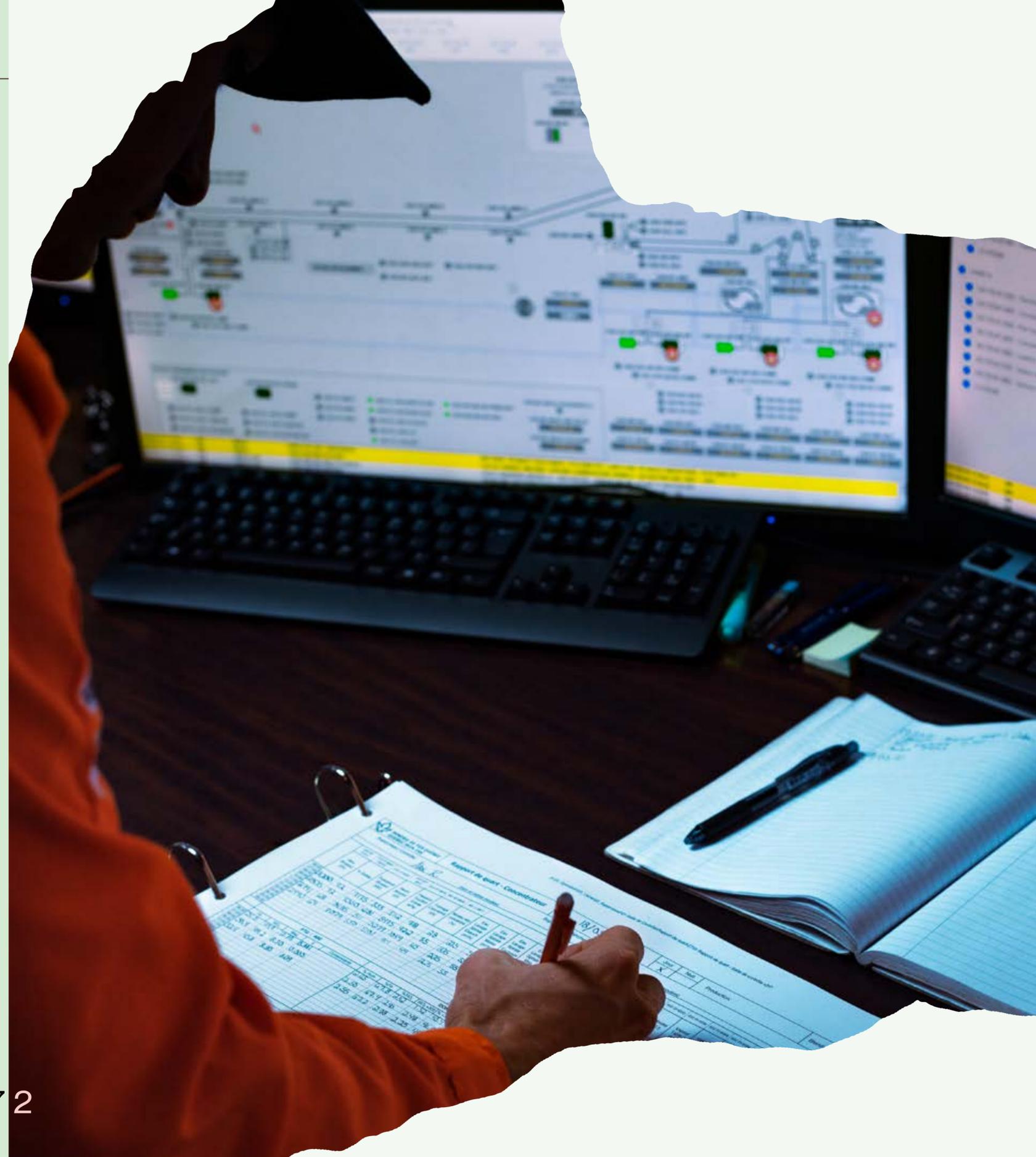
METHODOLOGY

STEP 1: PREPARATION AND DESIGN



We analyzed best practices for determining material issues and used GRI recommendations to

design the methodology for analyzing these issues.



METHODOLOGY

STEP 2: RESEARCH AND IDENTIFICATION OF IMPORTANT TOPICS



A search for information was carried out to identify the sustainability issues important to the organization and its stakeholders.

The information collected in 2019 revealed 27 important topics.

The information analyzed is based on the following elements.

- Real or potential economic, environmental and social impacts identified in impact studies previously carried out by recognized external experts.
- Concerns and expectations of stakeholders with a direct interest in the organization, and the broader economic, social and environmental issues raised by other stakeholders, including society in general.
- Reference framework and internal guidelines for sustainable development.
- The main topics of sustainability reports from peers and competitors, as well as their good practices.
- Laws, regulations, strategic partnerships important for the organization and its stakeholders.
- How the organization can contribute to sustainable development.
- The consequences of economic, environmental and societal impacts on the organization itself.

METHODOLOGY

STEP 3: STAKEHOLDERS' ASSESSMENT OF TOPICS OF IMPORTANCE



TOPICS THAT SUBSTANTIVELY INFLUENCE THE ASSESSMENTS AND DECISIONS OF STAKEHOLDERS

A list of important sustainability topics was used to conduct a survey or interview with internal and external stakeholders to identify topics most important to them and thus contribute to the prioritization of sustainability material issues. Participants were asked to rate the importance of the topics on a scale of 0 (no importance) to 4 (high importance), and to indicate their level of satisfaction with how the company manages important issues. Stakeholders could also provide feedback on the process and on our company.

In the fiscal year of 2020, which is the second year of the three-year consultation cycle, a total of 15 people were consulted to update the results obtained in 2019.

This comprehensive and diversified consultation approach allowed for a wide range of opinions and ensured a balanced view of what influences stakeholder assessment and decisions.



TOPICS THAT REFLECT THE ORGANIZATION'S SIGNIFICANT ECONOMIC, ENVIRONMENTAL AND SOCIAL IMPACTS

First, we conducted a self-assessment of our business practices with internal stakeholders, inviting them to reflect on the status of our organization in relation to sustainability principles. We then asked them to prioritize the important topics specifically according to their level of importance in terms of economic, environmental and social impacts of the organization. Finally, we asked the internal stakeholders to comment on the significance of these impacts by ranking them in order of importance.

Their complete and detailed knowledge of Champion operations, as well as the context of our industry and our Company's place in it, enabled internal stakeholders to generate an accurate and reliable portrait of Champion's economic, social and environmental impacts.

METHODOLOGY

STEP 4: REVIEW AND PRIORITIZATION



The results of the consultations were analyzed and made it possible to prioritize important sustainability topics.



OUR PRIORITIES

The materiality matrix provides a visual representation of the ranking of important sustainability topics from the 2020 update process. In all, 16 topics were identified as having reached the reporting threshold or topics of high importance.

These topics represent Champion’s sustainable development materiality issues, which are treated in detail in chapter 6. It should be noted that given the interrelationships between certain issues, some of them are grouped together.

Compared to the previous year, the social acceptability issue has crossed the reporting threshold and is among the subjects of high

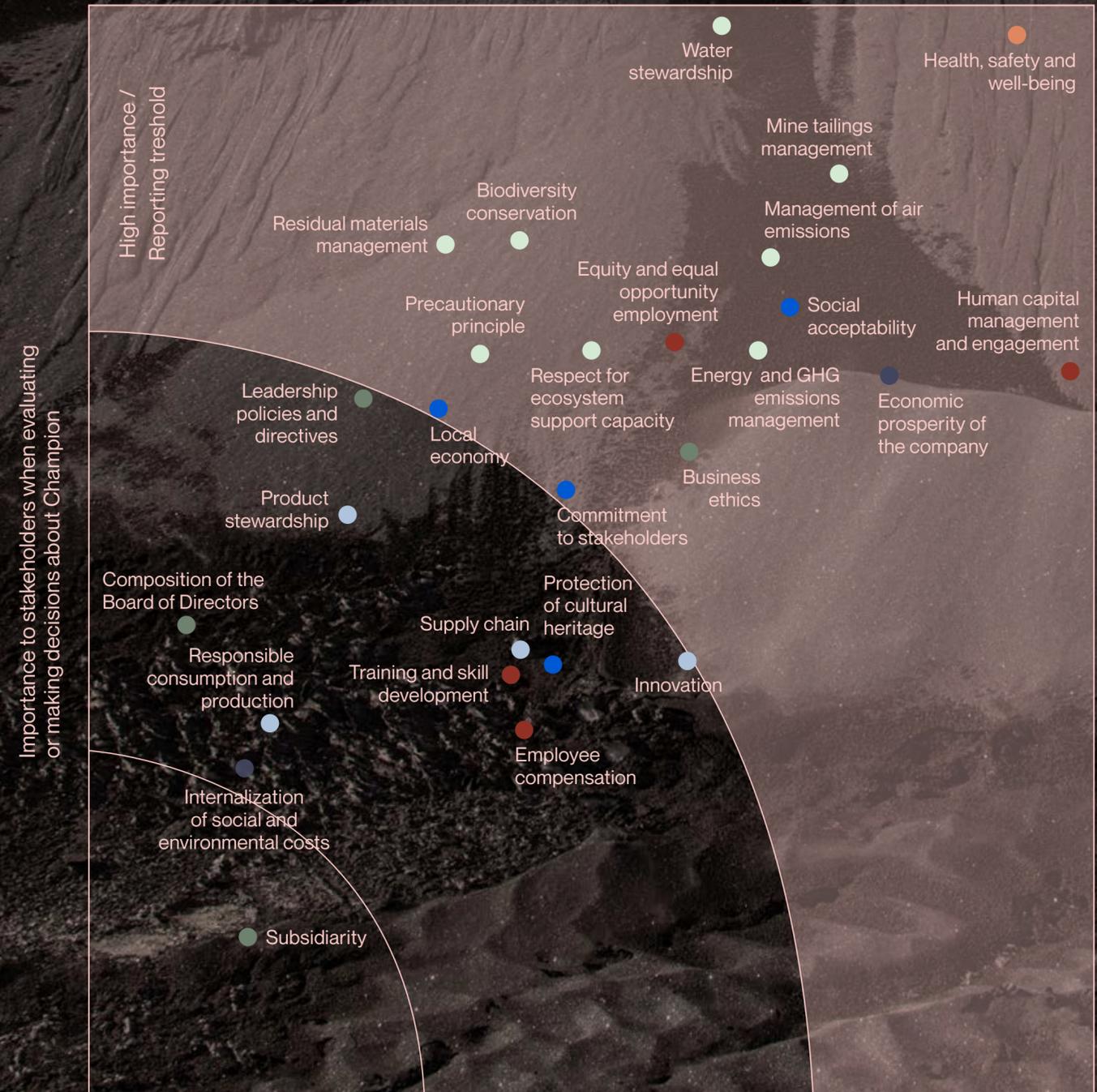
importance for the Company in 2020. Conversely, the product stewardship issue fell below the reporting threshold during the same period.

One of the priority issues is related to economic prosperity but this is not addressed in this report because the topic is already discussed in the context of the Company’s ongoing commitments to its stakeholders.

Given the concerns of all stakeholders about the COVID-19 pandemic situation and its potential impact on the business, this report dedicates an entire chapter on how Champion handled the situation in 2020 (chapter 5).

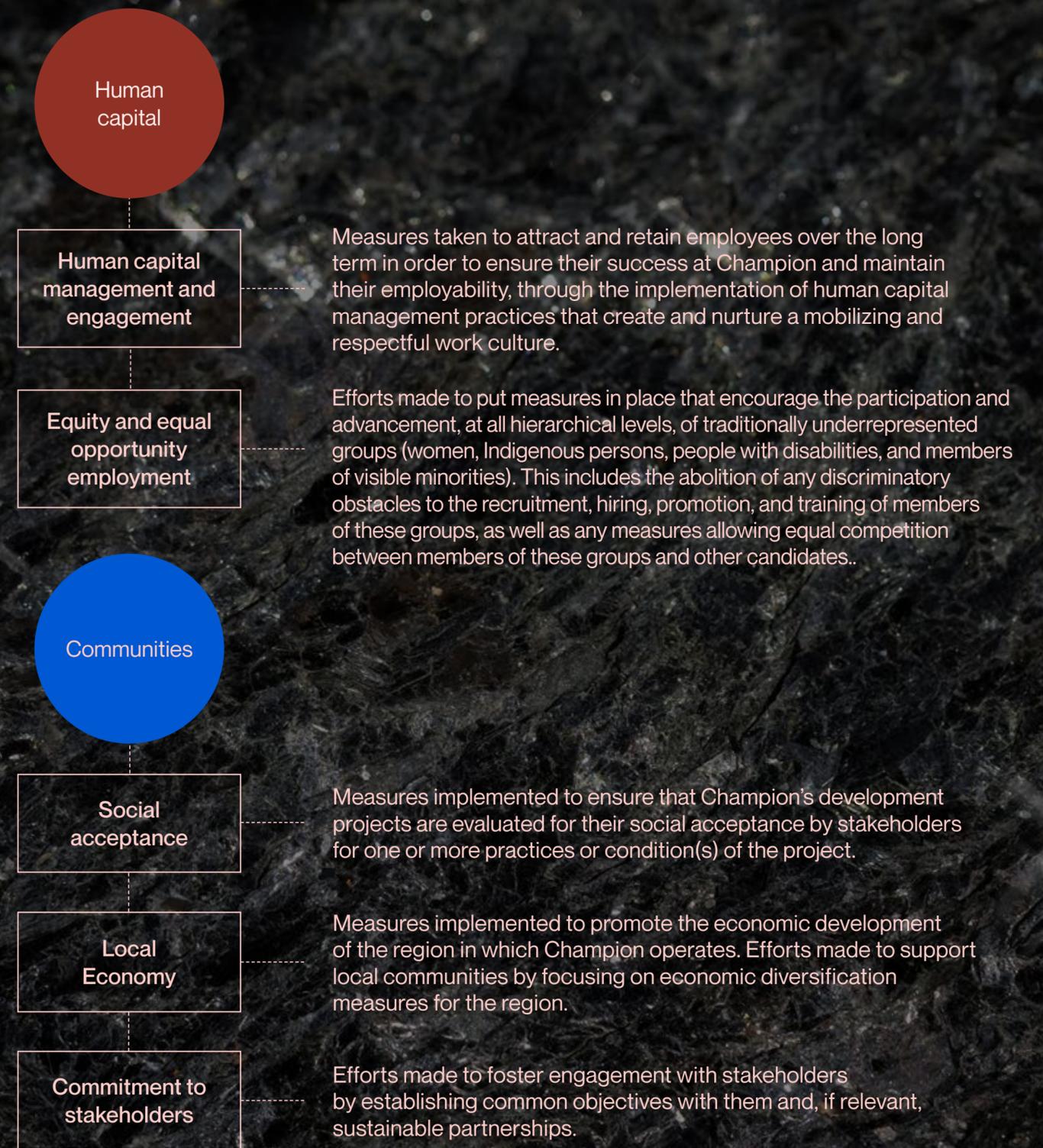
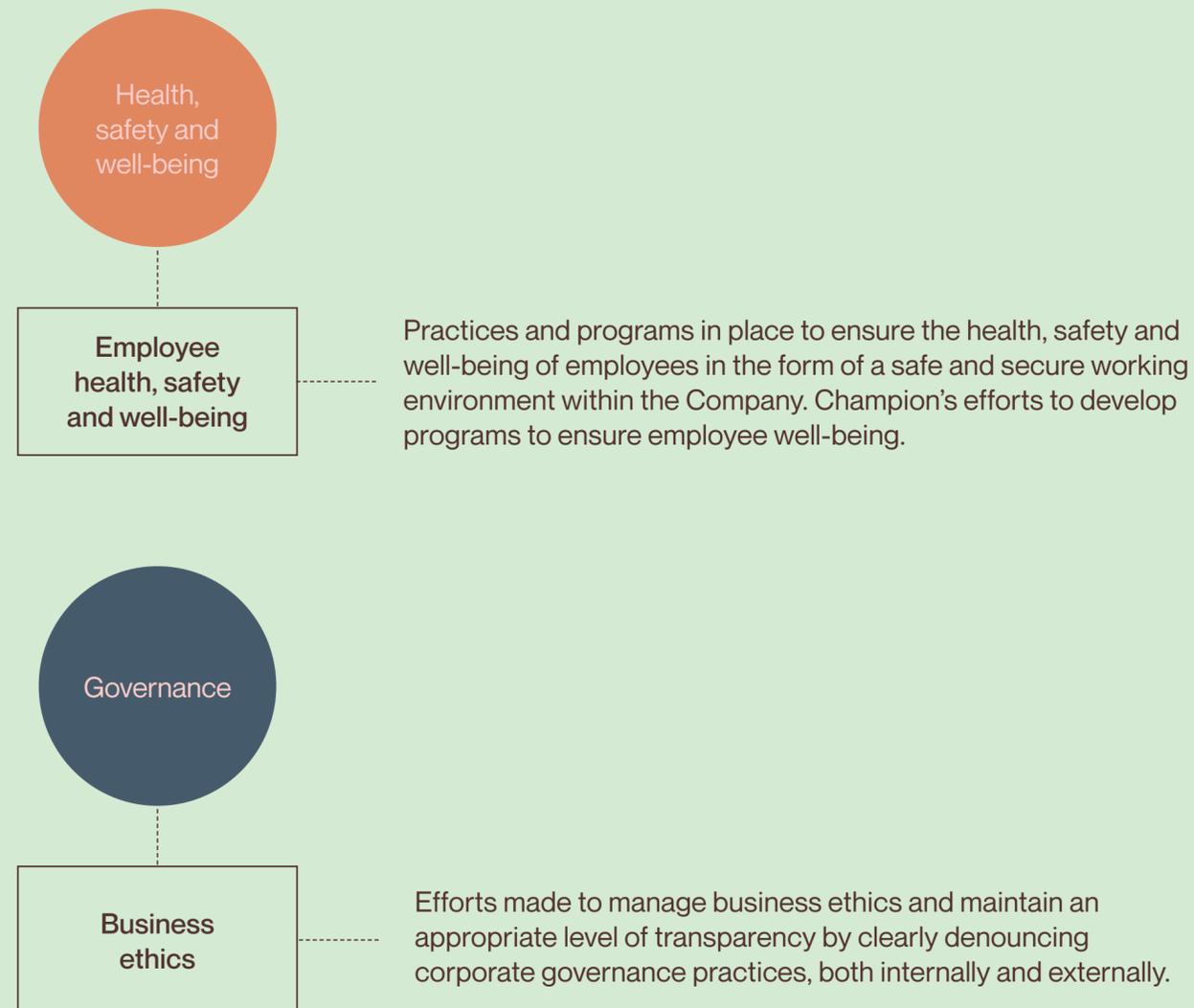
- Legend:**
- | | | |
|-----------------|---------------------------------|-----------------------|
| ● Governance | ● Health, safety and well-being | ● Product stewardship |
| ● Community | ● Environment | ● Economic |
| ● Human capital | | |

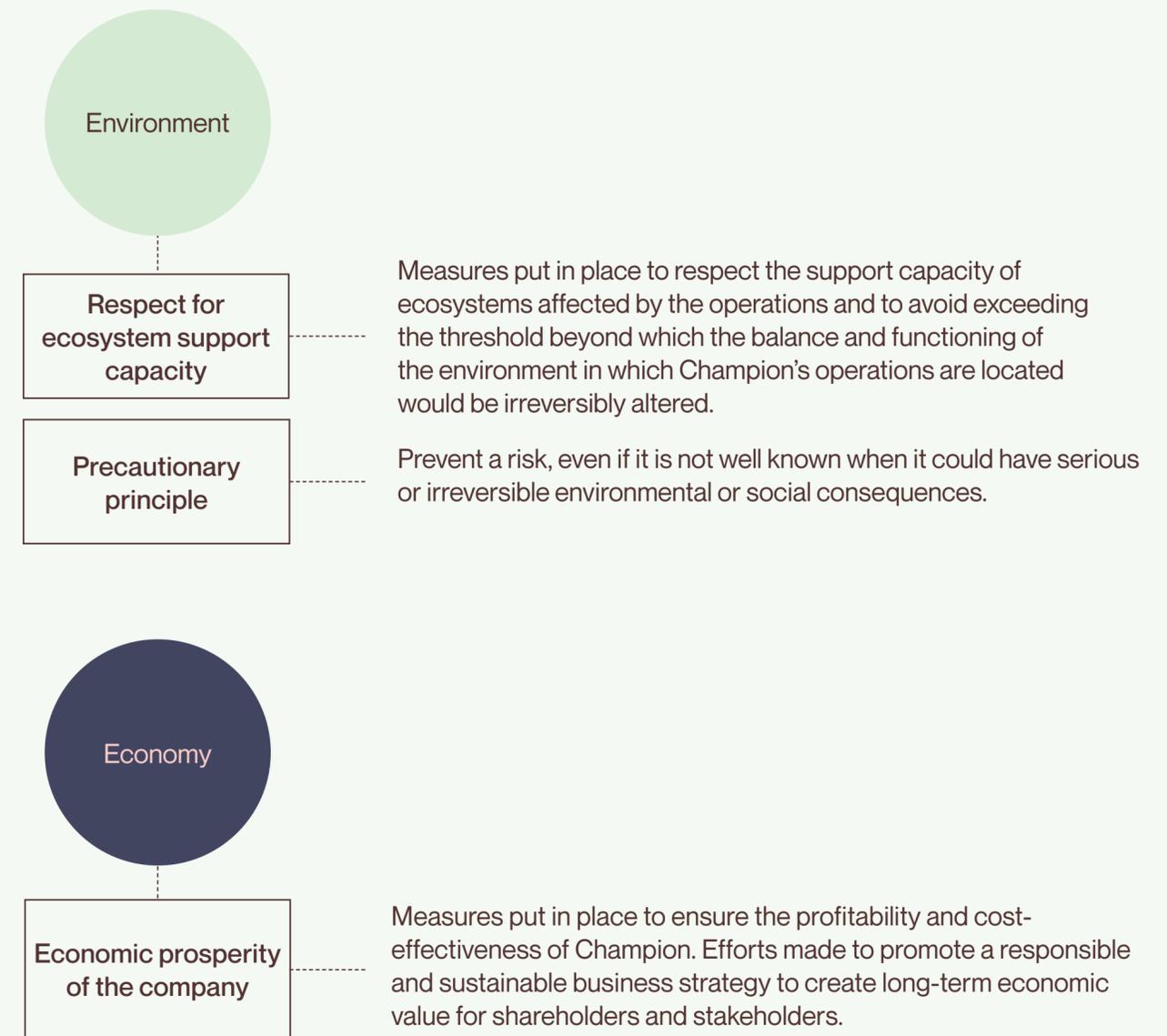
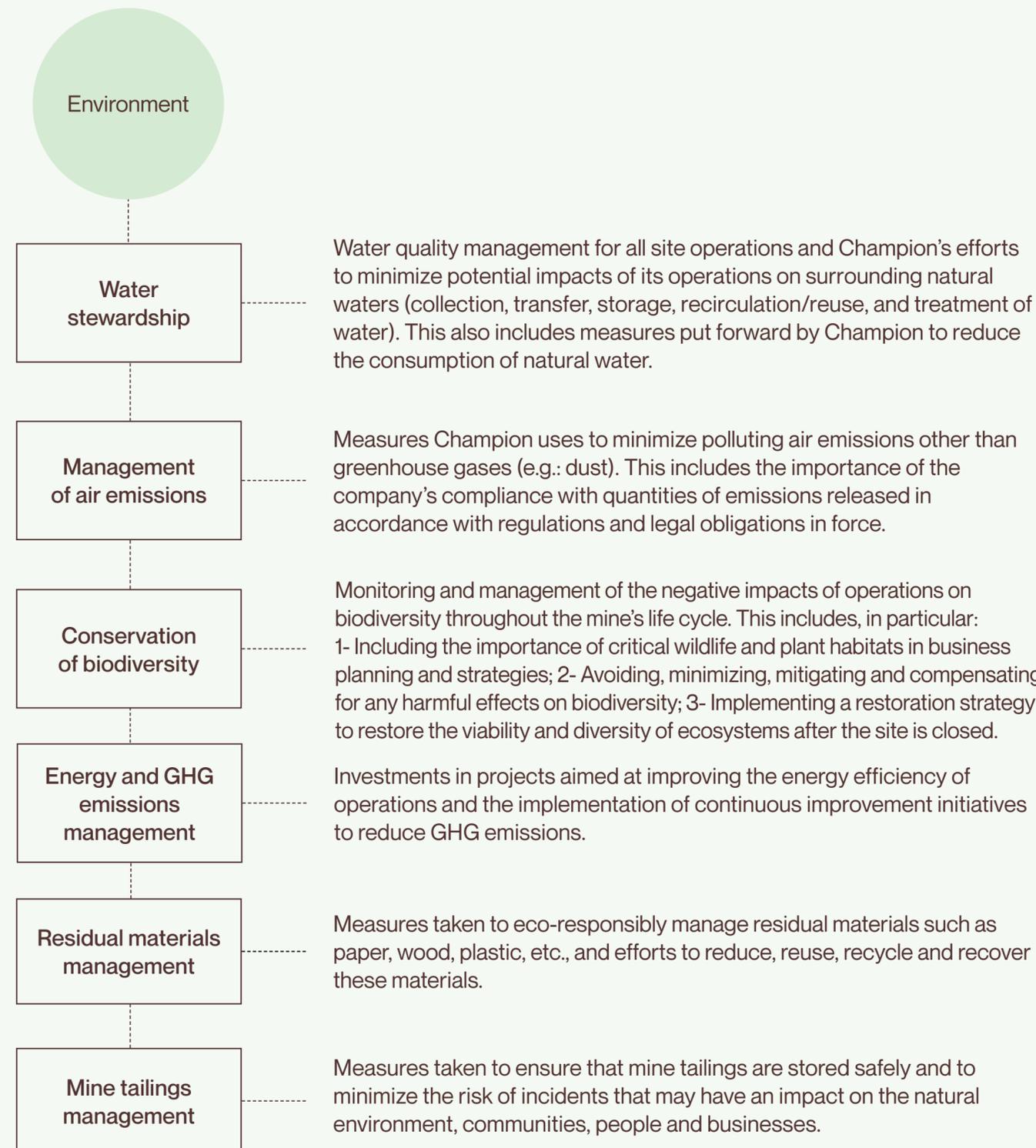
Materiality matrix



Significance of the economic, environmental and social impacts of Champion

MATERIAL ISSUES





THE THREE MOST IMPORTANT TOPICS FOR STAKEHOLDERS







COVID-19 PANDEMIC MANAGEMENT

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OUR APPROACH

On March 11, 2020 the World Health Organization declared that the COVID-19 epidemic had been reclassified as a global pandemic. Two days later, the government of the province of Quebec declared a public health emergency, and on March 21, 2020, it mandated Quebec mining companies to reduce operations to a minimum.

On March 21, 2020, Champion announced that it was reducing its activities. The government then decreed mining activities an essential service in Quebec on April 15, 2020, from which date Champion's operations gradually resumed, with a view to returning to full strength.

The hazards of a public health crisis like the COVID-19 pandemic include risks to the health and safety of employees, contractors, Indigenous groups and host communities, higher costs for labour, shipping and fuel, declining availability of workers and contractors, regulatory changes, economic instability, etc.

Since the beginning of the COVID-19 pandemic, there have been many temporary business closures, quarantines and a general reduction in consumer activity around the world. The pandemic has led businesses and international jurisdictions to impose significant travel, gathering and other public health restrictions. COVID-19 has also impacted supply chains both nationally and internationally.

As a responsible company, Champion recognizes the importance of its involvement in the sustained implementation of methods to minimize the spread of the virus in the Quebec population and in the communities in which it conducts its activities.

Champion's approach in 2020 was based on two central elements:

- Reduce the risk of contamination of employees and subcontractors.
- Minimize contact between employees and contractors and the host community.

In this context, Champion has implemented a series of measures aimed at actively supporting this approach. All of the measures deployed have respected and even surpassed the recommendations of the governments of Quebec and Canada and have been adjusted over time to improve their effectiveness and scope on an ongoing basis.

COVID-19 SCREENING CENTRE



Champion set up a COVID-19 screening centre at the Bloom Lake Mine accommodation complex.

The centre uses technology approved by Health Canada, which allows people to receive their COVID-19 test results in just a few hours.

These tests facilitate quick diagnosis and implementation of the positive case protocol, thus limiting the spread of the virus.

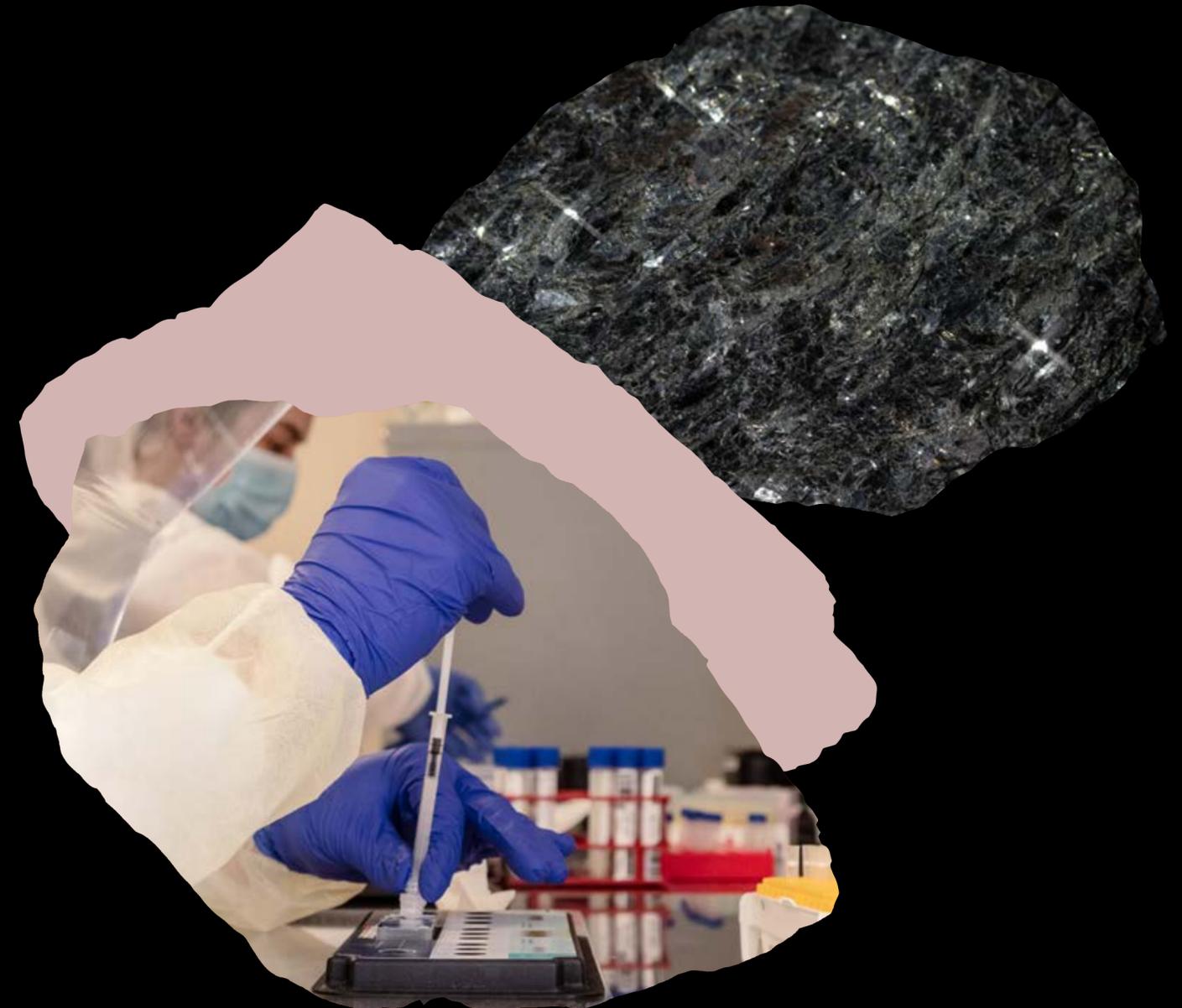
Screening tests are carried out by recognized health professionals who have been specially hired for screening centre operations.

REDUCE CONTAMINATION RISKS FOR EMPLOYEES AND SUBCONTRACTORS

Starting in the spring of 2020, in the context of COVID-19-related challenges, Champion implemented measures to reduce the risks of contamination among employees and subcontractors, including the following:

General measures

- Establishment of an executive committee to monitor and adapt to the ongoing challenges created by COVID-19.
- Adapted work environments and implementation of safety rules and protocols.
- Establishment of a contingency plan for each sector of activity in the event of multiple detections of COVID-19.
- Disinfection stations across the mine site and adoption of social distancing protocols.
- Employee contact register to trace potential infections and initiate the management protocol for suspected cases.
- Mandatory information session for new contractors and employees and the communication of updated measures.
- Monitoring COVID-19 measures that contractors have implemented.
- Monthly and daily review to examine the effectiveness of the measures adopted by the Company.



REDUCE THE RISK OF CONTAMINATION OF EMPLOYEES AND SUBCONTRACTORS (CONT'D)

Air Transport

- All non-essential travel has been canceled and banned.
- All employees must complete a health and travel questionnaire before boarding one of our planes.
- Each person's body temperature is taken and confirmation of the absence of COVID-19 symptoms or risk factors is required just before boarding.
- All employees and contractors board and disembark the aircraft in Wabush directly from company buses, authorized specially to drive onto the tarmac, eliminating the need for anyone to enter the local airport terminal in Labrador.
- Addition of air transport capacity, allowing for adequate social distancing during transport.
- Buses that commute from Wabush Airport to the mine site do not make any stops in Labrador communities.

Accommodation complex in the host community

- Additional hygiene stations for thorough hand-washing were installed in the cafeteria.
- Cafeteria seats were rearranged to respect recommended social distances.
- Markers were added to the floor to reinforce social distancing in the cafeteria line-up.
- A protocol for managing those with symptoms of COVID-19 was established with a doctor.
- Isolation rooms were put in place to preventively isolate anyone presenting symptoms.
- All foods individually packaged in take-out portions to avoid buffet service.

MINIMIZE CONTACT WITH THE HOST COMMUNITY

Champion has implemented measures to minimize contact between people working for the company and the host community. The following are among the measures we have implemented:

- Commuting employees and subcontractors who live in the Champion accommodation complex have been issued a directive to avoid the use of public spaces in the host community.
- Contractors from neighboring Newfoundland and Labrador are isolated from our staff to avoid potential contamination on either side.
- Self-isolation from the workforce for anyone with symptoms.
- Working closely with local health authorities to determine how to best support broader government and community efforts in the fight against COVID-19.

STATISTICS

Our employees and subcontractors made a total of 11,000 commuting trips to the Bloom Lake Mine site in 2020.

All cases of infection were detected and managed promptly avoiding serious outbreaks. Champion did not report any mortalities related to the COVID-19 pandemic in the context of its activities in 2020.

PERSPECTIVE 2021

Since the onset of the pandemic, Champion has consistently and proactively deployed several measures in an effort to mitigate the risks of COVID-19, either through following or exceeding government guidelines.

In 2021, Champion will participate in the establishment of a vaccination centre in the Côte-Nord region in collaboration with mining industry peers. The collective effort to establish this vaccination centre will support the initiative of the Government of Quebec to increase vaccination capacity in the region by providing local communities with better access to vaccinations.

Despite the acceleration of COVID-19 vaccination efforts in the province of Quebec, Champion will continue to apply all of its COVID-19 management measures as long as required by the situation and government directives.







PERFORMANCE 2020

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HEALTH, SAFETY AND WELL-BEING



Luc Carrier

Nurse, Health Service

One of the great values that drives me at QIO is Transparency: enforcing our standards and respecting the same treatment for all. Ingenuity too: you have to innovate, adapt, think, because every day is different and brings its share of new things.

“The better I do my job and perform in prevention work, the fewer employees are injured!”



HEALTH, SAFETY AND WELL-BEING

IMPORTANCE FOR OUR STAKEHOLDERS

It is important to our stakeholders that we work to implement ways to minimize the risks of incidents related to the health and safety of our human capital and that we promote healthy working conditions for everyone.

IMPORTANCE FOR US

Champion believes that our organization's main strength is our human capital, and we therefore believe that the success of our business depends on our employees' good health. This is why we prioritize a safe workplace that minimizes health and safety risks and encourages the development of programs that stimulate well-being. Champion wants all employees to go back home to their families in good health.

OUR APPROACH

At Champion, the health, safety and well-being of our staff is always on our minds. The Company believes that every employee must be actively engaged in our health and safety culture, which promotes proactive behaviour that goes beyond simply meeting regulatory requirements. We strive to make people care deeply about a preventive approach so that they adopt it voluntarily.

Champion believes that all occupational injuries and illnesses can be avoided. That is why risk management is central to our approach.

The company has implemented an occupational health and safety (OHS) management system based on the provisions of international standard ISO-45001. All Champion employees and sub-contractors as well as other persons entering the mining sites must comply with the provisions of this OHS.

We also recognize that health and safety management systems and processes mean nothing without a sustained commitment

from everyone in the organization. This is why Champion relies first and foremost on leadership that fully assumes its responsibilities and supports rigorous principles of occupational health and safety and the well-being of individuals. The Company also encourages the full and active participation of all of its employees and business partners in the uncompromising application of the highest standards of occupational health and safety. In addition to striving to establish a healthy and safe work environment for all of our employees and subcontractors, we also equip them with the necessary tools and training so that they can take ownership of their health, safety and well-being.

Continuous monitoring and evaluation of health and safety performance is an integral part of the Company's approach and we encourage the reporting of all types of incidents in order to obtain a clear picture of our performance and thus be able to target relevant areas for improvement.



OUR STRATEGIES

Champion’s approach is centered above all on the individual and their behaviour. The Company’s global strategy is to identify, develop and implement ways to make individuals feel shared responsibility for their health, safety and well-being and have them cultivate maximum leadership in this area.

Short term (2020–2021)

IN PROGRESS

- Continue to lay the foundations of the OHS management system to keep fostering the development and maintenance of a culture of long-term health, safety and well-being for employees.
- Implement appropriate ways to manage the COVID-19 pandemic and the post-pandemic period, including commitments with our stakeholders.

ON A CONTINUOUS BASIS

- Implement ways to develop individuals’ knowledge and skills in terms of health and safety by prioritizing topics related to top risks in this area.

Medium term (2022–2024)

ON A CONTINUOUS BASIS

- Invest in initiatives focused on shared responsibility to facilitate the cooperation of all players in applying safe and secure practices and strengthen the commitment and collaboration of individuals in achieving our health, safety and well-being objectives.

TO COME

- Review training courses and programs to ensure that employees are provided with the latest relevant developments and encourage them to challenge our approaches, attitudes and beliefs in health and safety with a view to continuous improvement.

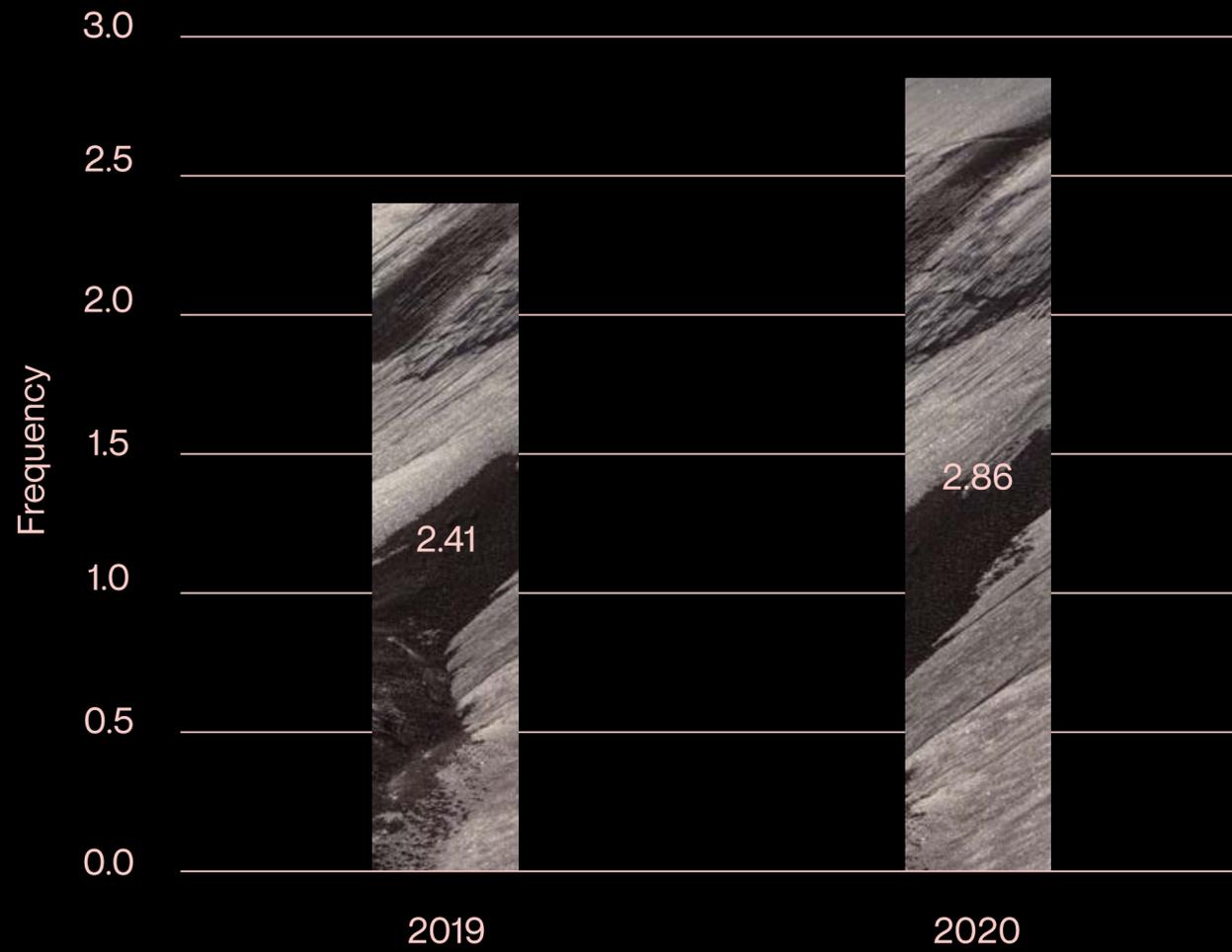
TO COME

Long term (2025–2030)

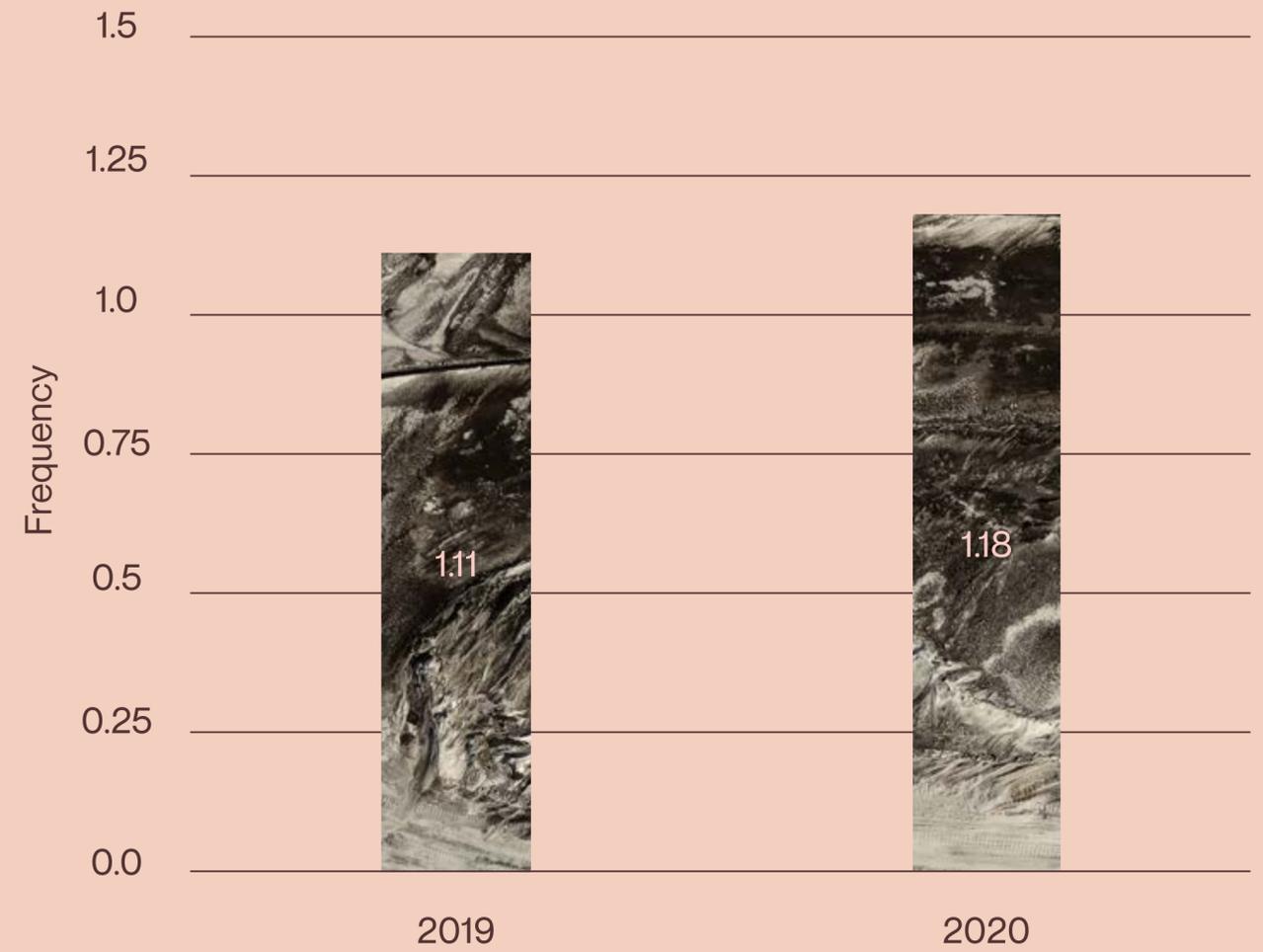
- Maintain efforts to continually strengthen our culture of health, safety and well-being.
- Transfer acquired expertise and knowledge to the community in order to prepare our OHS leaders of tomorrow.

PERFORMANCE INDICATORS

Total recordable injury frequency events⁽⁹⁾



Lost time injury frequency⁽⁸⁾



⁽⁸⁾ Values reported over 200,000 hours worked (excluding contractors and subcontractors), based on the international standard set by the Occupational Safety and Health Administration.

⁽⁹⁾ Total frequencies for all open pit mines in the province of Quebec that are members of the Quebec Mining Association (QMA). Published by the QMA in 2021.

2020 PERFORMANCE

In 2020, the recordable event frequency rate was 2.86 per 200,000 hours worked.

Compared to the previous year, a total of 4 additional events (three accidents and one medical consultation) occurred in the context of COVID-19, which resulted in an increase in the frequency of recordable events of 0.45 per 200,000 hours worked in 2020.

The lost-time injury frequency was 1.18 in 2020, which is similar to the previous year.

A total of 50% of lost-time incidents in 2020 are related to back injuries. The most frequent injury site was to fingers at 26% of events, followed by the back at 15.5% and leg injuries at 14%.

Pursuant to workers' compensation claims accepted by Quebec's occupational health and safety board, the CNESST, no work-related illness was observed among QIO employees in 2020 ⁽¹⁰⁾.

⁽¹⁰⁾ Statistics based on employees of QIO, thus excluding contractors and subcontractor data.



OCCUPATIONAL HEALTH SERVICE

The Bloom Lake Mine has its own occupational health service, which helps identify and eliminate hazards and minimize risks to workers' health. Service is provided on the mine site by qualified nurses 365 days a year, which facilitates access to service for the staff. Two more nurses were added to the occupational health service team in 2020, which now consists of a company doctor and four nurses.

In addition to its management of the exceptional situation of the COVID-19 pandemic described in Chapter 5, Champion strives to continuously improve its assessments of other risks to the occupational health and safety of employees through monitoring and exposure controls.

The most common occupational diseases in the mining industry are mainly associated with hearing loss and respiratory illness.

Champion has implemented programs to manage these two issues. These programs help employees know the condition of their hearing and their lungs, understand how they can be affected in the workplace, and take appropriate measures to prevent the occurrence of additional or irreversible damage.

In 2020, a total of 151 audiometric tests were performed with employees directly on the Bloom Lake Mine site.

Champion also began implementing a program to provide workers with custom earplugs.

In addition to maximizing the effectiveness of hearing preservation measures for employees, this program facilitates the use of hearing protection and promotes diligence in their daily use.

Following the Company's acquisition of a spirometric device in 2019, the implementation of the pulmonary health program continued in 2020

with the establishment of the baseline pulmonary health status of 96% for Bloom Lake Mine site workers.

Finally, the simulation exercise program for rescuers and first responders continued in 2020. This program enables theoretical learning to be put into practice and optimizes the preparation of rescuers and first responders for eventual interventions.

HAZARD ASSESSMENT

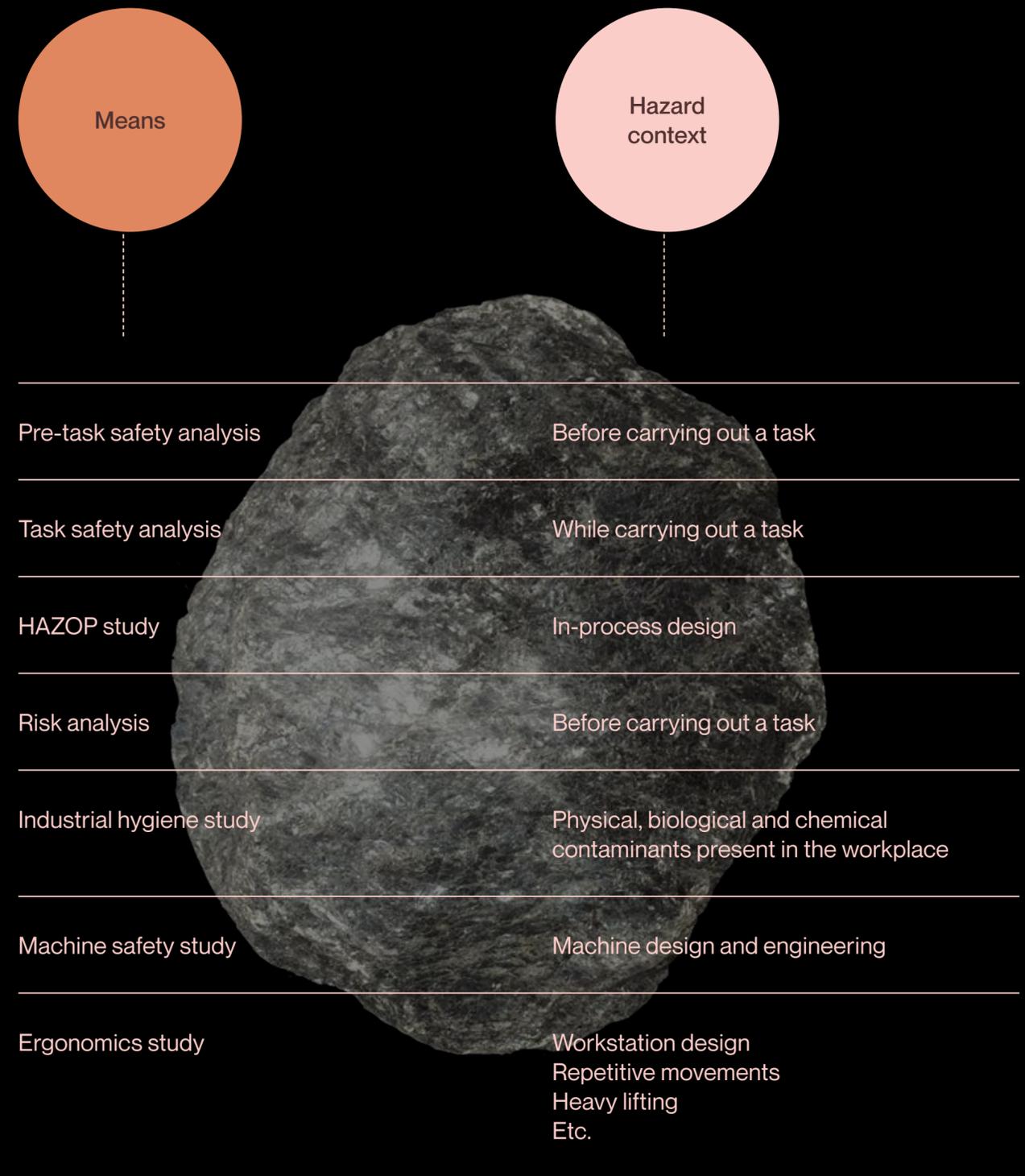
Our biggest security challenge is ensuring that everyone makes the right decisions each day. Therefore, risk assessment and the proactive identification of hazards are of paramount importance in helping everyone do this on a daily basis.

Champion uses different means to detect dangers individuals may face, such as the analyzes and studies mentioned in the next table.

In 2020, special attention was paid to managing COVID-19 infection risks. The risk analysis carried out made it possible to identify common areas, sharing of work tools and the transport of groups as elements posing the highest risks of infection. These risk conditions have been the subject of rigorous control measures in order to minimize cases of infection.

Champion employees conducted a total of 162 task safety analyses in 2020, which make it easier to identify hazards associated with performing a job and improve the way in which the task is performed, while minimizing risks in the future.

A total of 46,355 pre-task analyses were also conducted in 2020. This tool is used to identify risks and hazards before starting a job and help employees mitigate their exposure to health hazards and safety risks ahead of time.



At Champion, any worker can and must withdraw from any work situation that, in their opinion and in good faith, could cause injury⁽¹²⁾ or affect their health. This is done with the assurance of not being subject to any reprisals.

⁽¹²⁾ Subject to the guidelines and recommendations of local public health authorities.

INSPECTION AND AUDIT

Champion's inspection and audit program makes it possible to examine and verify the compliance of the working environment, equipment, tools and materials used in relation to established standards. Inspections and audits provide a valuable source of feedback on the effectiveness of work methods and procedures, engineering, communications and a variety of other aspects associated with occupational health and safety.

In 2020, the program put priority focus on the surveillance and monitoring of the workers' implementation of protective measures against the COVID-19 virus.

REPORTING INCIDENTS AND HAZARDS

Reporting incidents and hazards, even if they seem minor, is an important element of Champion's approach since it allows us to assess the risks to which our human capital is exposed and to take appropriate corrective measures before injuries or incidents occur. Champion strongly encourages its employees and contractors to report incidents and hazards.

In 2020, a total of 278 reports of potentially hazardous conditions were filed by Champion employees. These reports greatly contribute to the prevention of incidents, while also testifying to employee commitment to the Company's health and safety culture.

JOINT OHS COMMITTEE

A joint OHS committee composed of workers and management representatives is in place to help maintain safe workplaces. This is a valuable tool that allows Champion employees to take part in the safety decision-making process.

The committee meets at least once a month and is responsible for monitoring and improving the prevention program.

The committee ensures:

- The assessment of occupational health and safety performance
- That appropriate recommendations are made
- That managers are supported in applying the prevention program
- Participation in risk assessment
- Participation in establishing health and safety training and information programs that meet the organization's needs.

TRAINING

Successfully implementing a culture of health, safety and well-being is directly linked to individuals' awareness on the subject.

Therefore, it is important for Champion to train employees on the various technical and behavioural aspects of OHS to raise awareness and increase their sense of responsibility.

In 2020, Champion deployed a training and awareness program on the COVID-19 virus to inform staff about the dangers of the virus, to communicate the guidelines and measures implemented by the Company in order to mitigate risk of infection, and to mobilize employees to diligently adopt appropriate preventive behaviours to counteract the spread of the virus.

RISK AND OPPORTUNITY MANAGEMENT

The COVID-19 pandemic of 2020 has influenced everyone's daily life and occupied a large part of Champion's attention and efforts in terms of the health, safety and well-being of individuals. The Company has worked tirelessly to apply the maximum means to protect its employees as well as members of Indigenous groups and host communities from the risk of coronavirus infection.

At the same time, in order to avoid slackening the management of other occupational health and safety risks, Champion quickly set up a daily meeting program within the work teams, which aimed to

ensure that they maintain a high level of attention and concentration on occupational health and safety issues on a daily basis.

These special meetings made it possible to maintain compliance with OHS standards, processes and company procedures, contributing to limiting the risk of incidents throughout the year.

Champion also seized the opportunity offered by the COVID-19 crisis to consolidate its health and safety culture with its managers. In fact, the company rolled out an awareness program aimed at reiterating the importance of

its health and safety culture and promoting rigorous principles of occupational health and safety and the well-being of individuals.

In this context, the general manager of the Bloom Lake Mine site personally met with mine managers to discuss the following subjects with them:

- How managers can make a difference in day-to-day health and safety practices.
- The importance of entering into a relationship with individuals to address health and safety issues and the positive impact that this relationship can have on the deployment of the Company's health and safety culture.
- The employer's duties in matters of occupational health and safety and the need to have strict and respected rules and standards in this regard.

EXTERNAL COMMITMENTS

UN SDG

	Description	Target	What we do	
 <p>3 GOOD HEALTH AND WELL-BEING</p>	<p>Good Health and well-being</p> <p>Ensure healthy lives and promote well-being for everyone at all ages</p>	<p>Not applicable</p>	<p>Champion supports the achievement of Goal 3 through the implementation of occupational health and safety programs which aim to monitor and control the exposure of human capital to risks: hazard assessment, inspection, audits, incident reports and investigations, joint OHS committee and training. Our approach seeks to protect the long-term health and well-being of employees.</p>	<p>The establishment of a COVID-19 screening laboratory on the mining site and the implementation of a multitude of measures (see chapter 5) aimed at protecting employees and members of Indigenous groups and host communities from COVID-19 infection have helped maintain the health and well-being of individuals of all ages.</p>
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<p>Decent work and economic growth</p> <p>Promote inclusive and sustainable economic growth, employment and decent work for all</p>	<p>8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, particularly women migrants and those in precarious employment situations.</p>	<p>Champion supports the achievement of Goal 8 by putting in place strategies aimed at identifying, developing and implementing the means to jointly empower individuals in relation to their health, safety and well-being and to help them to develop maximum leadership in this area.</p>	<p>The implementation of a multitude of measures (see chapter 5) aimed at protecting employees and members of Indigenous groups and host communities from infection with the COVID-19 virus have promoted the protection of all workers, both locally and regionally.</p>

EXTERNAL COMMITMENTS (CONT'D)

ICMM MP

	Description	Target	What we do	
 Health and safety	Pursue continual improvement in the health and safety performance with the ultimate goal of zero harm.	<p>5.1 Continually improving health and safety Implement practices aimed at continually improving workplace health and safety and monitor performance for the elimination of workplace fatalities, serious injuries and prevention of occupational diseases, based on recognized international standards or management systems.</p> <p>5.2 Provide health and safety training Provide workers with training in accordance with their health and safety responsibilities and implement health surveillance and risk-based monitoring programmes based on occupational exposures.</p>	<p>Champion supports Principle 5 by continuously monitoring and evaluating its occupational health and safety performance through audits and inspection programs. We encourage the reporting of all types of incidents in order to obtain a fair picture of our health and safety performance and thus be able to target relevant areas for improvement.</p> <p>Champion also strives to establish a healthy and safe work environment for all of its employees and subcontractors and to equip them with the necessary tools and training so that they are able to take responsibility for their health and safety.</p>	<p>The implementation of a multitude of measures (see chapter 5) aimed at protecting employees from infection with the COVID-19 virus made it possible to limit the impact of the situation of the pandemic on their health and safety.</p> <p>A special health and safety awareness program was rolled out to managers in 2020 to further propel Champion's health and safety culture and support the principles of continuous improvement of the Company's OHS performance.</p>

TMS SDP

Safety and Health	The purpose of the protocol is to guide institutions in assessing their health and safety performance against commitments and obligations, developing and implementing a plan, training, behaviour and culture, monitoring, reporting and performance.	Not applicable	Implementation of occupational health and safety processes and tools at the Bloom Lake Mine began as soon as the site was acquired in 2016.	Champion aims at ensuring that the measures put in place comply with the TMS health and safety protocol.
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PERSPECTIVES FOR 2021

In 2021, Champion will once again focus its efforts on maintaining measures to minimize the risk of infection of employees and members of Indigenous groups and host communities with the COVID-19 virus.

All occupational health and safety processes and associated training will be reviewed to ensure their adequate deployment as part of the start-up project for the second concentrator at the Bloom Lake Mine site, scheduled for 2022.

Champion also plans to deploy the Link-to-Gate module of the web platform for managing contractors working at the Bloom Lake Mine site in 2021. This module will ensure close monitoring of the qualifications and training required for contractors' employees before they enter the site to perform any work. This approach aims to upgrade supervision and improve the OHS performance of contractors working at the Bloom Lake Mine site.



Mario Aubé

Laborer, Mine maintenance,
mechanical workshop

I participate in the Company's efforts in occupational health and safety and the environment, both in prevention and in reaction: keeping the mechanical workshop clean, classifying and storing hazardous materials correctly, all the while focusing on accident prevention.

“I have rarely seen a place where the working atmosphere, the brotherhood and **RESPECT** are so present.”





BUSINESS ETHICS



Joël Crépeau

Superintendant,
Projects & Innovation

What motivates me the most on a daily basis is the impact I can have on the organization, either directly by leading projects, or indirectly by supporting colleagues.

“I believe Champion has the potential to modernize the iron industry as a whole, even make it sustainable, and I would love to be a part of it!”



BUSINESS ETHICS

IMPORTANCE FOR OUR STAKEHOLDERS

It is important to our stakeholders for us to clearly articulate corporate governance practices and act transparently when disclosing our report on the Corporation's performance, trends and results. Our stakeholders expect Champion to act in accordance with applicable laws, to implement anti-corruption policies and practices and to transparently disclose payments made to government and political bodies.

IMPORTANCE FOR US

Champion's reputation and the trust of those with whom we do business are among our most important assets. This is why it is essential for Champion to conduct its business with the highest standards of integrity, transparency and excellence. This helps ensure good business practices and appropriate behaviour with individuals, both internally and externally, and maintain and protect Champion's reputation as an ethical and law-abiding company.

OUR APPROACH

We believe that, when a company adopts and deploys ethical safeguards, everyone benefits. Being trustworthy, frank and consistent in our relationships with others fosters a positive work environment. An honest business inspires confidence in employees, customers, shareholders, suppliers and the wider community.

To support this approach, Champion uses a variety of tools such as policies, training, charters, codes and procedures to foster and maintain a corporate culture encouraging ethical behaviour and compliance with our obligations. Whatever the field of activity or the level of responsibility, any employee, director and officer, as well as any subcontractor having a relevant contractual obligation, must respect Champion's compliance obligations along with applicable laws and regulations.

OUR STRATEGY

Champion's strategy is based on raising awareness about business ethics and reaching all of its employees. The Company is committed to increasing ethical behaviour and reducing unethical behaviour.

To increase ethical behaviour, Champion relies on the deployment of corporate values, leadership and organizational culture. We also ensure good communications and training for our staff. To reduce unethical behaviour, the Company focuses on the implementation of systems, guidelines, procedures, policies and codes of conduct.

PERFORMANCE INDICATORS



\$147.1M

Payments to government authorities

PERFORMANCE IN 2020

The Company uses corporate governance policies to ensure the implementation of suitable internal mechanisms to position Champion Iron Limited and its subsidiaries in such a way as to optimize results and shareholder value and ensure long-term success. The policies are available on the Champion Iron Limited website.

Champion's corporate governance policies are based on an appropriate and diligent organizational structure, along with governance and accountability mechanisms to reduce risks and negative impacts on the Company and protect its interests. These policies also aim to ensure that shareholders and other stakeholders have access to transparent, clear and concise information about our policies and programs, as well as our performance, trends and results.

Champion's Board of Directors adopted a whistleblower policy in 2020. The purpose of this policy is to frame the implementation of the processes associated with the reception, retention and processing of complaints the Company receives about accounting, internal accounting controls and auditing or any dishonest behaviour or behaviour that contravenes company policies or applicable laws and regulations.

The policy is also used for the confidential and anonymous submission of complaints or concerns about such matters by employees of the Company and its subsidiaries or any other eligible whistleblower as defined in the policy.

Champion's corporate governance policies include the following:

- Board of Directors' charter
- Board performance evaluation policy
- Code of conduct
- Audit committee charter
- Remuneration and nomination committee charter
- Environment, social and governance committee charter
- Mandate of the Chief Executive Officer
- Diversity policy
- Continuous disclosure policy
- Shareholder communication policy
- Trading policy
- Majority voting policy on the election of directors
- Whistleblower policy

MISCONDUCT REPORTING

In accordance with company policies, everyone working at Champion has a duty to promptly report any situation in which policies or the law appear to have been violated.

Anyone working at Champion who violates any law or any of Champion's policies or procedures may be subject to disciplinary action, up to and including termination of employment.

In 2020, one event related to a potential violation of the code of conduct was filed. The case was addressed with the utmost diligence. No one was fired for violating the Code of Conduct in 2020.

FINES AND PENALTIES

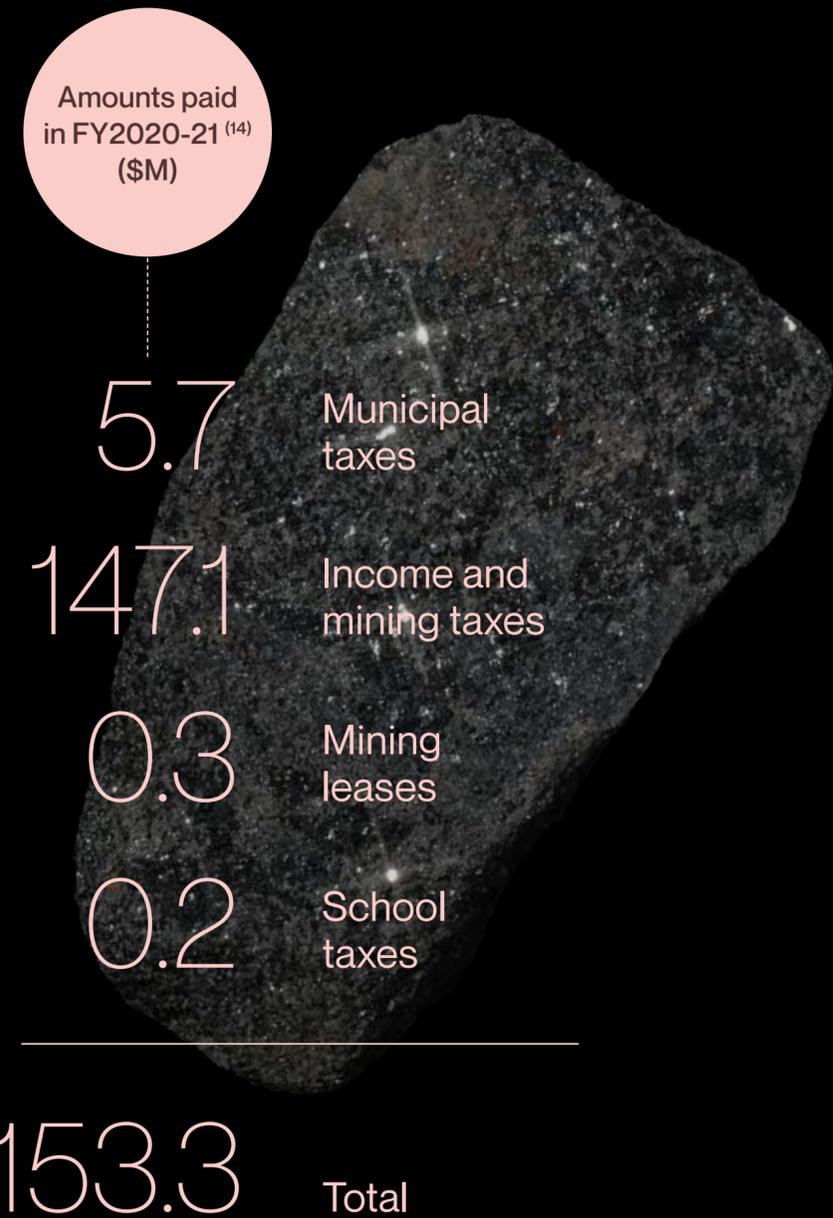
Champion was not subject to any fines, penalties or prosecutions related to business ethics in 2020.



GOVERNMENTS PAYMENTS

We support the objectives of the ICMM and GRI's Extractive Industries Transparency Initiative and its principles of transparency and accountability for government payments. Our commitment to act ethically in relation to government payments involves compliance with the external reporting requirements of the Extractive Sector Transparency Measures Act in Canada and the Act Respecting Transparency Measures in the Mining, Oil and Gas Industries in Quebec.

The payments we made to various levels of government include mining taxes, municipal taxes, school taxes and annual income and mining lease duties. During this same period, we made government payments totalling \$153.3 million.



RISKS AND OPPORTUNITIES

The activities carried out by Champion require permits and authorizations from various government authorities.

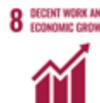
The Company holds all of the permits and authorizations required to conduct its current activities in compliance with applicable laws and regulations. However, given the evolution of the Company's activities and the regular updating of its mining plans, these permits are subject to changes or updates.

In 2020, with preparations underway for the start of Phase 2 of the Bloom Lake mine operations, scheduled for 2022, Champion took the opportunity to review its permits and authorizations and make any necessary changes ahead of time. This has enabled the Company to ensure that it acts in a way that respects the laws and regulations in force while implementing responsible and ethical practices.



COMMITMENTS

UN SDG

	Description	Target	What we do
 <p>5 GENDER EQUALITY</p>	<p>Gender equality</p> <p>Achieve gender equality and empower all women and girls</p>	<p>5.1 End all forms of discrimination against women and girls everywhere.</p>	<p>We support the achievement of Goals 5, 8, 10 and 16 in the following ways:</p> <p>We consider the actual or potential subjective impacts of our activities and strategic decisions on stakeholders and we try to minimize any problems our operations may cause to individuals and communities.</p> <p>We use fair and equitable human capital management practices, regardless of race, gender, sexual orientation or any other ground for discrimination. Champion also ensures that measures are implemented to prevent harassment or reprisals.</p> <p>We have implemented mechanisms ensuring that the actions of individuals internally, including their behaviour towards the external environment and the responsibilities of the Company towards Champion Iron shareholders, individuals and communities are managed ethically, honestly and in a non-discriminatory and legal manner.</p>
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<p>Decent work and economic growth</p> <p>Promote inclusive and sustainable economic growth, employment and decent work for all</p>	<p>8.5 By 2030, achieve full and productive employment and decent work for all women and men, including young people and persons with disabilities, and equal pay for work of equal value.</p> <p>8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.</p>	<p>We make a positive contribution to the progress of communities.</p> <p>Champion takes measures to minimize, and eliminate if possible, the harmful effects of its activities on the health of its employees and subcontractors as well as on the environment and the biodiversity of the environments in which it operates.</p>
 <p>10 REDUCED INEQUALITIES</p>	<p>Reduced inequalities</p> <p>Reduce inequality within and among countries</p>	<p>10.3 Ensure equal opportunity and reduce inequalities of outcome by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action.</p>	<p>We have implemented mechanisms ensuring that the actions of individuals internally, including their behaviour towards the external environment and the responsibilities of the Company towards Champion Iron shareholders, individuals and communities are managed ethically, honestly and in a non-discriminatory and legal manner.</p>
 <p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p>	<p>Peace, justice and strong institutions</p> <p>Promote just, peaceful and inclusive societies</p>	<p>16.5 Substantially reduce all forms of corruption and bribery.</p> <p>16.b Promote and enforce non-discriminatory laws and policies for sustainable development.</p>	

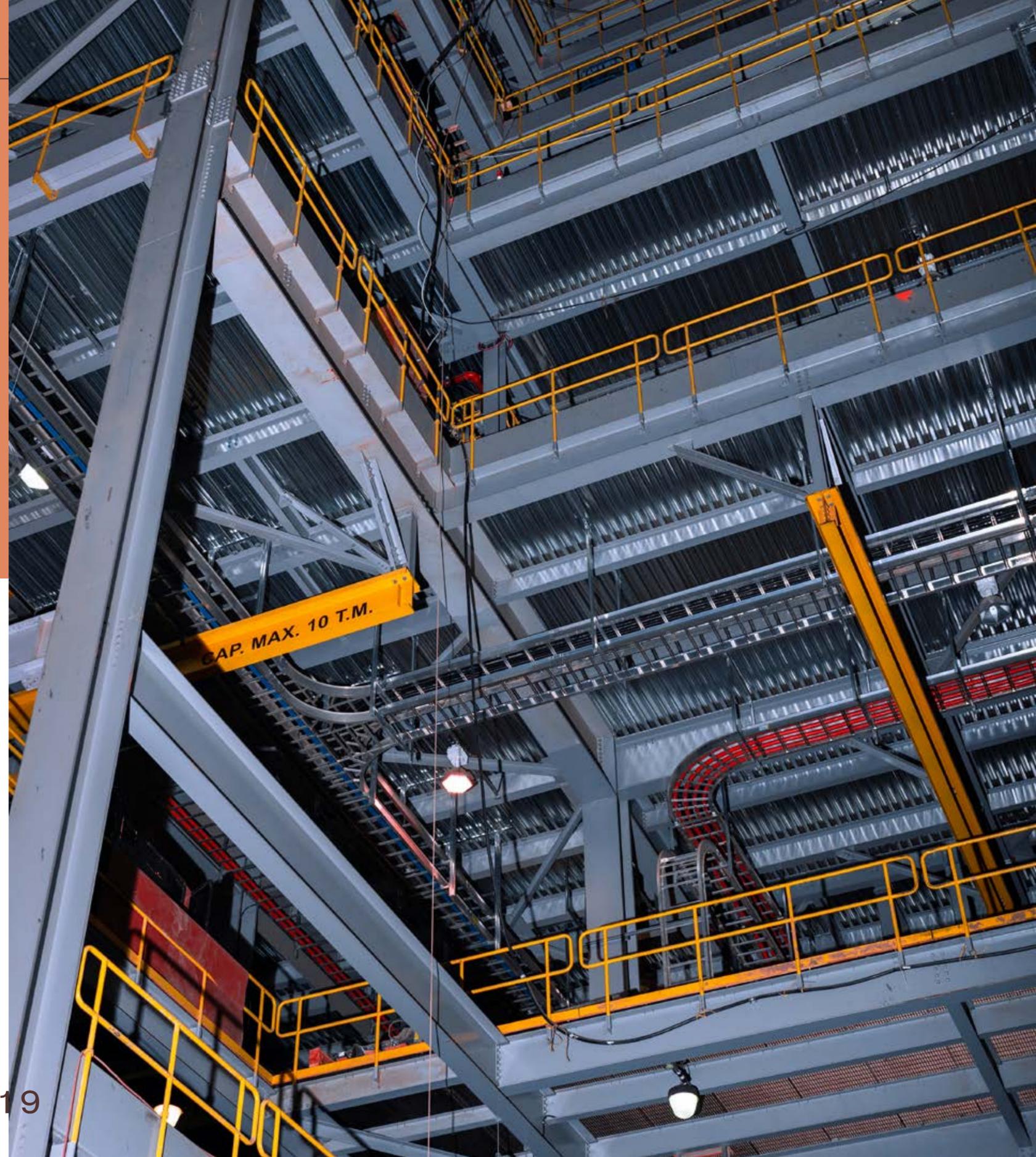
COMMITMENTS (CONT'D)

ICMM MP

	Description	Target	What we do	
 Ethical business	Apply ethical business practices and sound systems of corporate governance and transparency to support sustainable development	<p>1.1 Legal compliance Establish systems to maintain compliance with applicable laws.</p> <p>1.2 Preventing corruption Implement policies and practices to prevent corruption and publicly disclose facilitation payments.</p> <p>1.4 Assign accountability for sustainability performance at the Board and/or Executive Committee level.</p> <p>1.5 Disclose financial contributions Disclose the value and beneficiaries of financial and in-kind political contributions whether directly or through an intermediary.</p>	<p>We support Principle 1 by committing to conduct our operations and manage our risks in a responsible and ethical manner.</p> <p>We are putting in place mechanisms to adequately assume our ethical responsibilities to Champion Iron shareholders, individuals and communities, including those associated with the prevention of corruption.</p> <p>We are implementing processes to ensure compliance with laws and regulations that apply to our activities, particularly those associated with our environmental practices and the disclosure of information and financial contributions.</p>	<p>We are committed to the health, safety and well-being of individuals and communities in both the short and long term.</p> <p>We are implementing organizational structures as well as governance and accountability mechanisms to ensure adequate business ethics and the application of sustainable development principles throughout the organization.</p>
 Stakeholder engagement	Proactively engage key stakeholders on sustainable development challenges and opportunities in an open and transparent manner, effectively report and independently monitor progress and performance	<p>10.2 Support Extractive Industries Transparency Initiative Publicly support the implementation of the Extractive Industries Transparency Initiative and compile information on all material payments at the appropriate level of government, by country and by project.</p>	<p>We support Principle 10 by supporting the ICMM Extractive Industries Transparency Initiative concerning payments to governments.</p>	

PERSPECTIVE FOR 2021

In 2021, Champion will continue to improve business ethics by refining tools already in place that aim to foster ethical behaviours, such as company policies and training programs.





COMMUNITIES, HUMAN RIGHTS AND SOCIAL ACCEPTANCE



Betty Michel

HR Liaison Officer

Kuei, my name is Betty and I am a proud member of the Uashat Mak Mani-utenam community, one of the indigenous communities that hosts the Champion Bloom Lake mining project.

“For me, sustainable development translates into proactivity and developing good relationships between different cultures.”



COMMUNITIES, HUMAN RIGHTS AND SOCIAL ACCEPTANCE

IMPORTANCE FOR OUR STAKEHOLDERS

Stakeholders expect Champion to respect human rights. They also expect the company to minimize negative social and environmental impacts and maximize the positive benefits it can offer the local economy. Stakeholders also expect us to engage with local communities and Indigenous groups and create long-term partnerships with them.

IMPORTANCE FOR US

Community support and the social acceptability of our projects are necessary to ensure the stability and continuity of our operations throughout their entire lifecycle. These aspects are also essential drivers behind our approach to sustainable development and ensuring respect for our corporate values. Establishing relationships of trust with local communities and Indigenous groups helps us mitigate the impacts of our mining activities and generate benefits for these communities and groups.



FORGING TIES WITH THE COMMUNITIES HAS SHAPED WHO WE ARE

OUR APPROACH

Good relationships with local populations are essential for a socially responsible business. Champion is committed to developing and maintaining excellent relationships to ensure rewarding collaborations that foster an atmosphere of understanding, trust, transparency and mutual respect.

Champion recognizes its duty to minimize the negative impacts of its activities on local communities. We believe that understanding and addressing stakeholder concerns is essential to our ability to mitigate impacts. We are also seeking to ensure that our activities become a catalyst for the sustainable development of the local economy for host communities

and Indigenous groups. We continually try to help create opportunities, value and sustainable growth for and with these communities and groups, all of which will ideally last beyond the lifecycle of the mine.

Community investments are among our commitments and contributions to host communities. We support local initiatives regarding health, culture, hiring, the environment, business support, and community development.

We believe that Champion has a responsibility to respect human rights in the context of its activities. We also recognize and respect the rights, cultures, interests and aspirations of Indigenous groups



and are committed to building strong and lasting relationships with them.

The Bloom Lake site is located on the territory claimed by the Ashuanipi Corporation, which includes the communities of Uashat mak Mani-utenam and Matimekush–Lac John, and therefore lies within the vast ancestral Innu territory called Nitassinan. Champion is very proud to have reached an

agreement on the impacts and benefits of its activities with the community of Uashat mak Mani-utenam in 2017, which also includes provisions providing benefits for the community of Matimekush–Lac John. We believe that this agreement lays the foundation for a solid and positive relationship that will contribute to the sustainable development of Indigenous host groups.

OUR STRATEGIES

Our strategies for relations with Indigenous communities and groups are based on three pillars:

- **Support human rights:**
Integrate respect for human rights into everything we do.
- **Engage with communities:**
Dialogue with communities,

understand their concerns and priorities so they can be taken into account on an ongoing basis, and also maximize collaboration

- **Foster the local economy:**
Contribute to local economic development through local hiring, sourcing and community investments.

Short term (2020–2021)

IN PROGRESS

- Meet members of Indigenous communities and groups to refine our understanding of their concerns about the impacts of our activities, and mutually define successful results and measures.
- Set up intercultural programs to help understand the customs, ideologies and realities of Indigenous groups and thus facilitate relationships and respect for their rights throughout the organization.
- Develop parameters to monitor local and Indigenous employment and supply to establish baselines and stimulate progress.

Medium term (2022–2024)

TO COME

- Work with Indigenous communities and groups to identify and participate in initiatives to support their own socio-economic development goals.
- Support local structuring initiatives aimed at generating ideas, trade, culture, innovation, productivity, social development, etc.

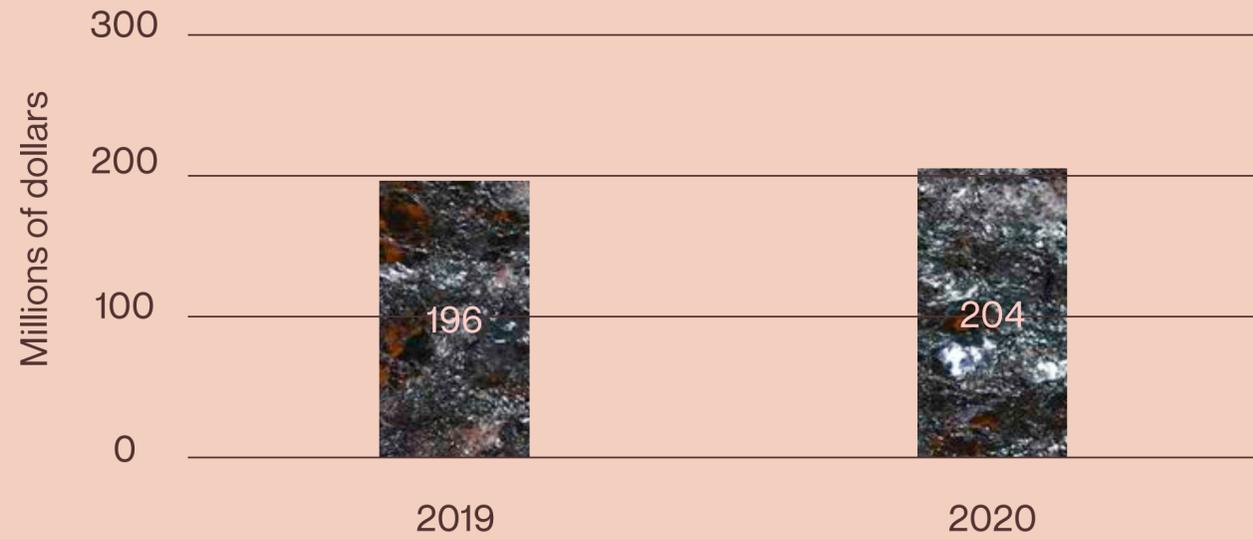
Long term (2025–2030)

TO COME

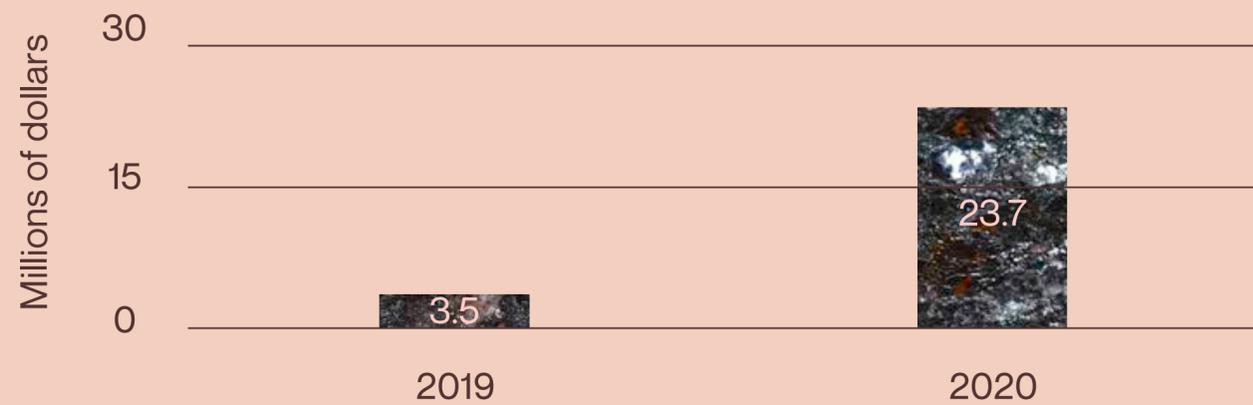
- Develop partnerships with Indigenous communities and groups aimed at creating sustainable value, including long-term social and economic benefits. We must aim to ensure that these benefits extend beyond the lifespan of the mine and try to assure communities that our presence on their territory gives them a more advantageous position with regards to their development and prosperity.

PERFORMANCE INDICATORS FOR 2020

Sourcing from local suppliers⁽¹³⁾

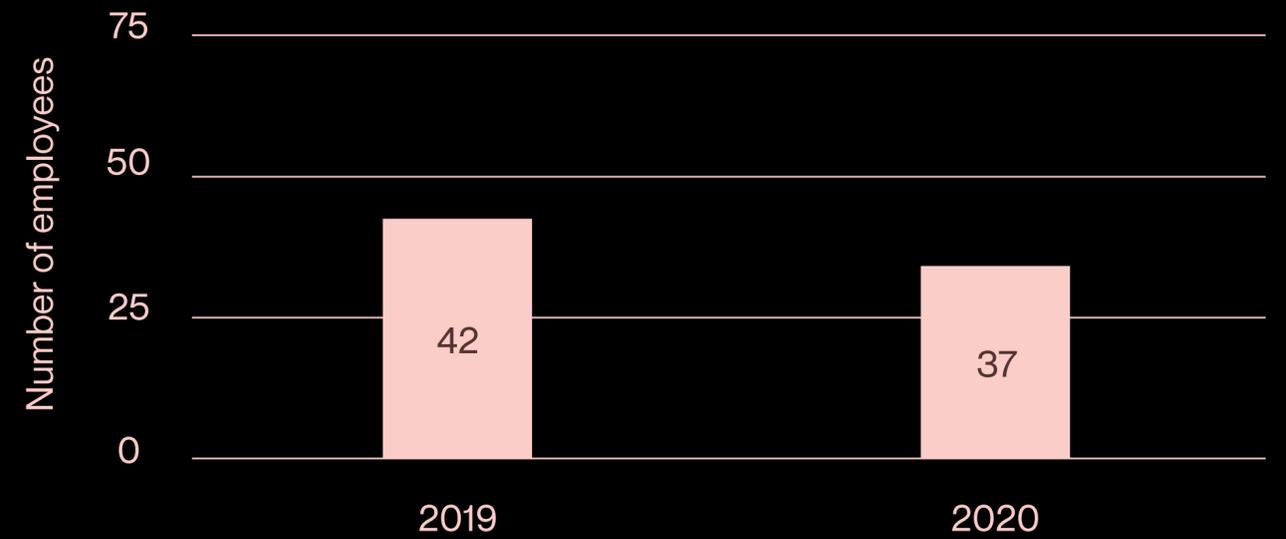


Sourcing from Indigenous suppliers⁽¹⁴⁾

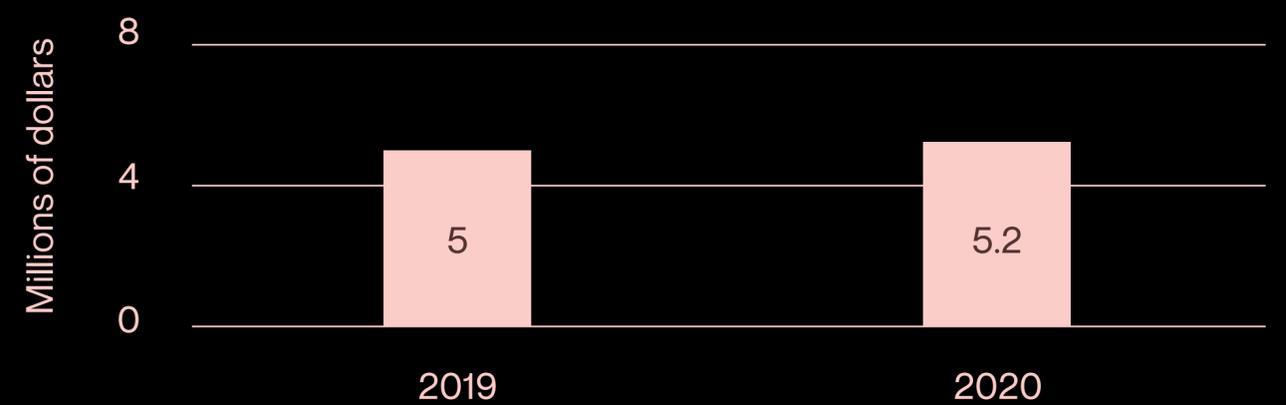


⁽¹³⁾ Suppliers with a business unit in the Côte-Nord region of Quebec.
⁽¹⁴⁾ Indigenous businesses or businesses that are Indigenous partners.

Local and Indigenous jobs⁽¹⁵⁾



Community investments



⁽¹⁵⁾ Includes Indigenous contract workers, interns and regular employees.

PERFORMANCE IN 2020

Indigenous and human rights

Champion implemented a human rights policy in 2020, which affirms the Company's commitment to respecting and protecting, subject to undue hardship, the rights of all persons, including its employees and subcontractors as well as the communities in which it operates and those who may be affected by its activities.

The policy is based on the United Nations Guiding Principles on Business and Human Rights, the International Bill of Human Rights (which includes the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights), and the International

Labour Organization Core Conventions. It is also inspired by the risk management framework of the "Equator Principles".

Champion agrees never to tolerate or ignore, at any time, in any context or under any pretext, behaviours, gestures or words that in any way infringe upon human rights or constitute discrimination or harassment. The Company is also committed to providing a workplace free of all forms of discrimination or harassment, a place where all individuals are treated with dignity and respect.

In 2020, Champion did not receive any reports related to potential or actual violations of human rights related to Indigenous groups or host communities.

Commitment to communities

We recognize the importance of community members being well informed. This is why Champion strives to ensure effective communication with local stakeholders.

A social monitoring program is already in place with the host municipality and Indigenous groups. The objective of this program is to ensure the implementation of coherent measures to mitigate the impacts of our activities on communities and generate lasting benefits for them. The results of the measures and their effectiveness are monitored during mining operations, which allows us to adjust them progressively and ensure that the program objectives are properly met.

The follow-up approach is essentially based on the formation of committees with local and Indigenous stakeholders.

The purpose of these committees is to offer all key players in the communities concerned a platform for discussion and consultation, which allows us to:

- Share and better understand community issues, whether environmental, social or economic
- Identify opportunities to create value or potential benefits that can be advantageous to communities in the short, medium and long term
- Stimulate the development of multi-partnership initiatives
- Share the results of our environmental, social and operational monitoring
- Adjust corporate objectives in order to meet common sustainable development objectives as much as possible
- Ensure a regular and continuous cycle of communication and exchange of ideas.

PERFORMANCE IN 2020 (CONT'D)

Champion participates in socio-cultural events to allow its staff and community members to learn more about each other and thus contribute to creating a meeting place that fosters communication, sharing and collaboration.

Despite the COVID-19 pandemic, Champion made a point of contributing to community organizations such as Cancer Fermont and Centraide. The Company also contributed to community projects such as the repair of vehicle trails used by the host community of the Bloom Lake Mine, the organization of the recognition gala for Indigenous models, as well as the Christmas basket distribution program in the community of Uashat mak Mani-utenam.

Champion also provided the services of two nurses to the Uashat mak Mani-utenam community to support them in managing of the COVID-19 pandemic. A food bank program has also been set up for the benefit of community members during the pandemic.

Relations with host communities and Indigenous groups are excellent. There were no significant disputes or litigation involving Indigenous groups or communities in 2020.

Social acceptance

Champion updated the long-term mining plan for the Bloom Lake mine in 2019. This new plan foresees doubling the exploitation of iron resources compared to the initial plan. In order to support this new plan, Champion will have to expand the waste rock and tailings storage areas.

First and foremost, the Company advocates the avoidance of sensitive environments for the storage of materials, such as water and wetlands.

An alternative solution analysis was carried out by specialized external experts over a period of more than three years so as to determine the best possible location for the expansion of the waste rock and tailings storage areas from an environmental, social and technical standpoint, in order to minimize environmental and social impacts.

The results of this process were the subject of consultations with the communities. Public hearings of the Quebec population were also conducted by the Environmental Public Hearing Office of the Quebec government. A total of more than 70 hours of consultations and hearings were carried out along with the process.

These highlighted the fact that the stakeholders are generally concerned about the use of wetlands and bodies of water provided for in the project. Local cabin owners are more concerned about the impact of the project on their quality of life and the potential loss of enjoyment of their properties in the mine's surrounding area.

Champion will consider comments provided during the consultation process in order to optimize social acceptance of the project.

LOCAL EMPLOYMENT

Employment is one of the ways in which local communities can benefit from our presence on their territory. According to the most recent demographic census data (2016), the population of the town of Fermont is nearly 2,500. The Indigenous groups of Uashat mak Mani-utenam and Matimekush–Lac John represent approximately 3,000 and 600 inhabitants, respectively.

Champion works with the communities to develop and hire as many of their members as possible. The company even offers training for a variety of mining-related jobs to encourage local employment, even for the unskilled. For example, for certain positions, such as mining equipment operator, Champion offers training that combines theory, mentoring and practical exercises in simulators to offer community members high-quality employment opportunities.

Despite local and Indigenous hiring efforts, Champion must hire workers at the regional and national levels to meet its labour needs. This involves a commuting approach on rotating work schedules of 14 days on the mining site followed by 14 days off at home. Employees who commute are housed at Champion facilities in the host community. Aware of the impacts that commuting can have on the community, Champion constantly tries to minimize negative effects and maximize the positive socio-economic benefits of such an approach.

In 2020, the number of local employees represented 3% of our operational workforce, and regional and provincial commuting employees represented 97%. A total of 100% of the senior management of the mining site (general managers and directors) were permanent residents of the province of Quebec.



Hiring and retaining members of Indigenous communities is one of Champion's priorities. Champion hired a total of 25 Indigenous workers as contract workers, interns or regular employees as of December 31, 2020, with a peak

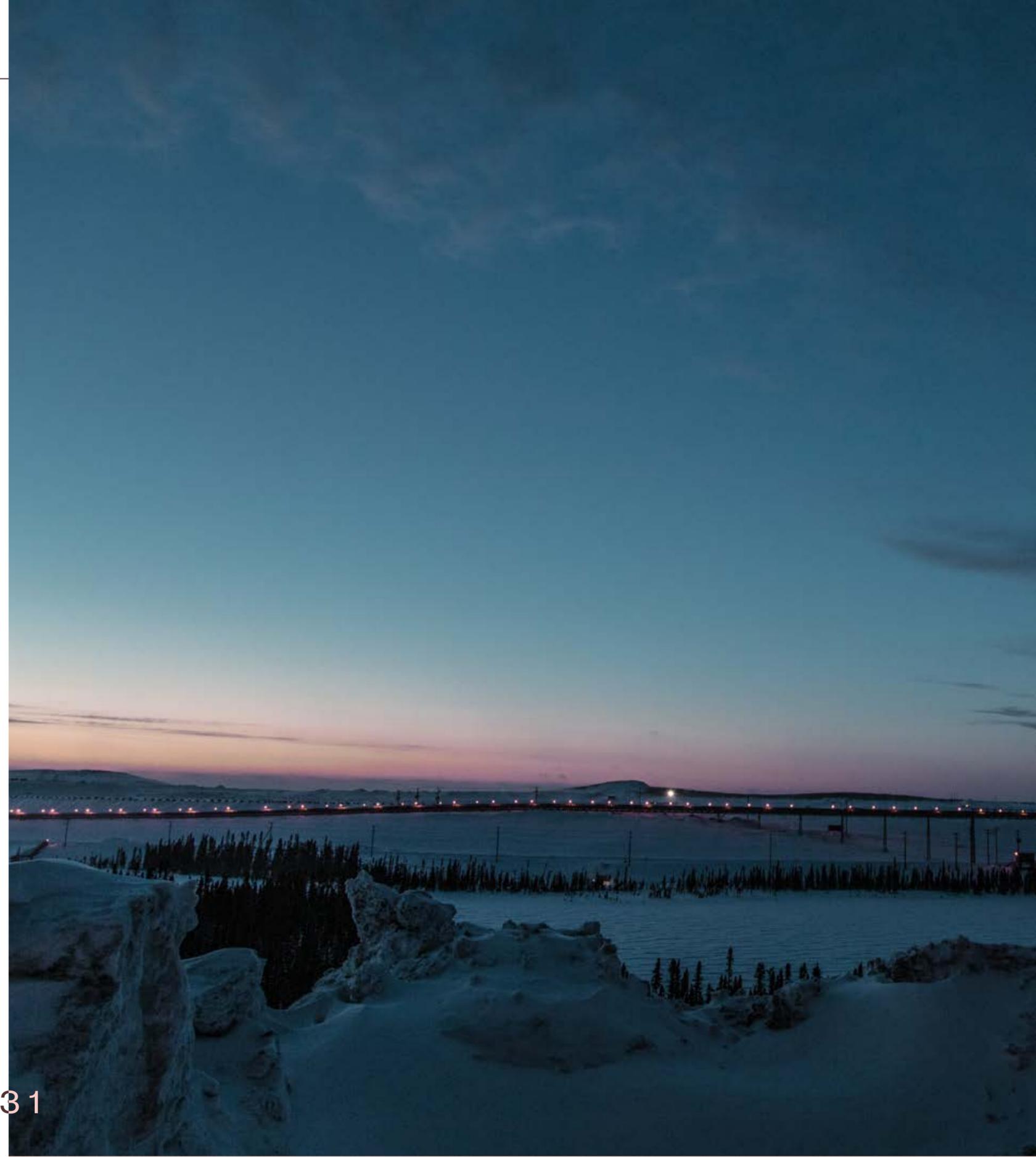
of more than 51 members from Indigenous groups working at the Bloom Lake Mine site in the summer of 2020.

Champion is the largest mining employer of Indigenous people in the Labrador Trough.

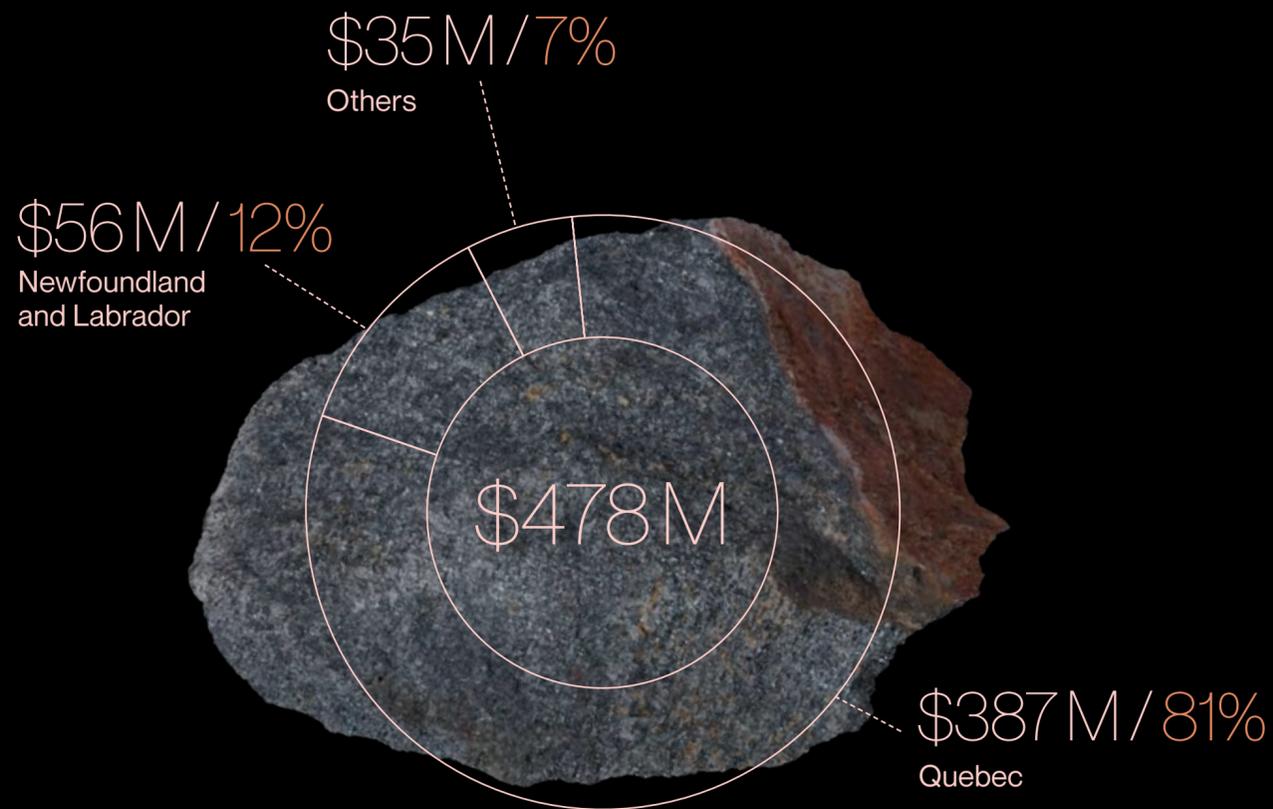
LOCAL SOURCING

Champion recognizes that its presence in the host community can attract, contribute, and create business opportunities. While respecting corporate policies, we try to favour and support local suppliers of goods and services, especially businesses from Indigenous groups or those that are associated with them or support their interests. The Company relies on help from small and medium-sized local and Indigenous businesses to identify business opportunities, submit proposals for competitive services and develop their activities or long-term assets. We work with local chambers of commerce to help build the capacity of local businesses to work with the mine.

During the period, \$387 million in contracts was awarded to companies with business units in the province of Quebec alone, which represents 81% of all contracts awarded by Champion. A total of 43% of the contracts, worth \$204 million, were awarded to companies with a business unit located in the Côte-Nord region, the location of the Bloom Lake Mine site. The company also awarded approximately \$23.7 million in contract values to Indigenous suppliers or partners.



CANADIAN PROVINCES

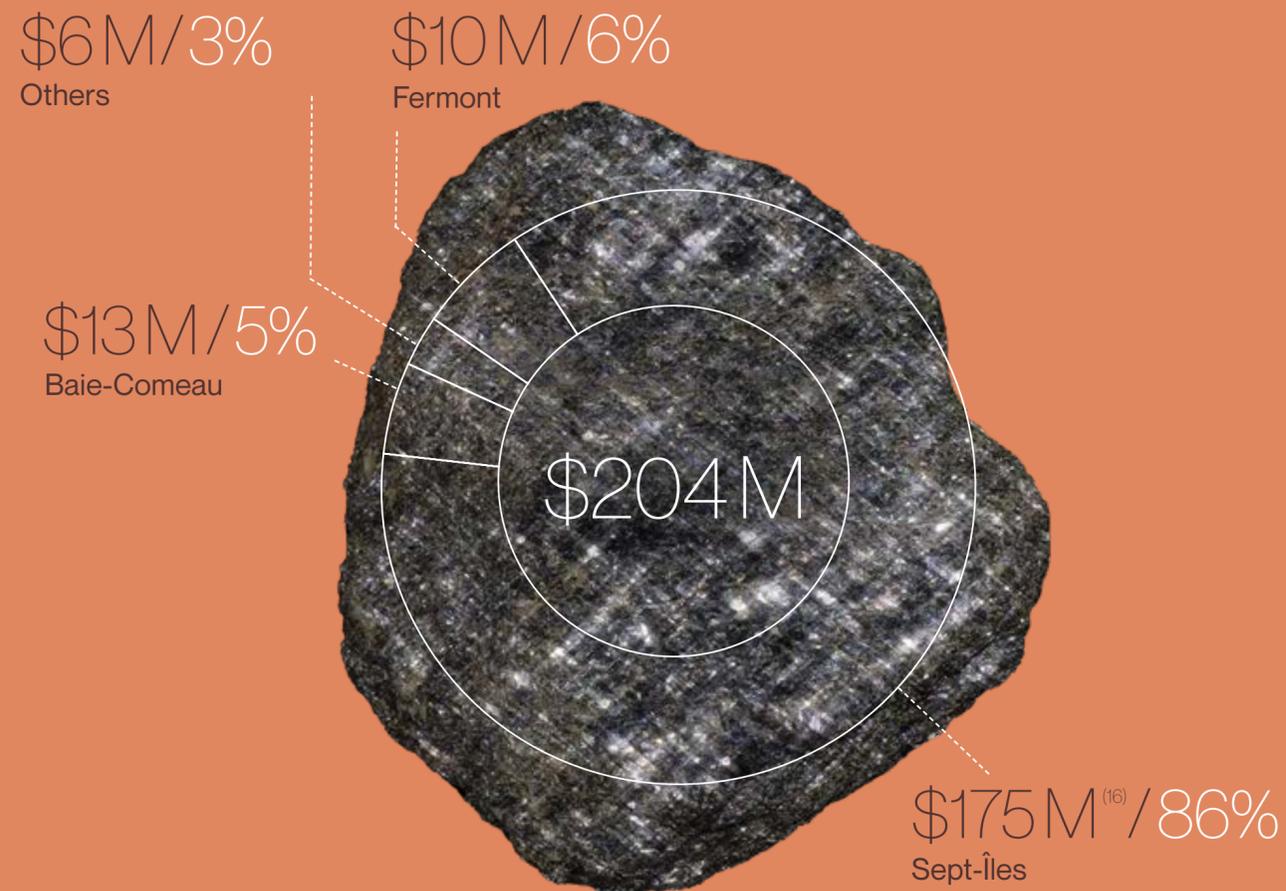


Legend:

Level 1 ● Value of contracts awarded by Champion in FY20-21 (in \$M)

Level 2 ● Breakdown of the value of contracts awarded by Champion in FY20-21

CÔTE-NORD REGION



Legend:

Level 1 ● Value of contracts awarded by Champion in FY20-21 (in \$M)

Level 2 ● Breakdown of the value of contracts awarded by Champion in FY20-21

⁽¹⁶⁾ Including rail transportation and port services contracts.

COMMUNITY INVESTMENTS

At Champion, community investments go beyond local sourcing and hiring. They consist of self-managed contributions from communities for projects and programs that enhance socio-economic development and create benefits and lasting value that will continue after the mine closes. Our community investment spending in 2020 was of \$5.2 million.

RISK AND OPPORTUNITY MANAGEMENT

As a socially responsible Company, Champion recognizes the importance of its involvement in the sustained implementation of ways to minimize the spread of the COVID-19 virus in the Quebec population and the communities in which it conducts its activities. For this reason, from the onset of the pandemic in 2020, Champion has made every effort to minimize the risk of infection among Indigenous groups and in the host community.

Several measures have been implemented, such as those described in chapter 5. Among the specific measures implemented to mitigate community spread are the following:

Communing employees and subcontractors who live in the mine accommodation complex were issued a directive to avoid the use of public spaces in the host community as much as possible.

Contractors from the neighboring province (Newfoundland and Labrador) have been isolated as much as possible from our staff to prevent potential contamination on both sides.

A COVID-19 screening centre has been set up at the mine's accommodation complex to screen for the virus among employees and subcontractors arriving at the mine site and to proactively take the necessary isolation measures as needed.

Close collaboration has been established with local health authorities to determine how to best support broader government and community efforts in the fight against COVID-19.

EXTERNAL COMMITMENTS

UN SDG

	Description	Target	What we do	
 10 REDUCED INEQUALITIES	Reduced inequalities Reduce inequality within and among countries	10.2 By 2030, empower and promote the social, economic and political inclusion of all, regardless of age, gender, disability, race, ethnicity, origin, religion or economic or other status.	We support the achievement of Goal 10 by constantly seeking to increase employment and training for members of Indigenous groups. To do this, we have adapted our	selection approach to hiring to optimally highlight their strengths and their potential contribution at Champion.
 11 SUSTAINABLE CITIES AND COMMUNITIES	Sustainable cities and communities Make cities inclusive, safe, resilient and sustainable	11.7 By 2030, provide universal access to safe, inclusive and accessible, green and public spaces, particularly for women and children, older persons and persons with disabilities.	We support the achievement of Goal 11 through community investments. A total of \$5.2 million was dedicated to community investments in 2020.	
 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Peace, justice and strong institutions Promote just, peaceful and inclusive societies	16.B Promote and enforce non-discriminatory laws and policies for sustainable development.	We support Goal 16 by refusing to tolerate or ignore behaviours, gestures or words that in any way infringe on human and Indigenous rights	or constitute discrimination or harassment. We are also committed to providing a workplace free of all forms of discrimination or harassment.
 17 PARTNERSHIPS FOR THE GOALS	Partnerships for the goals Revitalize the global partnership for sustainable development	17.17 Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships.	We support the achievement of Goal 17 by seeking to support the development of partnerships with local community	stakeholders and Indigenous groups in order to improve the socio-economic vitality of host communities.

EXTERNAL COMMITMENTS (CONT'D)

ICMM MP

	Description	Target	What we do	
 Decision-making	Integrate sustainable development in corporate strategy and decision-making processes	<p>2.1 Integrate sustainability into decision-making</p> <p>Integrate sustainable development principles into corporate strategy and decision-making processes relating to investments and in the design, operation and closure of facilities.</p>	We support Principle 2 by including members of host communities and Indigenous groups in the design phase of our projects. This allows us to include their concerns and minimize the impacts our activities on them, as well as ensuring that they optimize the benefits thereto derived in case of subsequent implementation.	
 Human rights	Respect human rights and the interests, cultures, customs and values of employees and communities affected by our activities	<p>3.1 Respect human rights</p> <p>Support the United Nations Guiding Principles on Business and Human Rights by developing a political commitment to respecting human rights, undertaking human rights due diligence and providing for or cooperating in processes to enable the remediation of adverse human rights impacts that members have caused or contributed to.</p> <p>3.4 Respect the rights of workers</p> <p>Respect the rights of workers by: not employing children or engaging in forced labour; avoiding human trafficking; not assigning hazardous/ dangerous work to those under 18 years of age; eliminating harassment and discrimination; respecting freedom of association and collective bargaining; and providing a mechanism to deal with worker grievances.</p>	<p>3.6 Respect Indigenous Peoples</p> <p>Respect the rights, interests, aspirations, culture and natural resources-based livelihoods of Indigenous peoples in project design, development and operation; apply the mitigation hierarchy to address adverse negative impacts; and deliver sustainable benefits for Indigenous peoples.</p> <p>3.7 Work to obtain free, prior and informed consent</p> <p>Work to obtain the free, prior and informed consent of Indigenous peoples where significant adverse impacts are likely to occur as a result of relocation, disturbance of lands and territories or of critical cultural heritage, and record the outcomes of engagement and consent processes in agreements.</p>	<p>We support Principle 3 by committing to respecting human rights at all times in the course of our activities and in particular the rights, cultures, interests and aspirations of Indigenous groups.</p> <p>We also make sure to present our project concepts by sharing both the positive and negative impacts with the communities so that their members are given a clear picture before the project takes shape and is implemented. This consultative approach allows them to freely express their concerns in full knowledge of the facts and also allows Champion to take them into account in its planning.</p>

EXTERNAL COMMITMENTS (CONT'D)

ICMM MP

	Description	Target	What we do
 Social performance	<p>Pursue continual improvement in social performance and contribute to the social, economic and institutional development of host countries and communities</p>	<p>9.1 Contribute to community development Implement inclusive approaches with local communities to identify their development priorities and support activities that contribute to their lasting social and economic well-being, in partnership with government, civil society and development agencies, as appropriate.</p>	<p>9.2 Support local economic opportunities Enable access by local enterprises to procurement and contracting opportunities across the project life-cycle, both directly and by encouraging larger contractors and suppliers, and also by supporting initiatives to enhance economic opportunities for local communities.</p> <p>We support Principle 9 through the establishment of a liaison office in the territory of one of the host Indigenous groups and the appointment of two new managers within Champion who are dedicated to strengthening community interests. These initiatives will reinforce our relationships with local communities and Indigenous groups and stimulate the emergence of opportunities and benefits for them.</p>
 Stakeholders engagement	<p>Proactively engage key stakeholders on sustainable development challenges and opportunities in an open and transparent manner, effectively report and independently verify progress and performance</p>	<p>10.1 Engage corporate stakeholders transparently Identify and engage with key corporate-level external stakeholders on sustainability issues in an open and transparent manner.</p>	<p>We support Principle 10 by setting up committees with local communities and Indigenous groups with the aim of offering a platform for exchange and consultation that allows participants to share and better understand community issues, to share the results of our environmental, social and operational monitoring, and ensure a regular and continuous cycle of communication and transparent exchanges with the communities.</p>
TSM SDP			
Indigenous and community relationships	<p>The purpose of the protocol is to guide institutions in the evaluation of their performance in relationships with Indigenous groups and communities through the identification of communities of interest, the process of exchange and dialogue, management implications and benefits, and the feedback system.</p>		<p>We began our work on implementing the TSM protocol on Indigenous and community relations in 2020.</p>

PERSPECTIVES FOR 2021

In 2021, we will continue the work we started with communities and Indigenous groups by completing the implementation of intercultural programs to foster understanding of the customs, ideologies and realities of Indigenous groups, thus facilitating relations with them.

We will also take advantage of preparations for Phase 2 of Bloom Lake Mine operations, scheduled to begin in 2022, to further enhance local hiring and sourcing.





HUMAN CAPITAL AND DIVERSITY



Rihanata Ouedraogo

Partner, Human Capital

I believe that good behavior promotes a good working atmosphere. Champion's corporate culture and management style align with my personal values.

Ingenuity is another value well conveyed in the Company: we are encouraged to find solutions on a daily basis and to use our talent.

**“RESPECT and PRIDE
are corporate values
I cherish in my job.”**



HUMAN CAPITAL AND DIVERSITY

IMPORTANCE FOR OUR STAKEHOLDERS

Our stakeholders expect Champion to take initiatives to attract, develop and retain employees over the long term and to support their career development within the organisation. Stakeholders also expect us to act responsibly, in accordance with high ethical standards, and to implement measures to ensure non-discrimination and promote equal opportunity at all hierarchical levels of employment for traditionally under-represented groups.

IMPORTANCE FOR US

Champion believes that its most important asset is the potential of its human capital. That's why it is important to offer our employees a working environment that allows them to progress and achieve greater collective efficiency in terms of production, profitability, social climate, and the development of individuals as citizens of the world. To make Champion the best possible company, it is important to provide career development opportunities, recognize the contribution of individuals, and support diversity and inclusion.

OUR APPROACH



The job market has changed dramatically over the last 20 years, and we must consider the changes brought about by advances in information technology and their effects on the workplace and new generations. We believe a structural shift has occurred in terms of employee visions of a desirable workplace. Employees who used to envision a desirable workplace with frameworks such as “knowing how to do the job” and “ensuring permanent employment” now seek workplaces with frameworks such as “Why be invested?” and “How will this contribute to the well-being of society?”

In this context, Champion strives to offer all of its employees the chance to build a rewarding career and to support them in their personal and professional development. Champion believes that the Company’s success and its benefits for all stakeholders depend on our commitment to and

investment in talented collaborators. The company aims to provide them with the resources, knowledge and support they need to reach their full potential.

We view our employees’ success as our own success. We use a human capital management approach based on four elements:

- Identification and selection of the best talent.
- Continuous development of this talent in all of its forms, ranging from knowledge and know-how to soft skills and the ability to project into the future.
- Implementation of innovative and dynamic incentive and recognition programs that inspire our human capital.
- Creation of a synergy of skills and ideas from various sources to ensure the Company’s competitiveness and long-term success.

OUR STRATEGIES

The deployment of our human capital strategy is based on three pillars:

- Establish an innovative human capital management model that promotes the empowerment of each individual.

- Develop the talent and leadership of our employees by strengthening their ability to see further into the future and have a positive influence on their workplace.
- Foster and maintain a diversified and inclusive work environment generating a cross-section of experience, ideas and skill sets.

Short term (2020–2021)

IN PROGRESS

- Revisit employability activities with Indigenous and culturally diverse groups.
- Continue and finalize the implementation of human capital management tools and processes adapted to QIO’s innovative approach.

Medium term (2023–2024)

TO COME

- Establish alliances with partners to facilitate the selection and development of the best talent, adapt and amplify approaches with culturally diverse communities and groups and help maintain gender equity.

Medium term (2023–2024) (cont’d)

IN PROGRESS

- Continue creating a climate that fosters learning and continuous development, taking into account the evolving needs of the organization, talent management and preparation for the next generation.

TO COME

- Finalize the deployment of the personalized development approach according to the interests of individuals and for the benefit of their personal development.

Long term (2025–2030)

TO COME

- Make partners and various departments as autonomous as possible in terms of human capital management processes and tools.
- Work to develop a training centre that benefits both Champion employees and members of cultural communities and Indigenous groups in order to build the human capital of tomorrow and improve the resilience of host communities.

PERFORMANCE INDICATORS



\$90.6 M

Salaries and benefits

PERFORMANCE IN 2020

Equity and equality in employment opportunities and the promotion of diversity

Champion strives to foster an open and inclusive work environment and strongly supports the principle that all individuals should have an equal opportunity to participate in the success of the business. We believe that a diverse workforce is essential to optimizing the Company's overall performance and contributes to the resiliency of the local economy.

In 2020, Champion adopted a diversity policy which defines the Company's approach to achieving and maintaining diversity for all positions, including Board and executive officer positions, with an emphasis on gender diversity.

Champion intends to implement measures to maintain a diverse workforce that is representative of the host communities and encourage the participation and advancement of traditionally under-represented groups at all hierarchical levels.

Champion does not tolerate racial, sexual, professional, or any other type of harassment, and we prohibit discrimination in all its forms.

OUR WORKFORCE

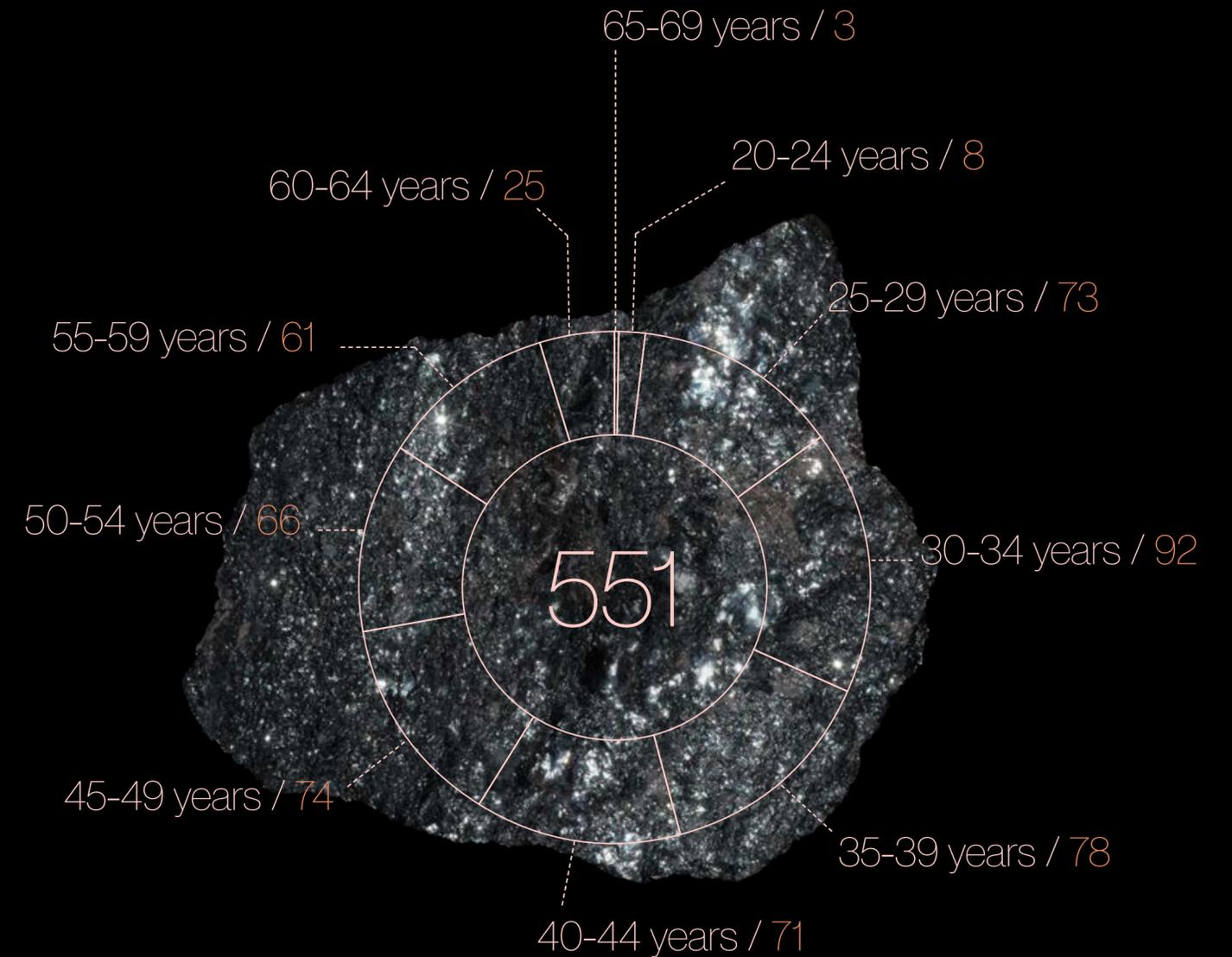
Other collaborators	2020
Contractual	16
Seasonal	34
Interns	4
Total	54

Age groups of new Champion employees	2020	
	Men	Women
20-24	3	1
25-29	15	2
30-34	13	3
35-39	15	2
40-44	13	2
45-49	10	2
50-54	8	1
55-59	7	0
60-64	1	0
65-69	1	0
Total	86	13

A total of 99 hires were made in 2020, including 13 women and 86 men. As of December 31, 2020, our workforce totaled 551 direct employees. The Company also counted on the contribution of 54 employees hired as contractual and seasonal workers and interns.

A relatively even distribution of employees in the 25 to 59 age group ensures a good mix of vitality and experience.

Champion employees	2020
Executives / non-unionized	205
Unionized	346
Total	551



Legend: Level 1 ● Age groups of Champion employees Level 2 ● Number of employees



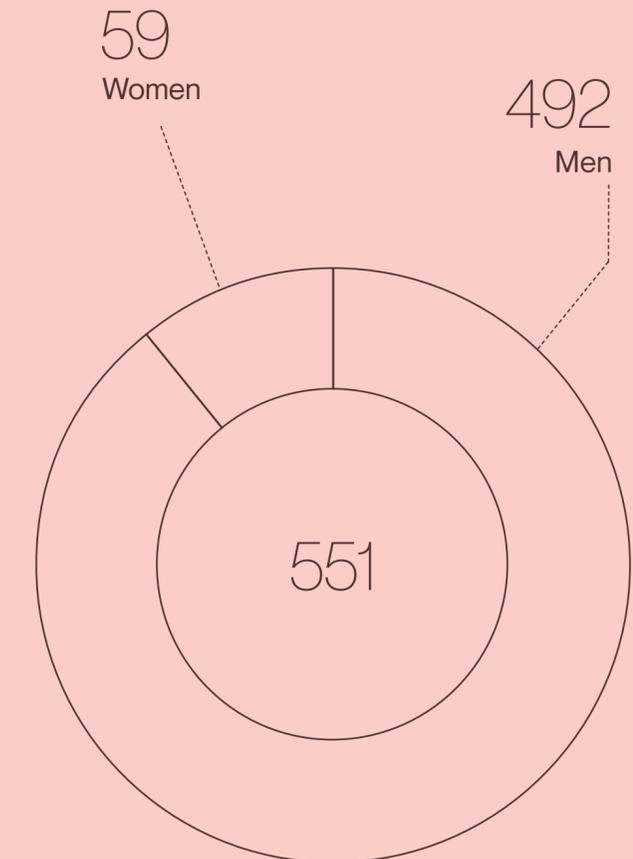
OUR WORKFORCE (CONT')

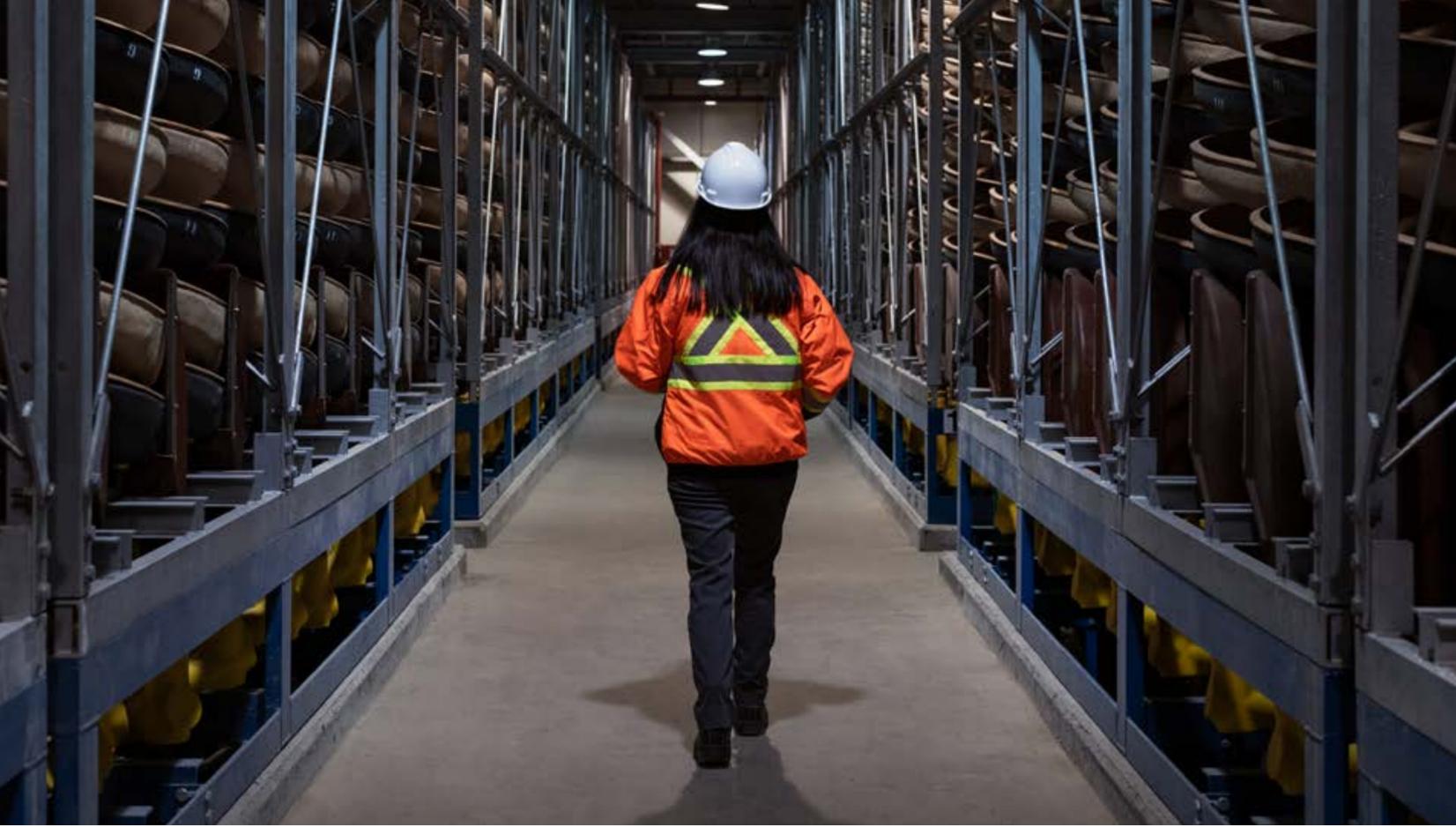
Female employment

Positions held by women represented 11% of the workforce in 2020.

We aim to increase the number of women in leadership positions. In this regard, the Company is privileged to be able to count on the contribution of an exceptional woman as a new member of Champion's Board of Directors since 2020, Ms. Louise Grondin. Ms. Grondin also holds the position of Senior Vice-President of Human Resources at Agnico Eagle Mines Limited.

She joins Ms. Michelle Cormier who has already been on the Board for several years. Ms. Cormier is one of the operational partners of Quebec-based investment firm Wynnchurch Capital (Canada) Ltd., a private equity fund of \$ 2.3 billion.





OUR WORKFORCE (CONT')

“Getting together is a start.
Staying together is progress.
Working together is success.”

Isabelle Lemieux
Control room Coordinator

In 2020, Champion implemented an initiative to promote women already working at the Company through the program: *the Contribution of Women series*.

Indigenous employment

Members of Indigenous groups represented 3.3% of Champion's workforce as of December 31, 2020. Including contract jobs at the Bloom Lake mine site, the number of jobs filled by Indigenous workers exceeded 51 at some point during the year.

In 2020, we continued to use adjusted procedures for the Indigenous hiring process. Conventional tests are replaced by a questionnaire to assess the candidate's ability to work, and the individual interview is replaced by group activities in which games allow Indigenous candidates to show their talents and help to target employment opportunities for them.

COMMUNITY LIFE AND UNION RELATIONS

Champion recognizes and respects workers' freedom of association and right to collective representation. This is essential to the proper functioning, development and sustainability of our business, our host communities, and the Quebec and Canadian societies in which we live.

In total, 63% of our employees at the Bloom Lake Mine site are unionized. Relations between executive management and unionized employees are based on collaboration and an active search for solutions.

In 2020, 41 grievances associated with subcontracting and financial claims, as well as challenges to disciplinary notices, dismissals and application of the collective agreement, were received. These have all been reviewed and, where appropriate, action taken in a timely manner.

Negotiations for the renewal of the collective agreement began in October 2020. These were still in progress as of December 31, 2020 on the way to a settlement in 2021.

Main grievances topics	2020
Subcontracting and financial complaints	10
Disciplinary notice appeal	14
Dismissal appeal	8
Interpretation of the collective agreement	9
Total	41

ATTRACTING TALENT

Our human capital manages our business. That is why we work on attracting, developing and retaining the best talent.

Hiring in the mining sector is a challenge, especially in the context of a labour shortage affecting several sectors of the economy and the COVID-19 pandemic which raged in 2020.

Preparing for the start of Phase 2 of Bloom Lake Mine operations will require the hiring of approximately 400 additional employees. Several ways to attract new talents have been implemented.

Hiring local workers remains a priority for the Company. That is why Champion is offering housing location assistance to applicants who wish to settle in the Bloom Lake Mine host community with their families. This also contributes to fostering the vitality of the host community by encouraging employees to become permanent residents.

New collaborations were developed in 2020 with specialized recruiting firms to help fill positions for which talent is scarce.

Additional air transport drop-off points have been added to expand the available Quebec labour pool to help filling positions when local and Indigenous hiring is not possible.

DEVELOPMENT AND RETENTION

Continuous human capital development is essential to creating a stimulating and rewarding work environment. It allows the employees to develop professionally and personally and supports their retention at Champion. In addition to the refresher courses associated with each profession and the training required by occupational health and safety regulations, the Company relies on various types of training to encourage its human capital to improve their knowledge, behaviours and skills.

Category of personnel	Average number of training sessions received per person in 2020
Management	6
Professional and engineering executives	15
Administrative, technical and clerical	7
Production	21.5

Service companies were put on hiatus for several months during the COVID-19 pandemic, which reduced the number of training hours that could be provided to Champion employees. Although online training was used to meet certain needs, the number of training hours decreased by approximately 40% compared to last year. A total of 11,944 hours of training were provided to staff in 2020.

Moreover, our innovative approach focuses on coaching individuals to get involved and aim for excellence in their roles, while also providing them with the means to progress within our organization. We want to develop not only their knowledge, know-how and interpersonal skills, but also their advancement potential within our Company.

On average, 36 coaching sessions per month are offered to employees by a team of 7 certified professional coaches.

We use psychometric tools to understand team dynamics and interpersonal relationships, and also develop talent among executives and managers. These tests are used during the ongoing coaching process to promote more effective integration of the training provided.

The tests used are as follows:

- iQE/Effectuation: Group dynamics and collective work
- MPO: Management styles and behaviours
- TLC 360: Job evaluation
- Graphological analysis: Evaluation of the expression of the personality

Employee turnover

We monitor staff turnover in order to have a global understanding of the dynamics of our workforce as well as changes within it. In 2020, a total of 52 employees left their jobs at Champion, including 7 women and 45 men. The annual staff turnover rate was 8,7%⁽¹⁷⁾ in 2020.

Age groups of employees having left Champion	2020	
	Men	Women
20-24	9	1
25-29	4	2
30-34	8	0
35-39	4	1
40-44	6	2
45-49	2	1
50-54	7	0
55-59	4	0
60-64	1	0
65+	0	0
Total	45	7

⁽¹⁷⁾ Turnover rate calculation: 52departures / (500 employees on January 1st 2020 + 99 hiring) X 100 = 8,7%

COMPENSATION AND BENEFITS

Champion offers competitive wages and benefits in accordance with our compensation policy. The compensation programs are designed to encourage productivity without neglecting our employer obligations or employee health, safety and well-being. This allows the Company to attract, reward and retain talented people.

The total compensation of unionized employees is established as per the collective agreement. The base salary of executive and non-unionized employees is established based on Champion's total compensation policy. The compensation policy for executives and non-unionized employees established the basic salary at \$21.37/hour for everyone (men and women), while the minimum wage decreed by the Government of Quebec was \$13.10/hour in 2020. In addition, different types of bonuses, annual bonuses and long-term incentives are available to executives. This allows Champion to share its success beyond basic compensation.

Champion also offers a modular group insurance program that allows all employees to choose the coverage best suited to their family situation, their needs and their development at different stages of their lives. The group insurance program Champion offers is an important part of overall compensation and reflects our commitment to supporting our employees. Benefits Champion pays to full-time employees include the following protections:

- Medical and dental care
- Life insurance
- Accidental death and dismemberment insurance
- Disability insurance

Champion has put in place a savings and pension plan to help employees ensure their long-term financial security at retirement. The plan includes both corporate and employee contributions.

During the period, we paid a total of \$90.6 million in wages and benefits to Champion employees.

PERFORMANCE MANAGEMENT AND DEVELOPMENT PLANNING

Evaluating employee performance is an important step since it provides a fair view of the talent within our ranks. It also ensures the implementation of appropriate human capital development plans to effectively maximize returns at all levels. The Champion approach is three-pronged. In addition to the traditional assessment of the employee's contribution carried out by the immediate supervisor, the

chosen approach includes a discussion on the employee's own perception of their performance with a colleague witness/guide. The process therefore allows the creation of a master development plan for the employee for the coming year, in collaboration with the human capital department, the coach and the immediate supervisor.

RISKS AND OPPORTUNITIES

Phase 2 of Bloom Lake Mine operations is scheduled to start in 2022. This increase in operations will bring stakeholders several opportunities for positive spinoffs, particularly in terms of employment, as a total of approximately 400 additional positions will need to be filled to support this increase in production.

This massive hiring campaign will be an opportunity for Champion to offer additional employment opportunities to members of Indigenous groups and host communities, generating maximum positive impact for those living where Champion's activities take place.

This wave of additional hiring also represents an increase in salaries and benefits distributed to employees of more than \$40M on an annual basis, which will help stimulate the Québec economy while generating taxes paid to the government.

It should also be noted that based on data from the Institut de la statistique du Québec, the primary sector, like that of the mining industry, has an indirect / direct employment ratio of 0.896⁽¹⁸⁾ in the province of Quebec, which could represent the creation of more than 350 indirect jobs that will also help stimulate the Quebec economy.

⁽¹⁸⁾ Source : Gouvernement du Québec, Institut de la statistique du Québec, Impact économique pour le Québec, Édition 2017, 6p.



EXTERNAL COMMITMENTS

UN SDG

	Description	Target	What we do
 <p>4 QUALITY EDUCATION</p>	<p>Quality education</p> <p>Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.</p>	<p>4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.</p>	<p>We support the achievement of Goal 4 by promoting the professional and personal development of individuals, and by encouraging the hiring and retention of human capital representative of host communities and Indigenous groups and their diversity.</p>
 <p>5 GENDER EQUALITY</p>	<p>Gender equality</p> <p>Achieve gender equality and empower all women and girls.</p>	<p>5.1 End all forms of discrimination against all women and girls everywhere.</p> <p>5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.</p>	<p>We support the achievement of Goal 5 by promoting equal employment opportunities. We also strive to attract female talent by marketing through educational institutions, specialized placement agencies and our recruitment partners.</p>
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<p>Decent work and economic growth</p> <p>Promote inclusive and sustainable economic growth, employment and decent work for all.</p>	<p>8.5 By 2030, achieve full and productive employment and decent work for all women and men, including young people and persons with disabilities, and equal pay for work of equal value.</p> <p>8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.</p>	<p>We support the achievement of Goal 8 by committing to respecting the ILO Declaration on Fundamental Principles and Rights at Work as well as the principles of employment equity.</p> <p>We recognize and respect workers' freedom of association and right to collective representation.</p>

EXTERNAL COMMITMENTS (CONT'D)

UN SDG

	Description	Target	What we do	
	Reduced inequalities Reduce inequality within and among countries	10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status. 10.3 Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard.	We support the achievement of Goal 10 by fostering an open and inclusive work environment and by strongly supporting the principle that all individuals should have an equal opportunity to participate in the development of our business, while developing their full potential.	We believe that a diverse workforce representative of host communities is essential to optimizing our overall business performance and improving our competitiveness in today's global market.
	Peace, justice and strong institution Promote just, peaceful and inclusive societies	16.B Promote and enforce non-discriminatory laws and policies for sustainable development.	We support the achievement of Goal 16 by not tolerating any form of racial, sexual, professional or other harassment and by prohibiting all forms of discrimination in the workplace.	

EXTERNAL COMMITMENTS (CONT'D)

ICMM MP

	Description	Target	What we do	
 Human rights	Respect human rights and the interests, cultures, customs and values of employees and communities affected by our activities.	<p>3.4 Respect the rights of workers Respect workers' rights by: not employing child or forced labour; avoiding human trafficking; not assigning hazardous/dangerous work to those under 18; eliminating harassment and discrimination; respecting freedom of association and collective bargaining; and providing a mechanism to address workers' grievances.</p> <p>3.5 Provide fair pay and working hours Remunerate employees with wages that equal or exceed legal requirements or represent a competitive wage within that job market (whichever is higher) and assign regular and overtime working hours within legally required limits.</p> <p>3.8 Promote workplace diversity Implement policies and practices to respect the rights and interests of women and support diversity in the workplace.</p>	<p>We support Principle 3 by not tolerating any form of racial, sexual, professional or other harassment, and by prohibiting discrimination in all its forms in the workplace. We recognize and respect workers' right to collective representation and freedom of association.</p> <p>We offer diversified and competitive total compensation to employees, including bonuses, annual bonuses and benefits that allow them to take care of their health and that of their families and that help them achieve financial security in retirement.</p>	We foster equal employment opportunities and an inclusive and diverse workplace.

TSM SDP

Preventing child and forced labour	The protocol seeks to ensure that mining companies commit to "respecting the rights of [their] workers and not engaging in practices of forced or child labour, as defined in ILO Conventions 29, 138 and 182."	Not applicable	We adhere to the TSM protocols by respecting the commitment not to use forced or child labour, in accordance with ILO Conventions 29, 138 and 182.	
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PERSPECTIVES FOR 2021

We will continue the work started with our human capital in 2020 by improving the program aimed at promoting employee well-being in the context of the COVID-19 pandemic.

In order to promote the physical and mental health of employees, a virtual fitness program will be set up, which will consist of online exercise classes allowing them to practice physical activities at the desired places and times.

As the public health network is overloaded in the context of the COVID-19 pandemic, a telemedicine program will be set up for employees and their families to allow them to obtain health services remotely more quickly and easily.





ENERGY CONSUMPTION AND CLIMATE CHANGE



Christian Brie

Technical services coordinator

I have a motivating and stimulating job because the challenges are many and diverse. I like to have a positive impact on an issue that affects the work of my colleagues, health and safety, the environment and production.

“I like to think that the team is integral to the success of the Company.”



ENERGY CONSUMPTION AND CLIMATE CHANGE

IMPORTANCE FOR OUR STAKEHOLDERS

Energy consumption causes the GHG emissions that contribute to climate change, which has measurable environmental, social and economic impacts on communities. Stakeholders expect Champion to invest in projects that improve our energy efficiency and reduce our GHG emissions.

IMPORTANCE FOR US

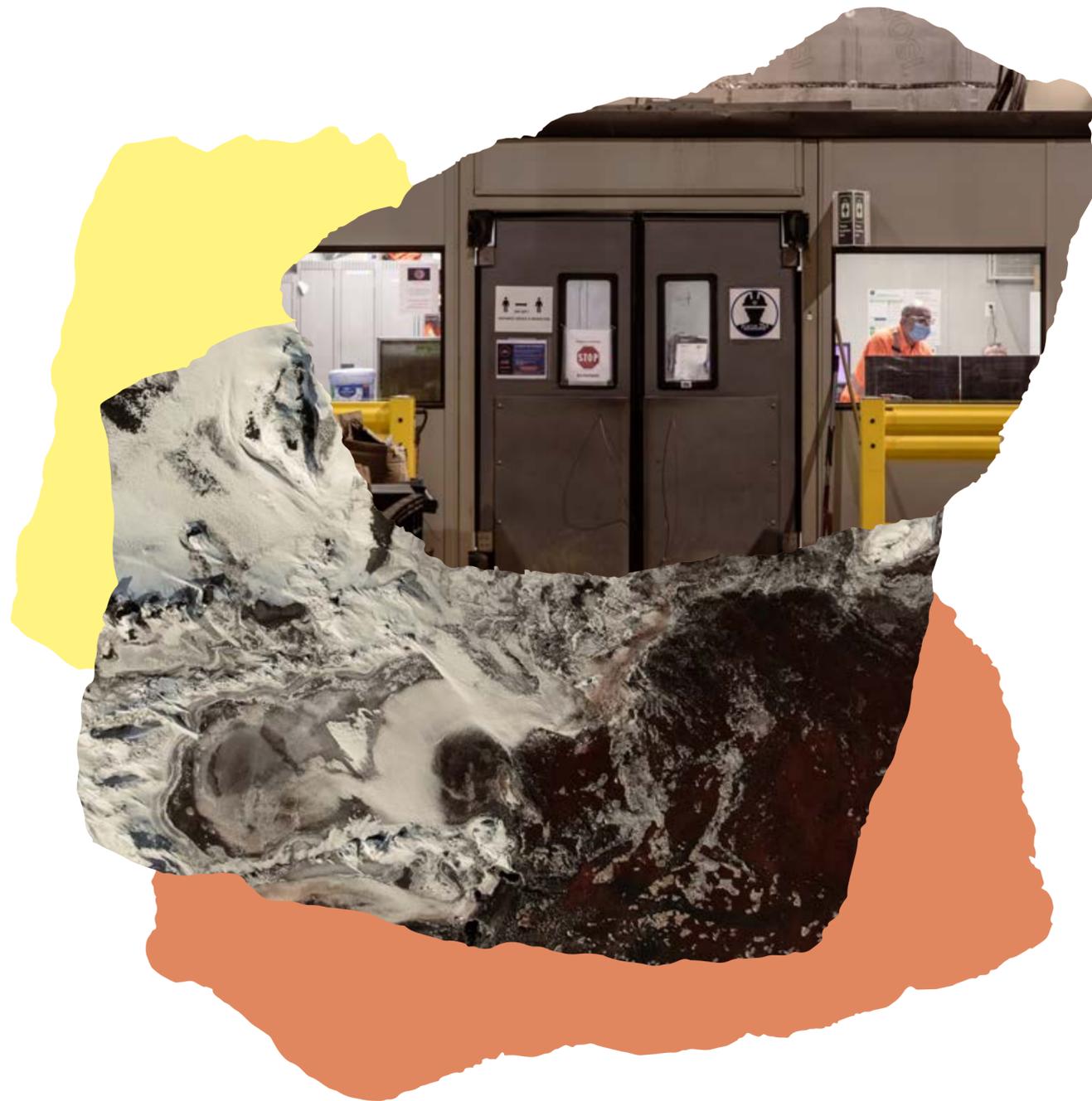
Energy is a significant input and represents substantial costs for our business. We use energy throughout the value chain, mainly for the extraction and transport of ore, for iron concentration and for water management. Climate change can have physical impact on our operations and assets, and potentially generate additional costs in the future.

OUR APPROACH

Energy use is the source of our carbon emissions. Champion recognizes the importance of optimizing its energy efficiency to reduce its operational GHG emissions, and the Company is leveraging innovation to implement low-emission technologies. We consider it very important to set up robust and reliable means of measuring energy consumption and GHG emissions so that we can work in a coherent and targeted manner to improve the energy efficiency of our value chain and ensure full and transparent disclosure of our energy consumption and carbon emissions.

Although we are relatively small within the global mining industry, we believe that Champion must help support the transition to a low-carbon economy, and we are committed to supporting policies that promote global efforts to fight climate change. We support the United Nations Framework Convention on Climate Change and Canada's commitments to the Paris Agreement, which aim to reduce Canada's emissions by 30% compared to 2005 levels by 2030.

We recognize the importance of incorporating climate change realities into our business and operational strategies and our decision-making. We prioritize the assessment of climate risks and opportunities in order to adapt our strategic planning and ensure that our assets remain resilient.



OUR STRATEGIES

Our strategies are focused on the following two main pillars:

- Produce iron concentrate responsibly in terms of energy consumption while minimizing our carbon footprint.
- Position the company as best we can to adapt to the physical impacts of climate change on our assets and adequately manage potential costs associated with these impacts.

Short term (2020–2021)

IN PROGRESS

- Improve our energy efficiency by working on easily identifiable initiatives that allow quick, tangible savings in carbon emissions and costs.

COMPLETED

- Set up a complete system to monitor energy consumption as well as direct and indirect GHG emissions in order to plan responses that offer the best potential for improvement in the medium and long term.

IN PROGRESS

- Establish goals to reduce GHG emissions over the medium and long terms.

Medium term (2022–2024)

TO COME

- Seize opportunities to advance innovation, improve management practices, and form new partnerships with suppliers, other stakeholders and R&D entities. These partnerships will help us develop energy-efficient methods, reduce GHG emissions, develop renewable energy projects and recover energy over the medium and long term.
- Review long-term goals based on emerging political, scientific and technological developments.

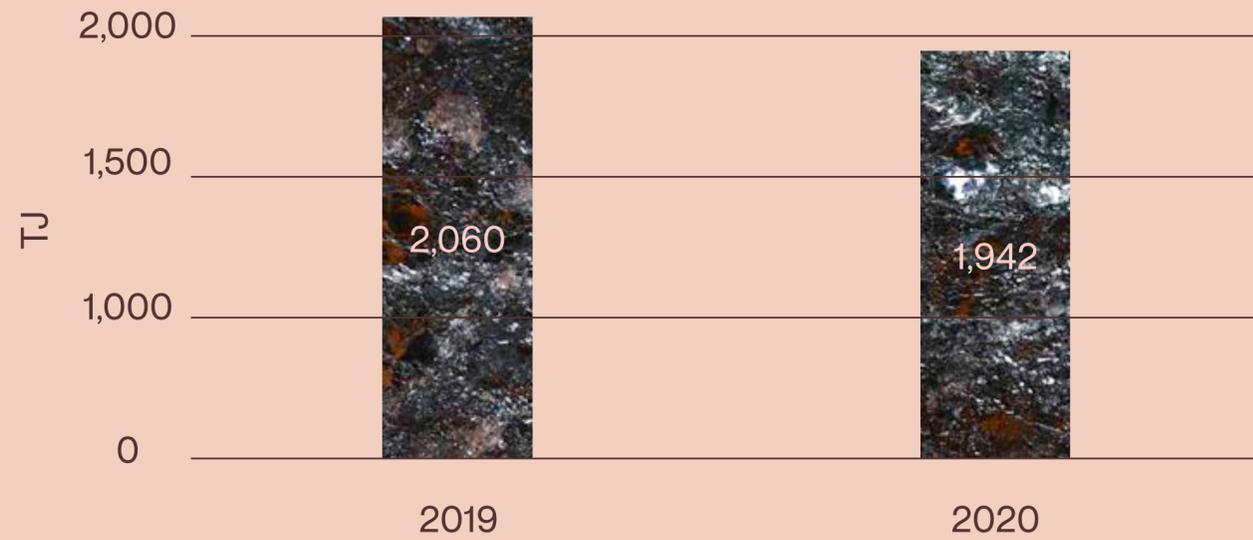
Long term (2025–2030)

TO COME

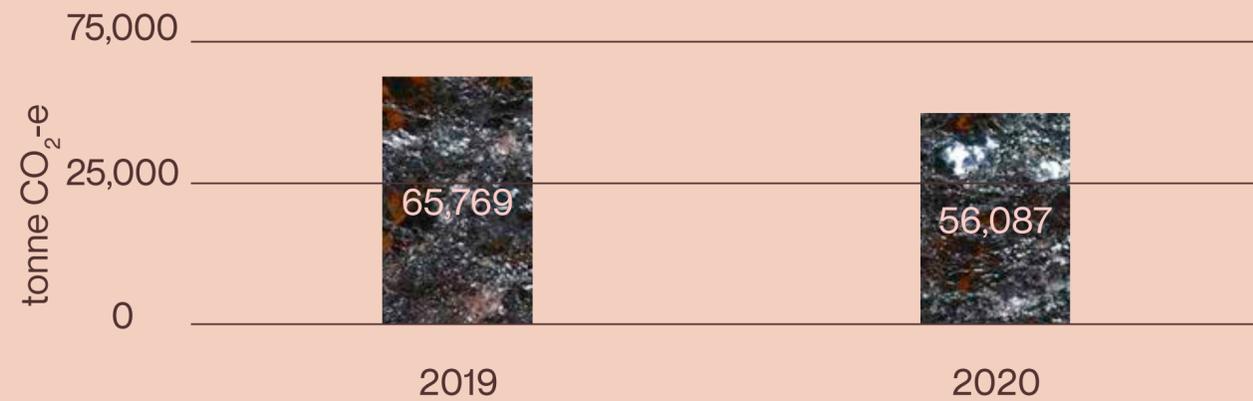
- Collaborate on far-reaching initiatives on a national or international scale, promoting the transition to a low-carbon global economy.
- Actively encourage non-governmental organizations or other bodies aiming to support, encourage or facilitate the transition to green economies.

PERFORMANCE INDICATORS

Total energy consumed ⁽¹⁹⁾

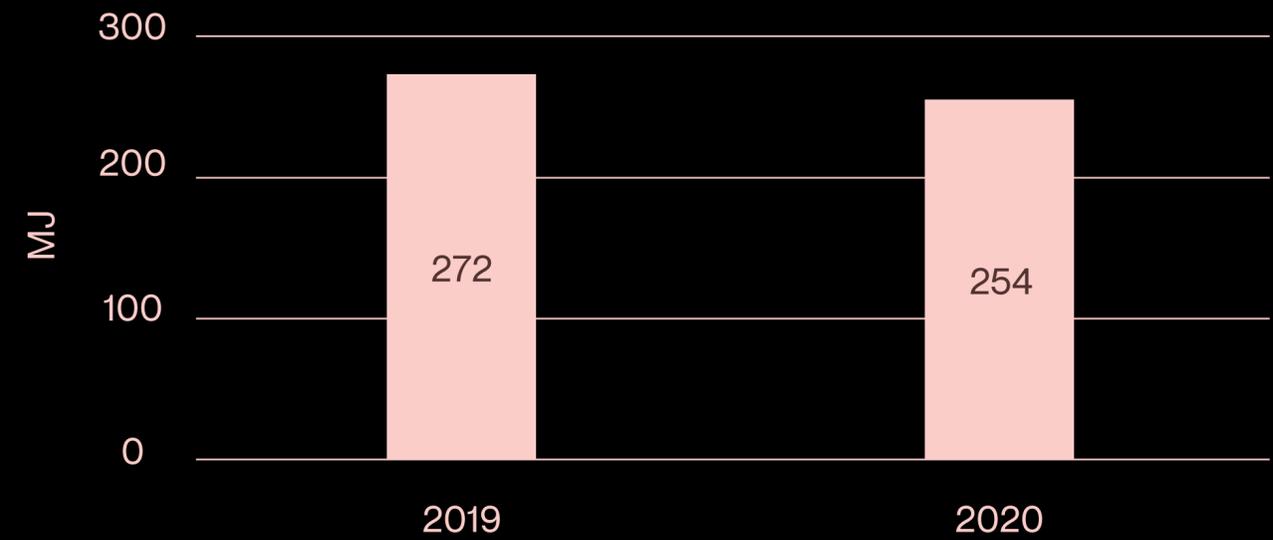


Total direct GHG emissions ⁽¹⁹⁾

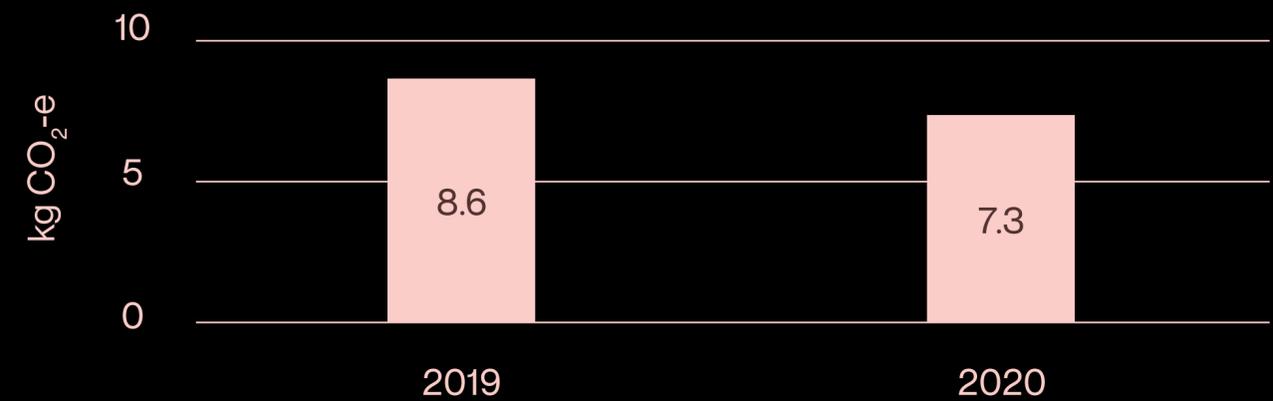


⁽¹⁹⁾ Targets to be disclosed in 2021.

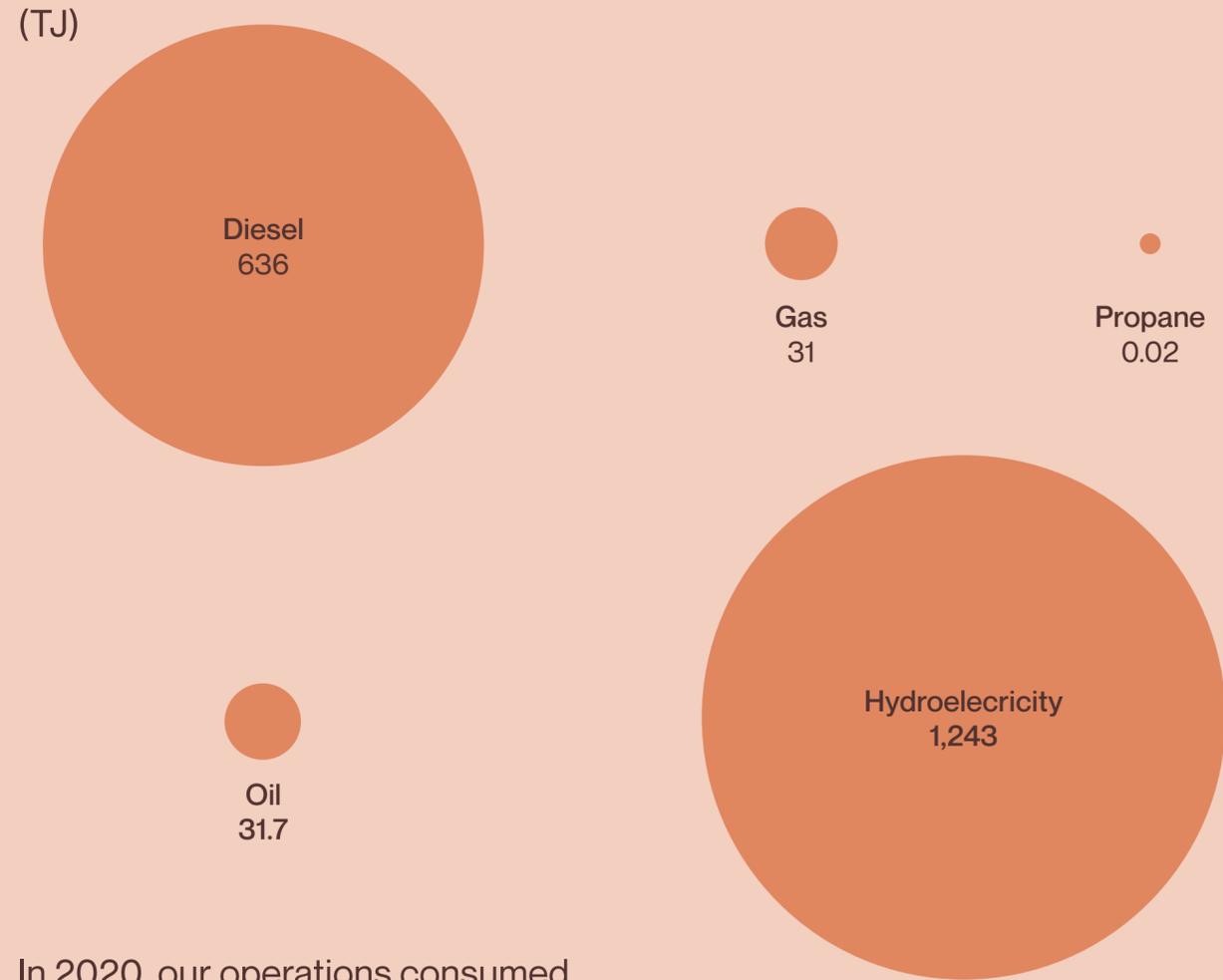
Energy consumed per tonne of iron concentrate produced ⁽¹⁹⁾



Direct GHG emitted per tonne of iron concentrate produced ⁽¹⁹⁾



ENERGY CONSUMPTION



In 2020, our operations consumed a total of 1,942 TJ of energy, down 6% from last year. This decrease is mainly attributable to a lower consumption of diesel fuel used to transport materials for the construction of tailings pond dykes, which decreased in 2020 compared to 2019.

A total of 64% (1,243TJ) of the energy consumed in 2020 came from renewable hydroelectric power, while 36% (699 TJ) came from fuel combustion.

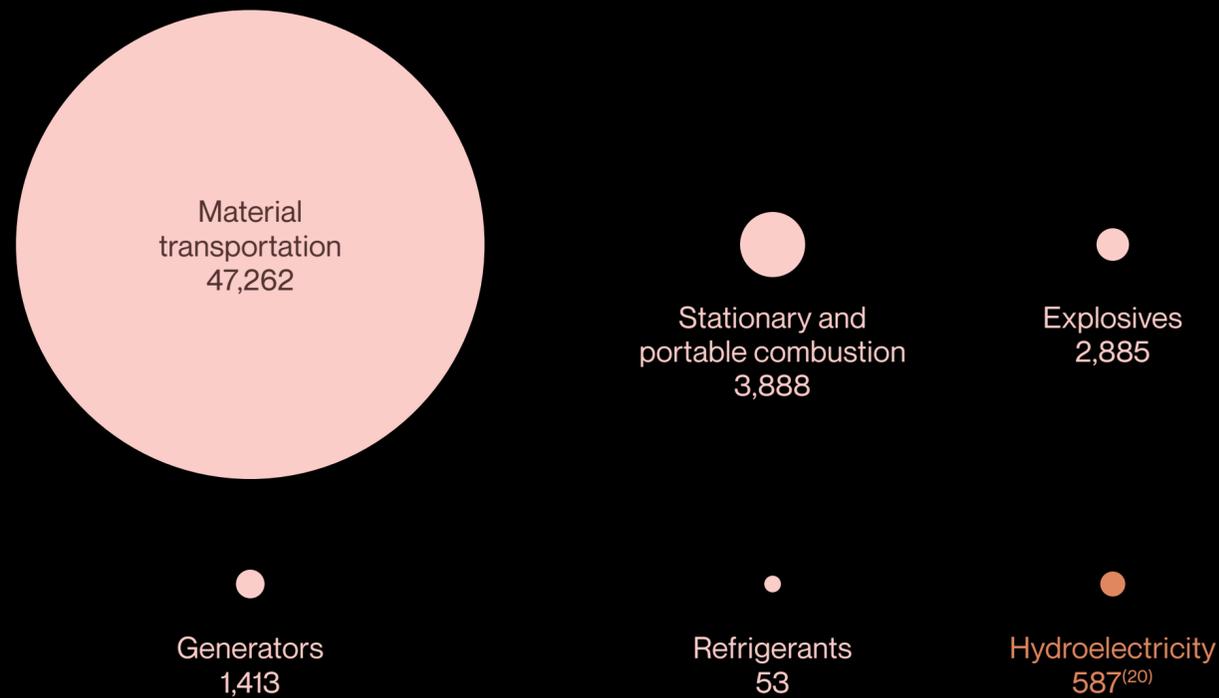
INTENSITY

(MJ/tonne of iron concentrate produced)



GHG EMISSIONS

(CO₂e tonnes)



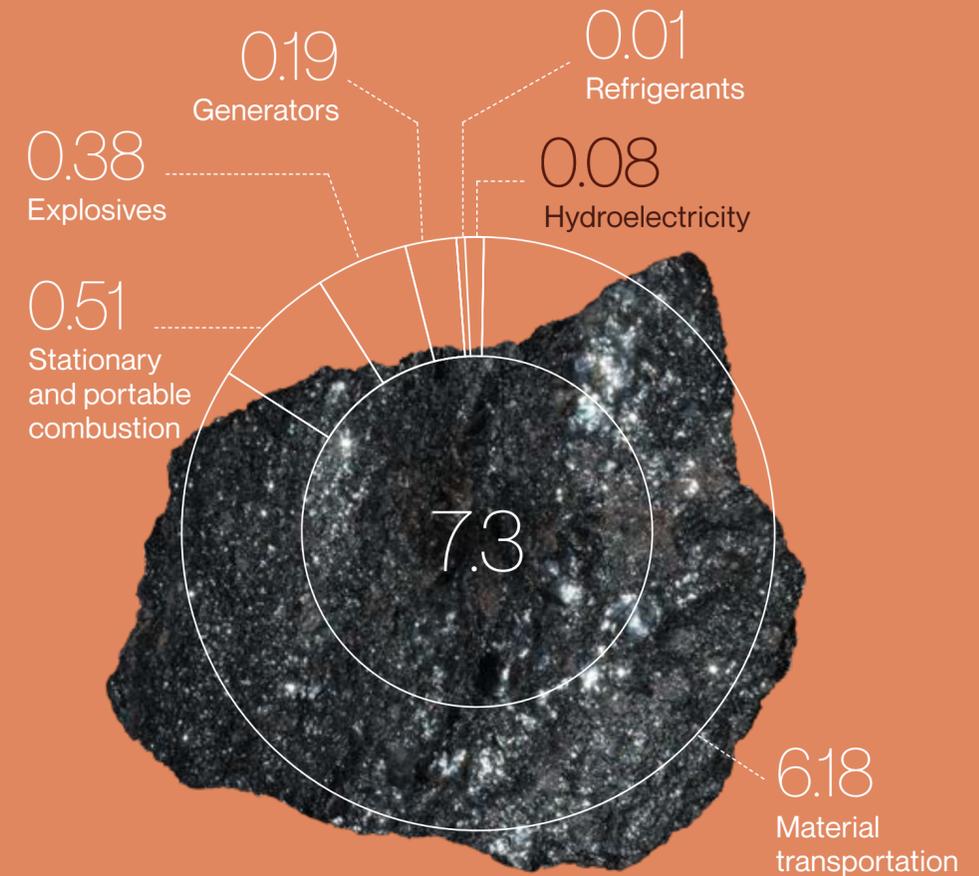
Our GHG emissions calculations are based on the Greenhouse Gas Protocol (GHG Protocol) Accounting and Reporting standards. In 2020, a total of 56,087 tonnes of CO₂-e (99%) were emitted from Scope 1 direct sources while 587 tonnes of CO₂-e originated from Scope 2 indirect hydroelectricity sources (1%).

Legend:
 Scope 1 ● Direct emissions
 Scope 2 ● Indirect emissions

⁽²⁰⁾ Emission factor of 1.3 g of CO₂e / kWh based on the NATIONAL INVENTORY REPORT 1990–2018: GREENHOUSE GAS SOURCES AND SINKS IN CANADA - Canada's submissions to the United Nations framework convention on climate change, PART 3, Environment and climate change Canada, 2020.

INTENSITY

(kg CO₂e / tonne of iron concentrate produced)



➔ **Scope 1 – Direct emissions:** GHGs from sources owned or controlled by the reporting organization. Our main sources of Scope 1 emissions are fuel consumption for transportation of mining materials and heating (fixed and portable combustion).

➔ **Scope 2 – Indirect emissions:** GHGs generated by sources owned or controlled by another organization. Our reported Scope 2 emissions are those associated with hydroelectricity purchased from an external source.

GHG ECONOMY AND REDUCTION PLAN

Since the start of our operations, numerous GHG reduction projects have significantly reduced the intensity of our emissions related to ore extraction. Having embarked on a growth turn in 2020, the Company has developed a plan that will allow Champion to quickly position itself as a leader in the decarbonization of the steel production industry. Working upstream in the manufacturing chain, thanks to its high purity ore, Champion helps customers significantly reduce their GHG emissions.

Our plan adopted objectives on two fronts: reducing GHGs linked to mining operations as well as the development and implementation of transformation technologies with lower carbon emissions. The iron ore extraction stage represents about 1% of the emissions balance of steel production. This is the reason why Champion's plan intends to invest in reducing emissions from mineral extraction, and also throughout the rest of the value chain.

With this vision, Champion has developed its GHG reduction plan, which will establish concrete targets for the reduction of GHGs over the short, medium and long terms. Champion will disclose these targets in 2021.

RISK AND OPPORTUNITY MANAGEMENT

Open pit mine operations generally cause a natural increase in GHG emission intensity as the pits get deeper, which results in longer transport distances and greater pumping needs. Aware of this phenomenon, the Company intends to approach the situation as an opportunity to improve practices with a view to reversing this trend. Operational strategies, equipment used and conversion of energy sources are examples of elements upon which Champion can act to continuously reduce GHG emission intensity.

Iron ore is vital to the manufacture of the world's most widely used construction material: steel. The steel industry alone accounts for around 9.5% of global greenhouse gas emissions.

The steel industry has been interested in decarbonizing its production chain for several years. Such an approach involves the reduction of Scope 1, 2 and 3 GHG emissions, Champion being part of Scope 2 of this production chain.

With its demonstrated ability to produce a very high purity iron concentrate that reduces the consumption of reducing agents in blast furnaces as well as energy consumption in steelmaking processes, Champion will be well positioned to offer products that will help the steel industry fight climate change. The Company was already working in this direction in 2020 in order to identify business opportunities while facilitating the transition to a greener economy.

EXTERNAL COMMITMENTS

UN SDG

	Description	Target	What we do	
	Responsible consumption and production Ensure sustainable consumption and production patterns	12.2 By 2030, achieve the sustainable management and efficient use of natural resources.	We support the achievement of Goal 12 by establishing sustainable energy consumption initiatives. Our transition to renewable and very low GHG emissions, such as hydroelectricity, as well as our strategies to improve our	energy efficiency, support a responsible consumption and production approach.
	Climate action Take urgent action to combat climate change and its impacts	13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.	We support the achievement of Goal 13 by implementing measures that have enabled us to lower GHG emissions by 36% annually prior to restarting Bloom Lake Mine operations in 2018. We have also implemented adaptation measures	for retaining structure hazards in order to mitigate risks associated with extreme precipitation due to climate change.

EXTERNAL COMMITMENTS (CONT'D)

ICMM MP

	Description	Target	What we do
 Environmental performance	Pursue continual improvement in environmental performance issues, such as water stewardship, energy use and climate change	6.5 Improve energy efficiency and reduce GHG emissions. Implement measures to improve energy efficiency and contribute to a low-carbon future, and report the outcomes based on internationally recognized protocols for measuring CO ₂ equivalent (GHG) emissions.	We are making efforts to comply with Principle 6 by improving our energy efficiency and contributing to the transition to operations with lower GHG emissions. For the purposes of this report, we also report on GHG emissions in accordance with the international GHG Protocol.

TSM SDP

Energy and GHG emissions management	The purpose of the protocol is to guide establishments in assessing their energy and GHG emissions management performance compared to energy consumption and GHG emissions management systems, related reporting systems and performance targets.	Not applicable	We have already implemented several elements related to the TSM protocol on energy management and GHG emissions, particularly in relation to the production of disclosure reports on our GHG emissions, which are audited by an external firm based on the ISO 14064-3: 2006 standard. We will continue to implement other elements of the protocol in the future.
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PERSPECTIVES FOR 2021

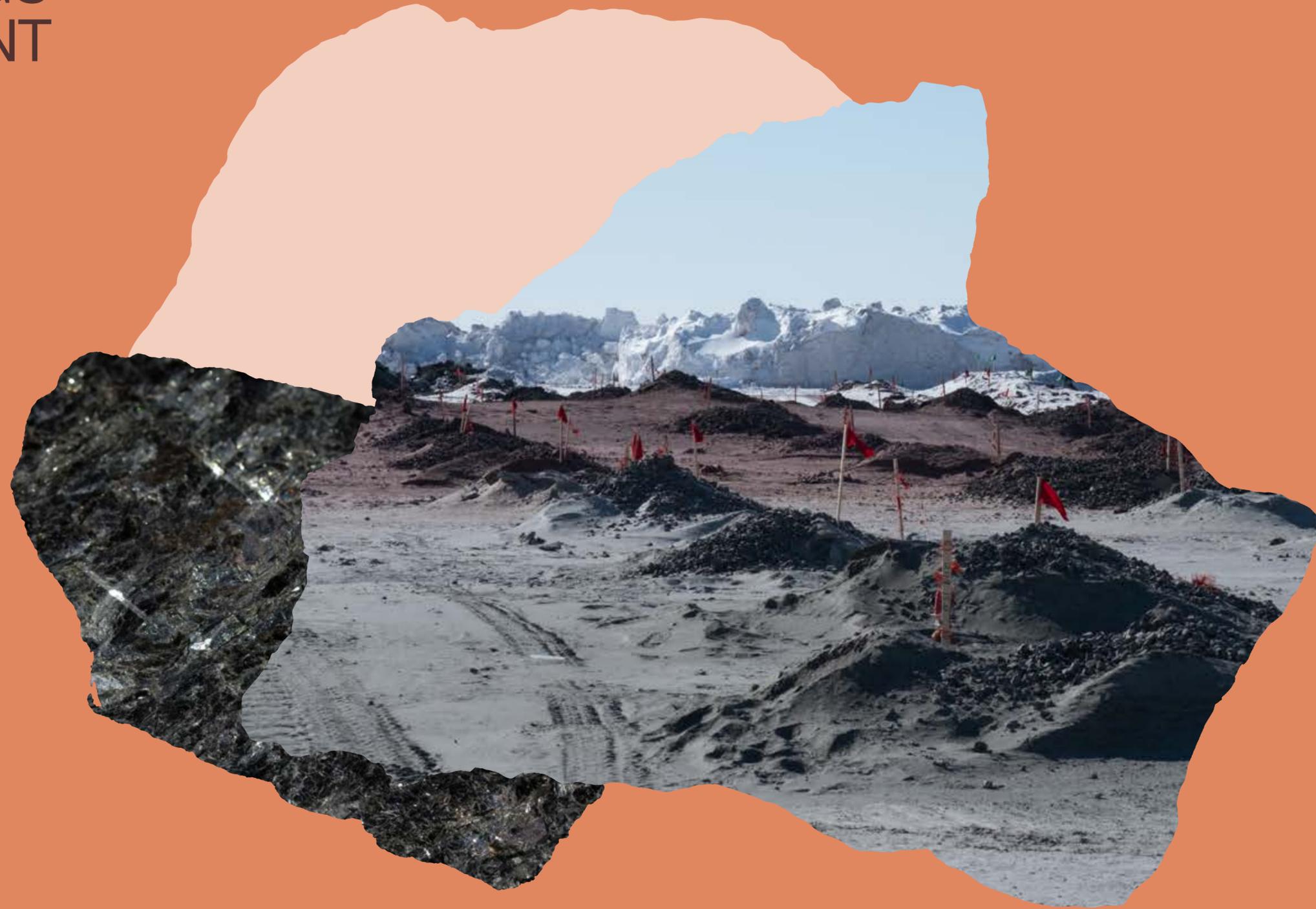
In 2021, we will complete the establishment of our GHG and energy reduction targets. Champion is entering a new chapter in its history, and decarbonizing the steel industry will be at the heart of its goals and actions. The province of Quebec benefits from many strategic advantages, in particular the presence of numerous deposits

of high purity iron, renewable hydroelectricity, the know-how and expertise of its workforce and the support of various levels of government. Climate change is borderless, thus we will aim for actions whose scope is not limited to the local scale, but contribute to the global transition to a lower carbon economy.





MINE TAILINGS MANAGEMENT



Cédrik Leblanc

Supervisor water and tailings management

When the mine reopened, I was 24 years old and had become a pillar of the water management team. Today, I am leading a team of about 20 people. The best value of QIO for me is Pride. We have teams that do an incredible job.

I am a child of Fermont city, I expect my company to take care of my community, my environment: that is sustainable development for me. I am proud to be able to participate in it on a daily basis, to contribute to reducing our impact on the community.

“People are happy and take pride in their company. We have QIO tattooed on the heart!”



MINE TAILINGS MANAGEMENT

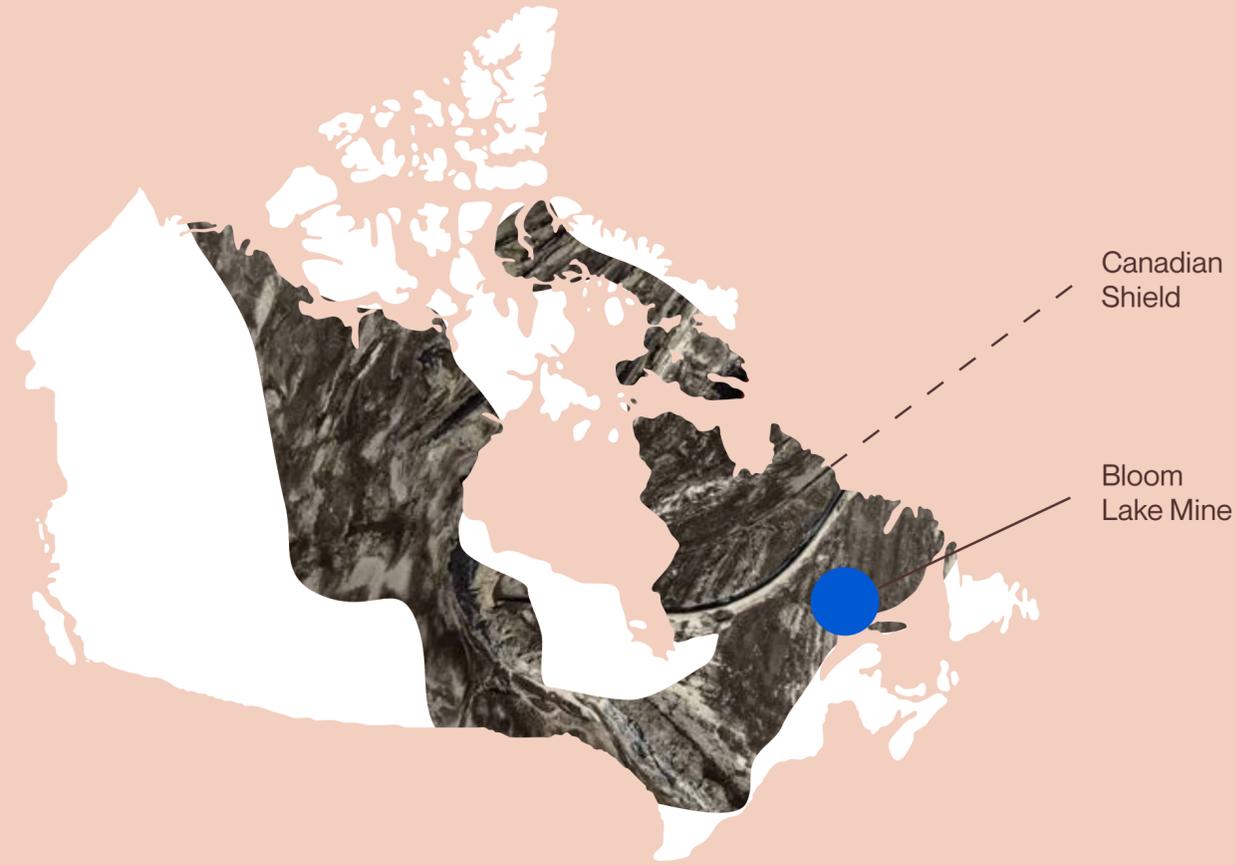
IMPORTANCE FOR OUR STAKEHOLDERS

Stakeholders want tailings storage activities to be carried out safely and with minimal risk of potential incidents that could affect the natural environment, communities, the local economy, workers and the Company's reputation and finances.

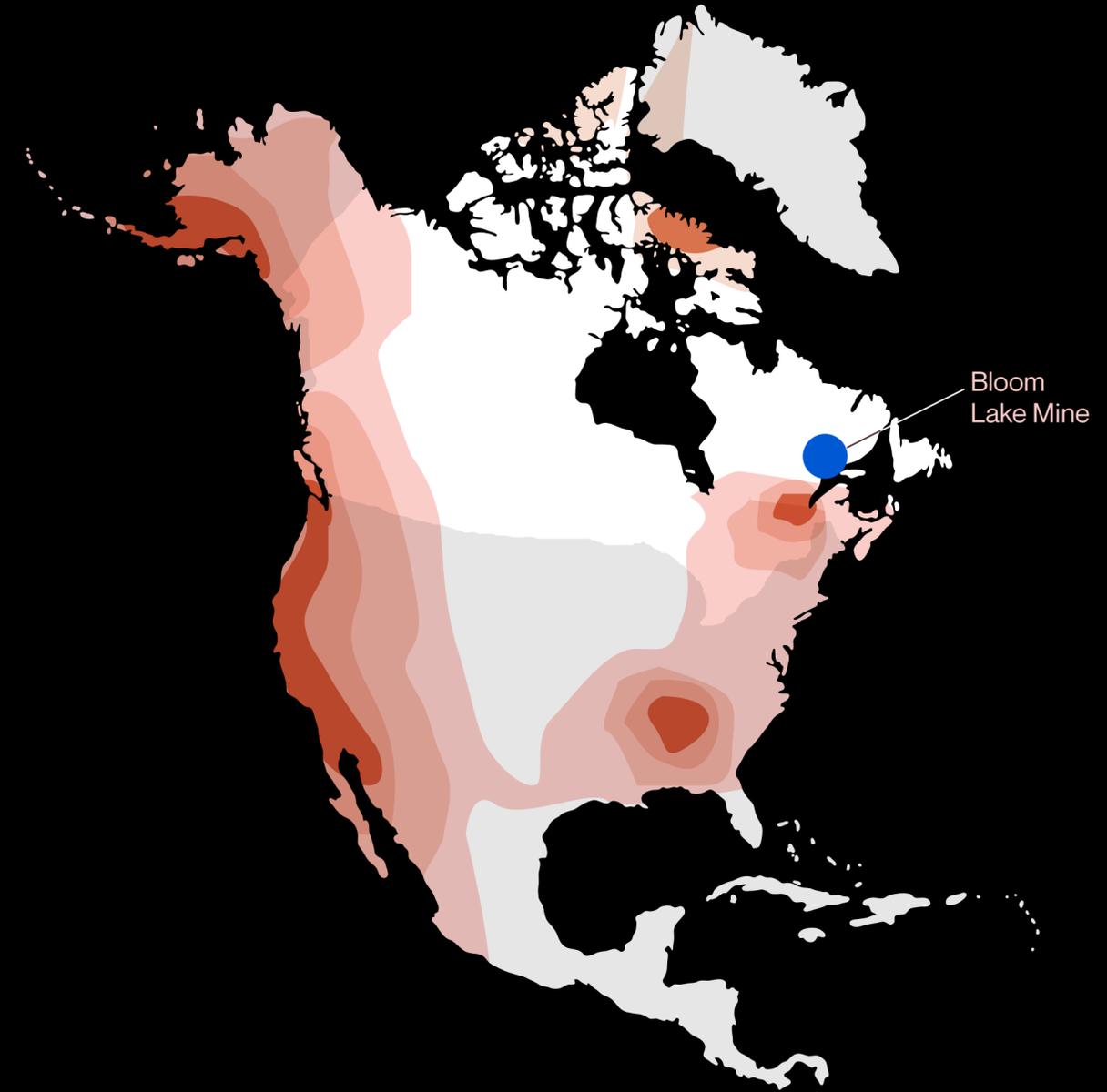
IMPORTANCE FOR US

The iron ore concentration process generates mine tailings that must be stored according to the highest safety standards, using safe and stable containment structures. Tailings storage operations also require reliable conveying equipment to minimize environmental, social, and operational risks, along with continuous construction to support the tailings storage plan.

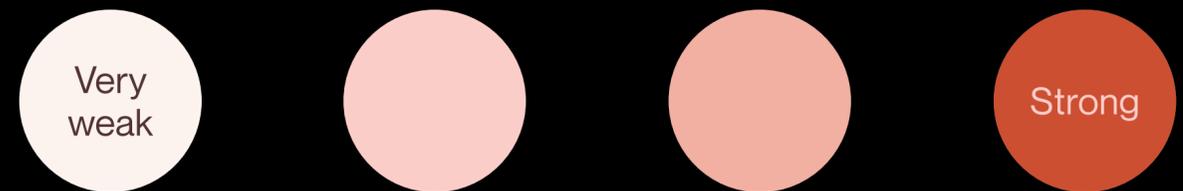
OUR APPROACH



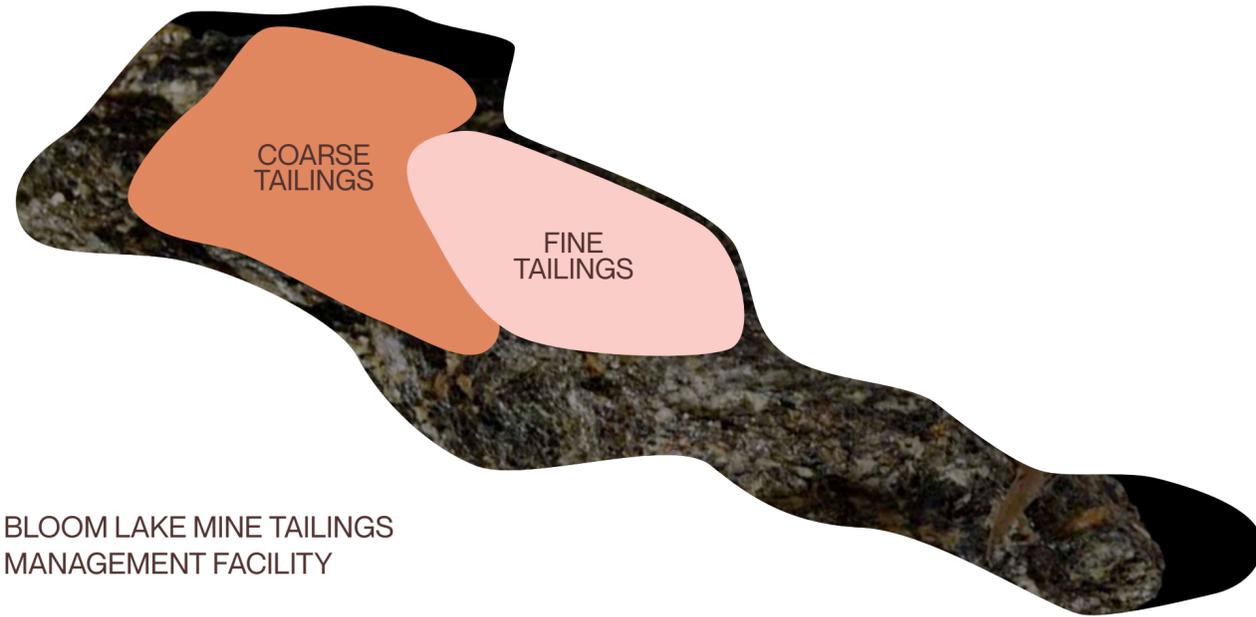
The Bloom Lake Mine is located in the centre of the Canadian Shield, one of the most stable geological regions on the planet. The infrastructures built on the site therefore benefit from an extremely solid and stable rock foundation.



SEISMIC ACTIVITY



OUR APPROACH (CONT'D)

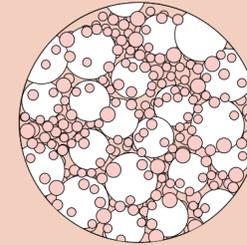


BLOOM LAKE MINE TAILINGS MANAGEMENT FACILITY

At Champion, safety comes first. We have implemented an innovative approach which consists in separating mine tailings into portions of fine tailings (silt-clay

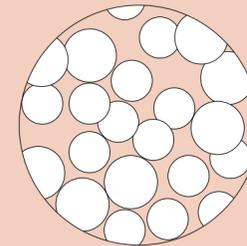
type) and coarse tailings (sand type). The benefits of this approach are based on how each material retains water and settles over time.

Mixed tailings



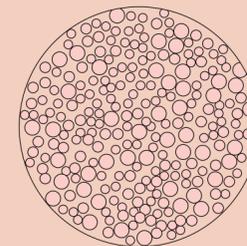
Mixed tailings, made up of unseparated fine and coarse tailings, are more susceptible to liquefaction, therefore representing a greater risk of instability when stored in a pile in the tailings pond.

Coarse tailings



Coarse tailings alone provide good drainage and therefore increased stability when stacked for storage. Thanks to Champion's approach, most mine tailings at Bloom Lake, in fact 88% of tailings produced, can thus be stored and managed as coarse tailings, which have stable, self-draining and non-liquefiable behaviour.

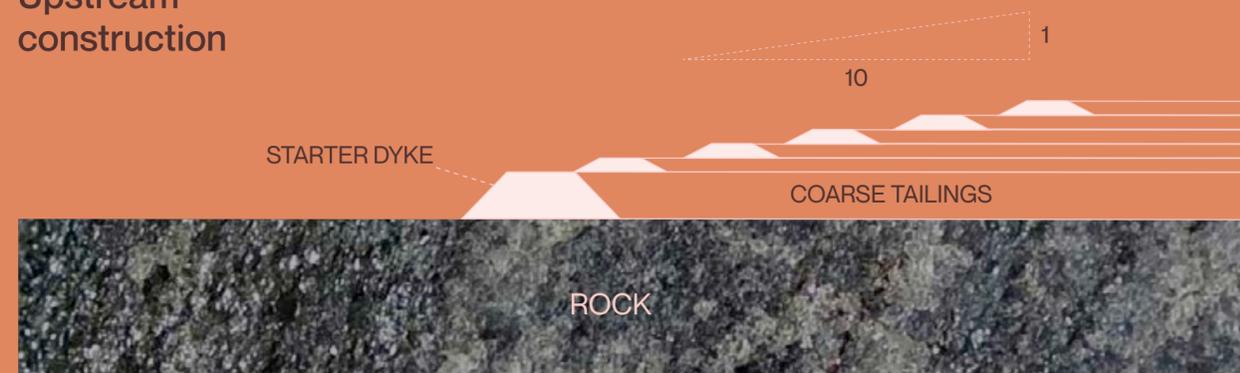
Fine tailings



Fine tailings, on the other hand, retain water and generate liquefiable sludge. Champion's tailings separation approach significantly reduces the volume of potentially unstable materials to be stored. Thus, only 12% of the total quantity of tailings stored at Bloom Lake is in the form of fine tailings.

Coarse tailings

Upstream construction

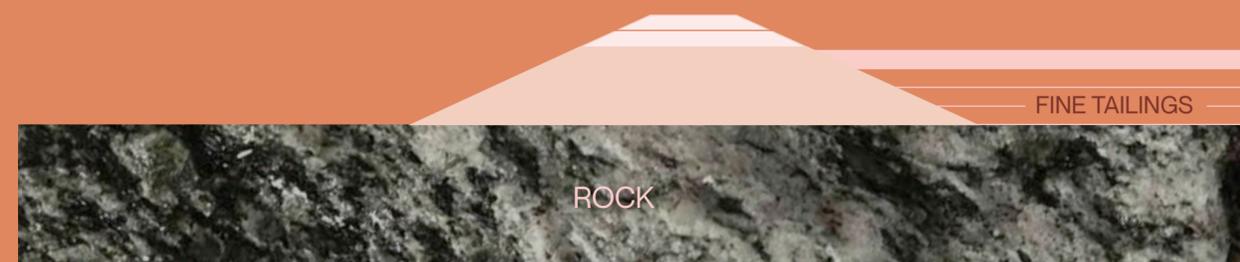


Fine tailings

Downstream construction



Centerline construction



OUR APPROACH (CONT'D)

Champion chose an upstream construction technique for the storage of coarse tailings. This technique begins with the construction of a starting dam upon which other dams can be raised upstream on a material that is self-draining and very stable. This approach has proven very safe for the storage of coarse tailings alone. Champion also opted for a strategy based on the use of a 10:1 slope for most of the retaining dams. This results in a very stable and durable infrastructure that considerably reduces the risk of failure compared to traditional approaches.

As a precaution, Champion only uses downstream and centerline construction techniques for the storage of fine tailings. As a result, no dikes are built over the fine tailings already stored. These techniques are considered the safest for this type of material.

A structure monitoring program completes Champion's tailings management approach. Firstly, this program is based on systematic visual performance inspections at regular intervals by experts, designers, and other specialists. Instruments are also installed in specific areas of the structures to monitor their behaviour continuously and remotely through a tele-communications system. Monitoring makes it possible to identify potential risks that require preventive action to improve safety and prevent incidents.

OUR STRATEGIES

Champion’s tailings management strategies are based on four pillars:

- Safe infrastructure: Design, build, and maintain structures that are stable over the long term and capable of containing all the tailings inside the facilities while ensuring that we have a robust emergency response plan.
- Strict design criteria: Build infrastructure that meets national legislative requirements and stringent standards, as well as commitments to stakeholders.
- Proactive risk management: Plan tailings storage and monitor the structure’s behaviour to allow the quick detection of potentially critical situations, and take preventive actions to avoid environmental, social, and financial consequences for stakeholders.
- Sustainable post-closure approach: Collaborate with stakeholders to establish a post-operation social and environmental plan in line with the expectations of communities and their future uses of the territory.

Short term (2020–2021)

IN PROGRESS

- Although the general approach and overall master plan for managing tailings have already been established for the entire duration of operations planned over a 20-year period, the detailed management plans and tools of our risk-based approach must be adjusted to consider any information and knowledge acquired since the operations were restarted in 2018.

COMPLETED

- Carry out a thorough design review of the initial work at the tailings site to characterize those initial conditions so they can be included in the design of future structures, thus minimizing safety risks.

Medium term (2022–2024)

TO COME

- Review the technological approach used for the surveillance and monitoring of structures to seek to improve it and further enhance our proactivity in terms of risk management.

IN PROGRESS

- Review post-operation rehabilitation with stakeholders to ensure consistency with the expectations of the host communities and to take new environmental technologies into account.

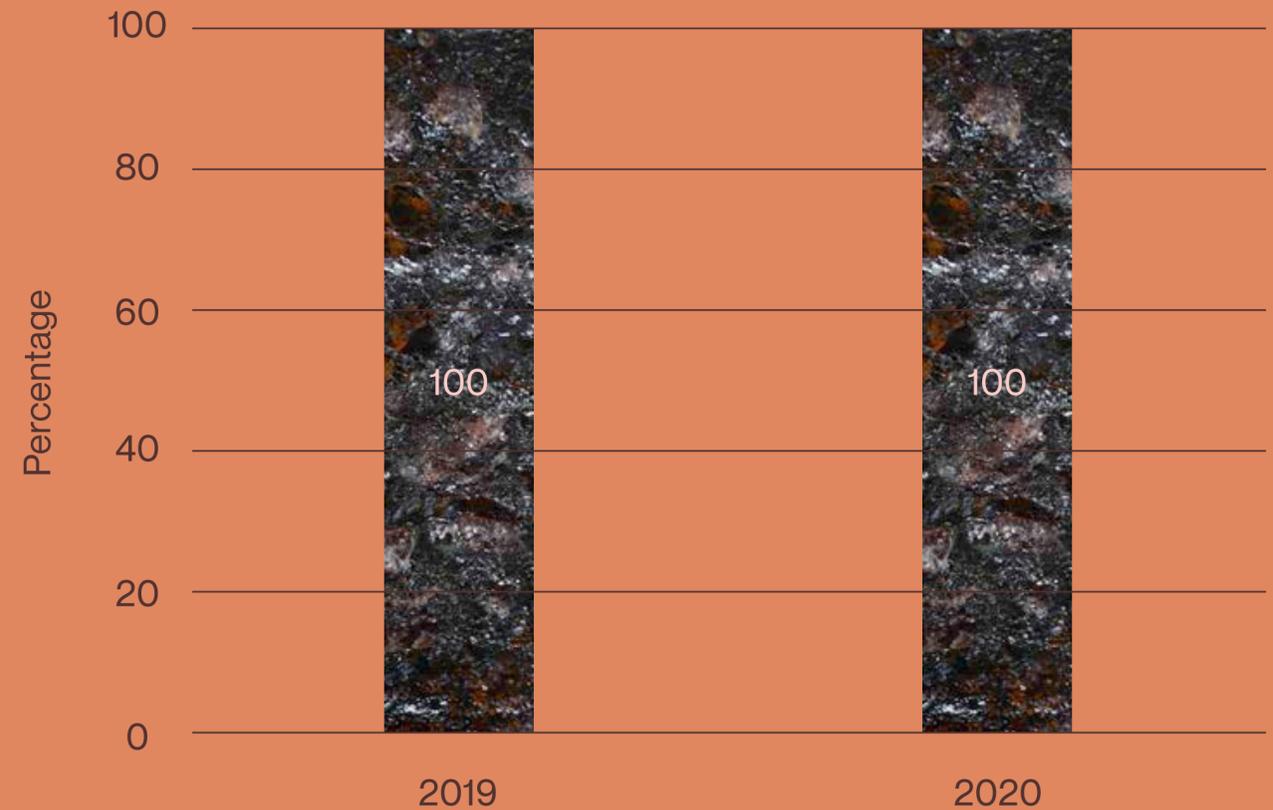
Long term (2025–2030)

TO COME

- Work with local economic and public actors in order to develop an integrated emergency management and preparedness system with and for the host community. This includes the strategic development of expertise and partnerships within the community that can be used to optimize the response to various types of emergencies that may arise.

PERFORMANCE INDICATOR

Compliance with the tailings retaining structure monitoring program



QUANTITY OF TAILINGS

In 2020, the Bloom Lake Mine produced 12.2 million tonnes of mine tailings. A total of 11.3 million tonnes were securely stored according to the planned filling strategy, while 0.9 million tonnes were recycled as construction materials in the site's containment infrastructure.

QUALITY OF TAILINGS

Chemical analyses and leaching tests are performed annually on representative samples of fine and coarse mine tailings from the Bloom Lake site to determine their acid-generating potential and the leachability of metals from tailings under conditions representative of those of the field ⁽²¹⁾. A review of the results of the 2020 campaign revealed that under applicable regulatory provisions, the Bloom Lake tailings showed no potential for acid generation, due to their very low sulfur content. In addition, they are considered of low leaching potential risk under conditions representative of the Bloom Lake mine site.

(21) USEPA leach test SW-846 Test Method 1312: Synthetic Precipitation Leaching Procedure <https://www.epa.gov/hw-sw846/sw-846-test-method-1312-synthetic-precipitation-leaching-procedure> and of Environment and Climate Change Canada Equilibrium Extraction (CTEU-9) - Investigation of Test Methods for Solidified Waste Evaluation.

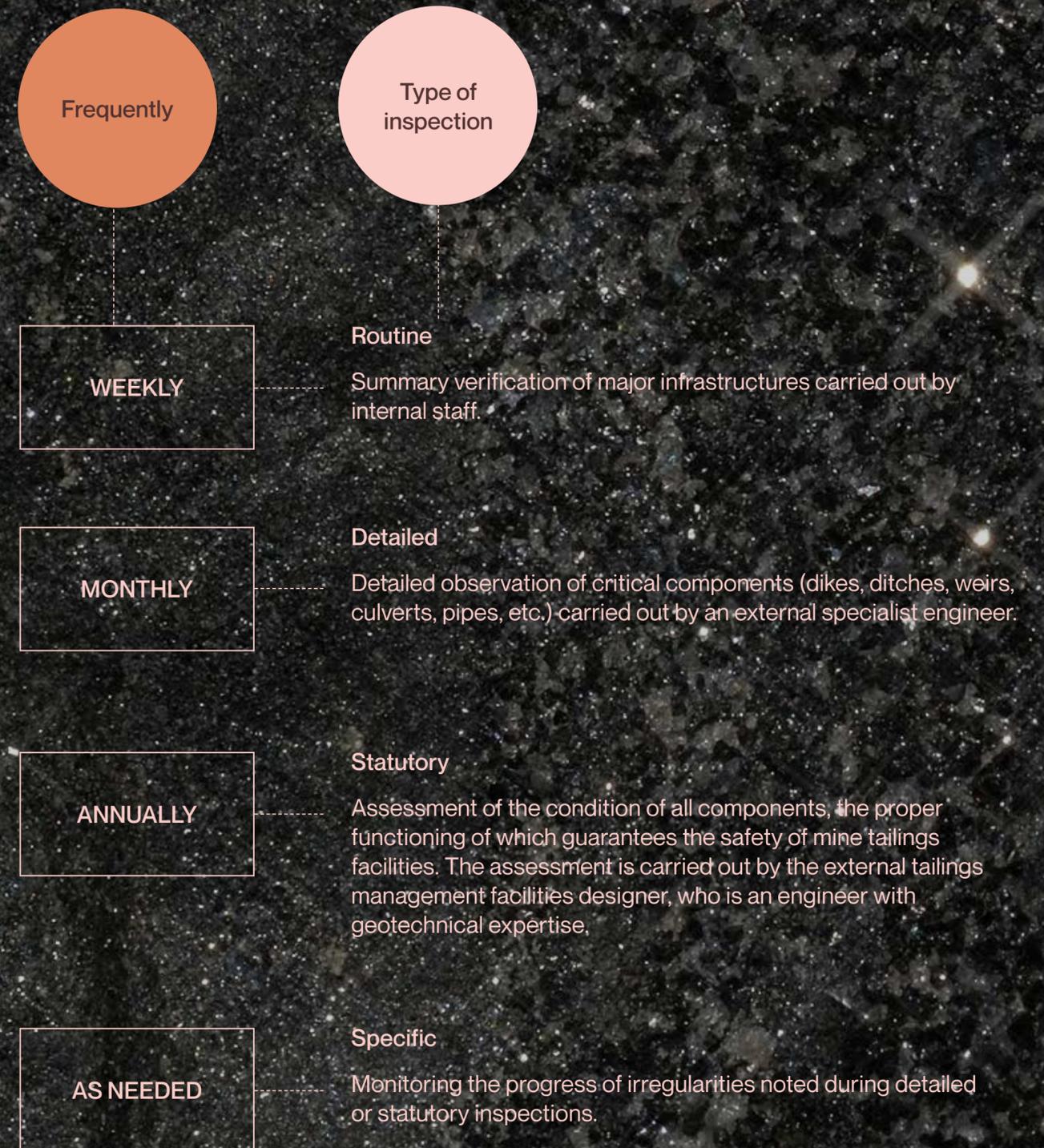
MONITORING PROGRAM

All retaining structures are subject to systematic visual inspections throughout the year, i.e. routine, detailed, statutory, and specific inspections. The purpose of inspections is to identify problems and conditions of potential detectable risk in order to intervene proactively using corrective or preventive measures, or to monitor the progress of a situation.

In 2020, 100% of the internal and external monitoring program for tailings retaining infrastructures was respected.

In addition, a total of 67 piezometers are installed on the retaining structures of the Bloom Lake mine. They provide data through a telemetry system, along with remote and real-time information about whether a measurement is abnormal compared to expected readings, allowing a quick response to manage a potential risk if necessary.

Combined with observations made during 2020 inspections, the data obtained from the instruments reveal that the structures of the Bloom Lake Mine tailings pond are generally behaving in accordance with the planned design parameters.



EMERGENCY RESPONSE PLAN

The emergency measures plan for the Bloom Lake Mine site includes a section dedicated to managing the highly unlikely event of a failure of a tailings pond containment structure. The management approach for such an event focuses on safeguarding the health and safety of employees and members of the community, protecting the natural environment, and ensuring effective communication with the relevant stakeholders.



RISK AND OPPORTUNITY MANAGEMENT

Global industry standard for tailings management

A new global industrial standard for tailings management was jointly published on August 2020 by the International Council on Mining and Metals, the United Nations Environment Agency, and the “Principles for Responsible Investing” organization. This new standard is the product of a consultation of multidisciplinary experts and stakeholders involved in the mining industry.

The standard aligns with the vision of “Zero Incidents” that impact populations and the environment, with an emphasis on intolerance of catastrophic work failures and loss of human life.

This new standard is broken down into 15 principles and 77 requirements under the following 6 main themes :

- Affected communities
- Integrated knowledge base
- Design, construction, operation and monitoring of the tailings facility
- Management and governance
- Emergency response and long-term recovery
- Public disclosure and access to information

Champion will take advantage of the issuance of this new standard to carry out a study on the differences between the provisions it contains and its own methods and procedures in order to align with them and support the continuous improvement of tailings management.

Risks management process

Champion updated its tailings management risk management process in 2020. This approach targeted, among other things, the identification, development and implementation of critical controls related to tailings management in order to prevent high-consequence incidents or mitigate the consequences of such incidents. Among the actions carried out is the evaluation of the following:

- Potential high-consequence incidents and plausible failure models
- Critical controls for each plausible failure model
- Actions to implement the controls
- Pre-defined actions to be taken if performance is outside the specified range

In addition, although a dam failure is extremely unlikely, an analysis of the consequences of the failure of dams that retain tailings and water at the Bloom Lake mine site was carried out in 2020. Flood risk areas associated with a failure scenario for 18 retaining structures were developed. Impact intensity indicators such as maximum wave propagation speeds were also assessed.

This exercise will assist in the development of appropriate measures to be implemented in case of dam failure, which will be established in collaboration with communities of interest and regulatory authorities. Although this type of scenario is very unlikely, this responsible risk management approach would limit impacts on the environment and surrounding infrastructures and on the safety of people and host communities.

EXTERNAL COMMITMENTS

ICMM MP

	Description	Target	What we do	
 Environmental performance	<p>Pursue continual improvement in environmental performance issues, such as water stewardship, energy use and climate change.</p>	<p>6.3 Effectively manage tailings Design, build, operate, monitor and decommission tailings disposal/storage facilities using comprehensive, risk-based management and governance practices in line with internationally recognized good practices in order to minimize the risk of catastrophic failure.</p>	<p>We support Principle 6 by implementing strategies for the establishment of safe infrastructures designed and built-in compliance with good practices, requirements, and standards in this area as well as through a tailings management approach based on proactive risk management.</p>	<p>We have also developed a post-operation restoration plan in accordance with regulatory requirements, which is approved by competent authorities. We have made financial provisions for the performance of the related work to fulfill our long-term environmental and social responsibilities.</p>

TSM SDP

<p>Tailings Management Protocol</p>	<p>The purpose of the protocol is to guide establishments in their performance evaluation for mine tailings management in terms of their policies and commitments, their management system and their preparedness for emergency situations, the distribution of accountability and responsibility, the annual review, and their operations, maintenance and monitoring manual.</p>	<p>Not applicable</p>	<p>We started work to implement the TSM Tailings Management Protocol in 2019, and it will take approximately 2 to 3 years to complete.</p>	
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PERSPECTIVES FOR 2021

Champion will continue the work it began in 2021 on safe tailings management by focusing its efforts on improving certain aspects of the tailings management system, particularly the updating of the operation-maintenance-surveillance manual for the tailings facility. The Company also plans to set up an independent review

process using recognized external experts to help us make informed decisions on the management of the tailings facility and its associated risks and also to help Champion ensure the application of adequate tailings management diligence standards.





WATER STEWARDSHIP



Cole-Mark Fontaine

Day Laborer, Water and tailings management team

For me, sustainable development is also about integrating communities: if my journey can serve as an example and help other natives to join the company, I am happy. I also like working in the Water and tailings management team because I participate in the preservation of the environment.

“My aspirations? I want to be a blaster driller! I like the spectacular side of the job. I want to be the first driller in my community.”



WATER STEWARDSHIP

IMPORTANCE FOR OUR STAKEHOLDERS

The communities with which we share watersheds care about having an adequate and sufficient quality of water to support health, recreation and tourism, quality of life, and the preservation of the environment and wildlife habitats.

IMPORTANCE FOR US

Water is an essential input for our operations since it is used in the iron ore concentration process, for tailings management and for the sanitary water needs of the employees. Its use involves water-retaining structures, which must be managed with protective measures against accidental discharges that can be caused by extreme floods resulting from exceptional precipitation events and melting snow. Water treatment facilities must also be used to discharge surplus treated water into the environment.

OUR APPROACH

Champion recognizes that water is an essential resource for life and that it is a common public resource, the quality and sustainability of which must be maintained for the benefit of its users and the preservation of the environment. The company also recognizes that the risks associated with water are complex and require a concerted approach by its users.

Champion's water management approach is based on fair and sustainable use involving local stakeholders in the implementation of adequate water management measures that meet the company's operational needs without compromising its use in the watershed throughout the mining life cycle. The company believes above all that the sustainable use of water requires work to reduce its own impacts on water in the value chain. Champion also considers the need to understand water-related

risks that are shared between users so that partnerships and collective actions are implemented to deal with them. In this perspective we collect data on water to establish and understand the water balance of our operations and our effects on the resource. By sharing this information with stakeholders and consulting with host communities and local water users, we can understand their priorities and collaborate with them to develop integrated solutions that minimize impacts and mitigate the risks associated with our collective water use.



OUR STRATEGIES

Short term (2020–2021)

COMPLETED

- Assess and understand the current state of the host watershed, groundwater, infrastructure, organisations involved in water management, and the detailed uses made of it throughout the watershed.

IN PROGRESS

- Perfect existing water management practices to continually improve the efficiency and effectiveness of its use. More specifically, this must be done with the aim of reducing our natural water consumption and maximizing water reuse and recycling and reducing the quantity and improving the quality of treated mine wastewater discharged into the environment.
- Foster innovation to improve practices and tools for monitoring water management infrastructure to increase the prevention of water-related incidents.

Medium term (2022–2024)

IN PROGRESS

- Assess water risks to the company, host communities and surrounding ecosystems throughout the watershed
- Assess the impact of our business on water users.
- Assess how climate and social change may affect these risks over the next 20 years.

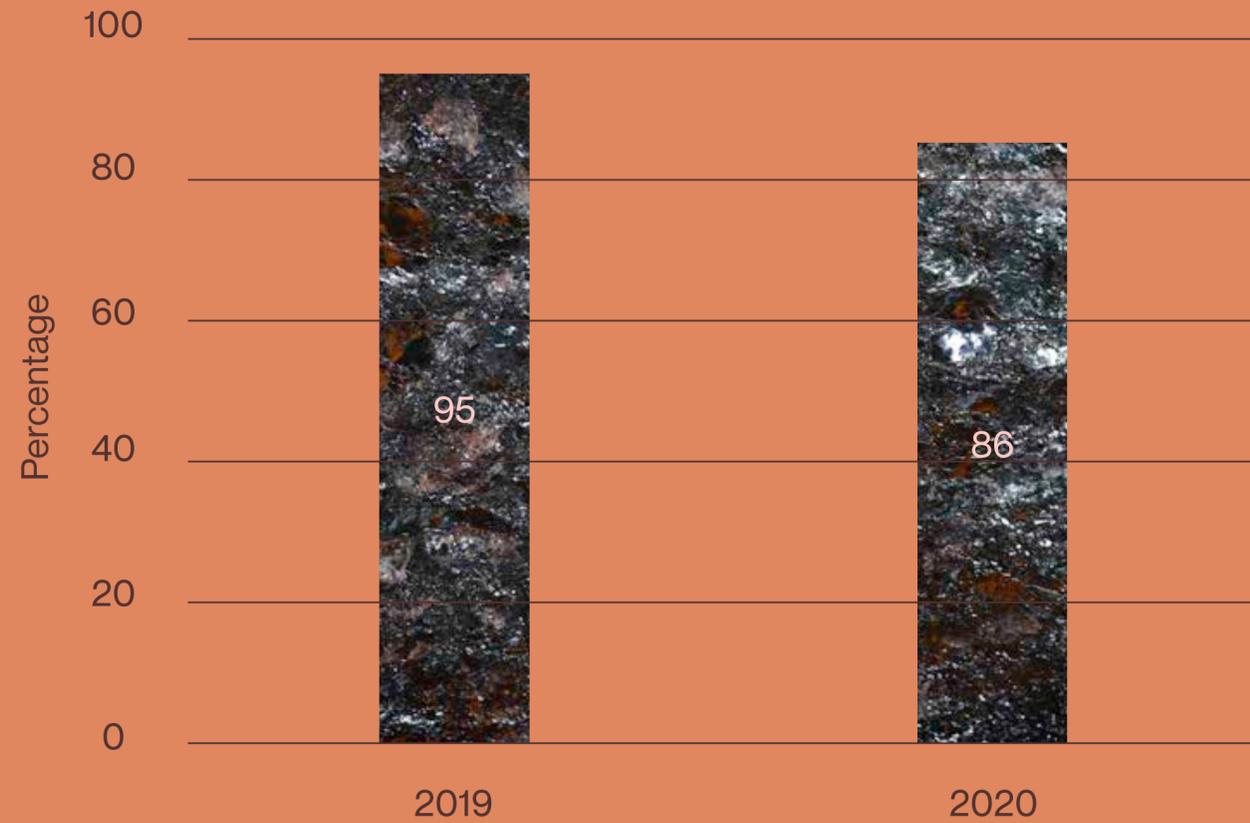
Long term (2025–2030)

TO COME

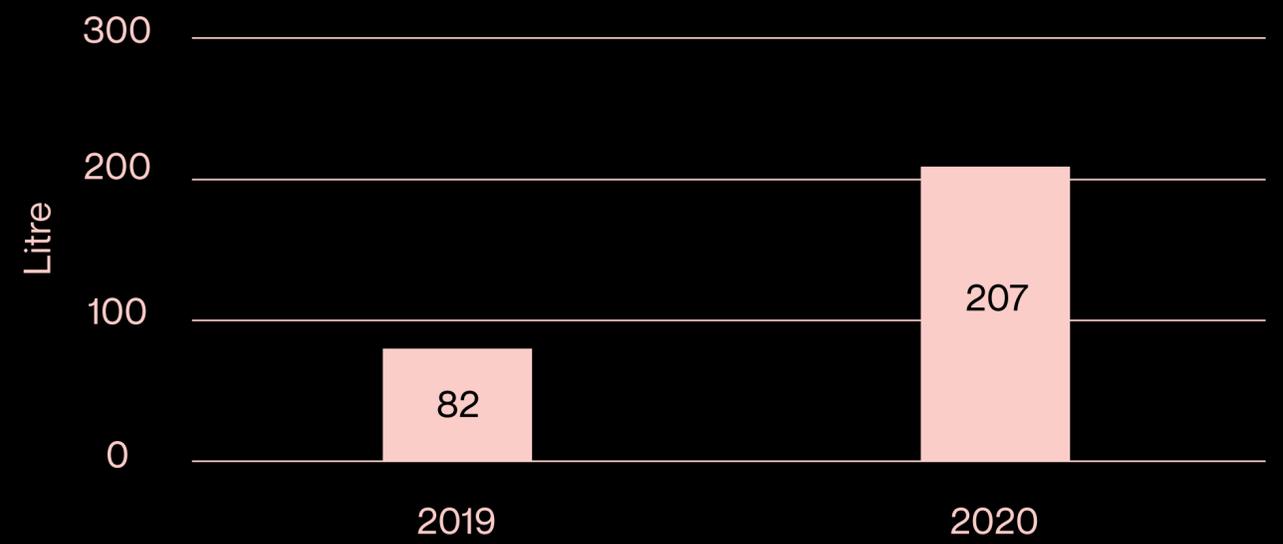
- Develop collaborations and partnerships with the local community, the public sector, and private companies to mitigate risks shared by all water users and increase water management sustainability throughout the watershed.

PERFORMANCE INDICATORS

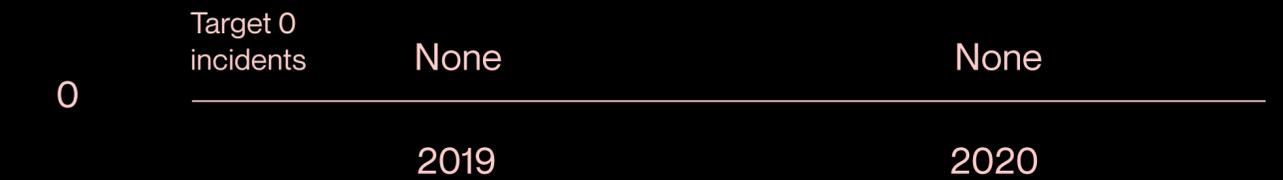
Percentage of reused or recycled mining wastewater



Litre of water taken from natural source per tonne of iron concentrate produced



Number of significant incidents associated to water ⁽²²⁾



⁽²²⁾ Event having a serious environmental impact involving medium- or long-term effects on the water resource and requiring a rehabilitation intervention.

2020 PERFORMANCE

Understanding our operational water balance is essential to improve the effectiveness and efficiency of our water management practices and enable better decision-making.

In 2020, 86% of total water consumption came from water reused by operations and recycled water from rain and snow that fell on the site and was collected by the infrastructure in place (9.7 Mm³).

This represents a decrease of 9% compared to the previous year, which was caused by the need to use 1.6 Mm³ of natural water from surrounding lakes to meet operational water needs while maintenance work was carried out on certain water management infrastructures. Thus, a total of 207 liters of new water taken from

the natural source was used per tonne of iron concentrate produced. This represents approximately 14% of the total water consumed per tonne of iron concentrate produced, an increase of 9 % compared to the previous year.

The work carried out on the water management infrastructure is scheduled to be completed in 2021, after which the consumption of natural water may decrease in favour of recycling and reusing the site's water.

No incident that could have a serious environmental impact or medium or long-term effects on water resources was observed for a second consecutive year in 2020.

WATER BALANCE



WATER QUALITY

Mining wastewater

All precipitation and snowmelt water in contact with mining infrastructure is captured using a network of ditches over 35 km in length located on the outskirts of the mining facilities. The ditches are connected to 39 transit water basins and 12 water retention basins that can safely contain and manage from a 1:100-year to a 1:1,000-year recurrence flood event for a 24-hour period of rain, combined with a spring melt of 1:100-year event spanning 30 days.

The Bloom Lake Mine is characterized by a natural water regime generating excess water within the site. These surpluses are treated using a state-of-the-art processing unit. Monitoring the surplus of treated mining wastewater confirms its quality before it is discharged into the surrounding natural receiving environment, immediately upstream from Lake D.

Lake D covers an area of 55 km² and is a habitat for lake whitefish, the dominant species, followed by northern pike. A low presence of other species, such as the longnose sucker, pike, lake trout, and monkfish has also been observed. None of the species present in Lake D has special status or is a threatened or vulnerable species and none is likely to be so designated under the Act Respecting Threatened or Vulnerable Species of Quebec or the Canada Species at Risk Act. Lake D and the nearby downstream bodies of water and their associated habitats are not designated as protected areas nationally or internationally.

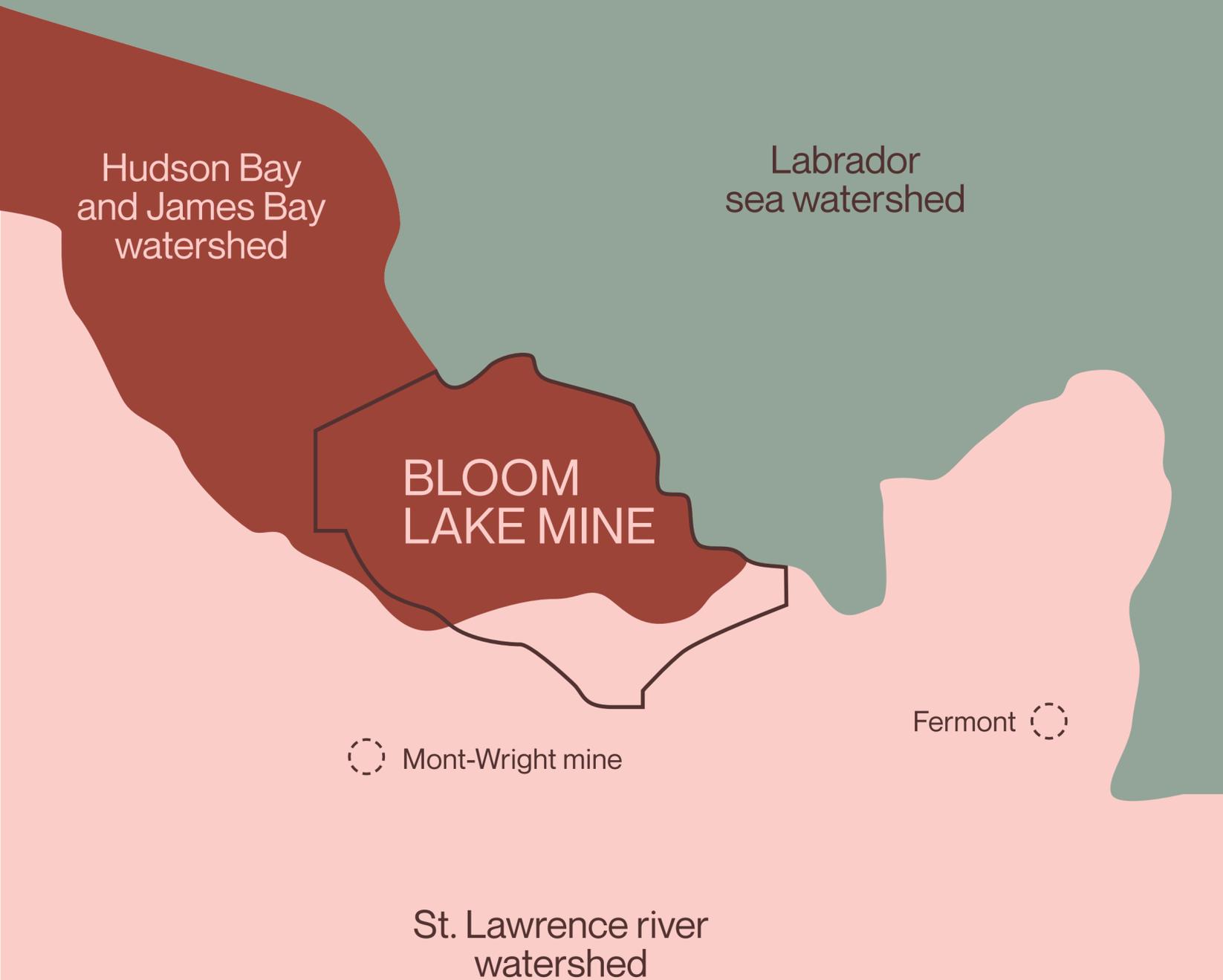
Monitoring of the mining wastewater effluent includes physicochemical characterization and biological testing to determine its toxicity. A total of 13.3 M m³ of water was discharged into natural surface water in 2020 with 100% compliance with the physicochemical quality criteria to be met. In addition, the discharged water showed no toxicity throughout the year, with the exception of a single bioassay conducted on a planktonic crustacean, *Daphnia magna*, which was only momentary and showed no correlation with the physicochemistry of the effluent.

Groundwater

In 2020, groundwater quality monitoring was carried out twice a year in observation wells distributed upstream and downstream of the mining facilities, i.e. during the spring flood and during low water levels in summer.

Monitoring consists of a physicochemical characterization of target parameters. The objective is to monitor their concentrations to determine whether there is a development indicating any contamination over time or compared to the initial baseline established before the construction of the mining infrastructure. In light of the 2020 results, no contamination trend was observed in the concentrations of the parameters measured in the monitored groundwater compared to the previous campaigns or to the initial reference state. A more refined analysis of all the groundwater quality monitoring results obtained since the resumption of mining operations in 2018 will soon be carried out to generate a more precise perspective of spatio-temporal trends and intervene proactively if required.

THE WATERSHEDS



The Bloom Lake mine site is crossed by two large regional watersheds, that of Hudson Bay and James Bay to the northwest, and that of the St. Lawrence River to the southeast.

The current mining facilities are located exclusively in the centre and north of the property, within the Hudson Bay and James Bay watershed.

The local flow is in a northwesternly direction towards the Caniapiscau reservoir, which ultimately flows into James Bay to the west.

The municipality of Fermont and its aqueduct supply water catchment area as well as the Mont-Wright mine are located in the watershed of the St. Lawrence River, more precisely the estuarine and marine section of the watershed of the river.

WATER USE THROUGHOUT THE WATERSHED

Champion is committed to applying corporate governance in relation to water, which takes into account the issues related to its use throughout the watershed. Proactively managing the quantity of water used as well as its quality in order to reduce potential social and environmental impacts on local water users is essential in the decision-making process and the development of business strategies.

In order to better understand the interactions and potential impacts of operations and its water use on other users, in 2020, Champion proceeded to identify water usage throughout the surrounding watersheds. This approach will serve to establish a more holistic understanding of water use and develop a coherent and relevant action plan in order to avoid compromising its uses in the watersheds in which the Company operates.

Land use by Indigenous

Traditional uses, such as hunting, trapping and fishing, are practiced by Indigenous groups who host the territory:

- Hudson Bay and James Bay watershed
 - Activities of the Innu communities of Uashat mak Mani-utenam and
 - Matimekush - Lac John on the Nitassinan territory.
- Watershed of the St. Lawrence River
 - Presence of an Innu community cabin on the shores of Daigle Lake.
 - Activities of the Innu communities of Uashat mak Mani-utenam and Matimekush - Lac John on the Nitassinan territory.
 - Presence of Innu hunting and fishing camps on the Pékans and Moisie rivers.

Resource conservation

With nearly 700 bodies of water and nearly 1,000 streams and rivers, the area surrounding the Bloom Lake mine site is teeming with natural water resources. Protected areas are also present in the host region of the mine, which serve to promote the maintenance of natural water resources and biodiversity in the area. A total of five reserves are within a 50 km radius of the Bloom Lake mine site, all of which have permanent protection status⁽²³⁾:

- Hudson Bay and James Bay watershed
 - Projected Paakumshumwaau-Maatuskaau biodiversity reserve (4,539 km²);
 - Projected Gensart lake biodiversity reserve (474 km²);
- St. Lawrence River watershed
 - Projected Moisie River aquatic reserve (3,898 km²);
 - Projected Lac Ménotouc biodiversity reserve (355 km²);
 - Projected Bright Sand Lake biodiversity reserve (278 km²).

⁽²³⁾ The legal status of a proposed biodiversity reserve is governed by the Natural Heritage Conservation Act of the province of Quebec (L.R.Q. c. C-61.01).

Drinking water supply

The main sources of drinking water supply in the Bloom Lake mine area are as follows:

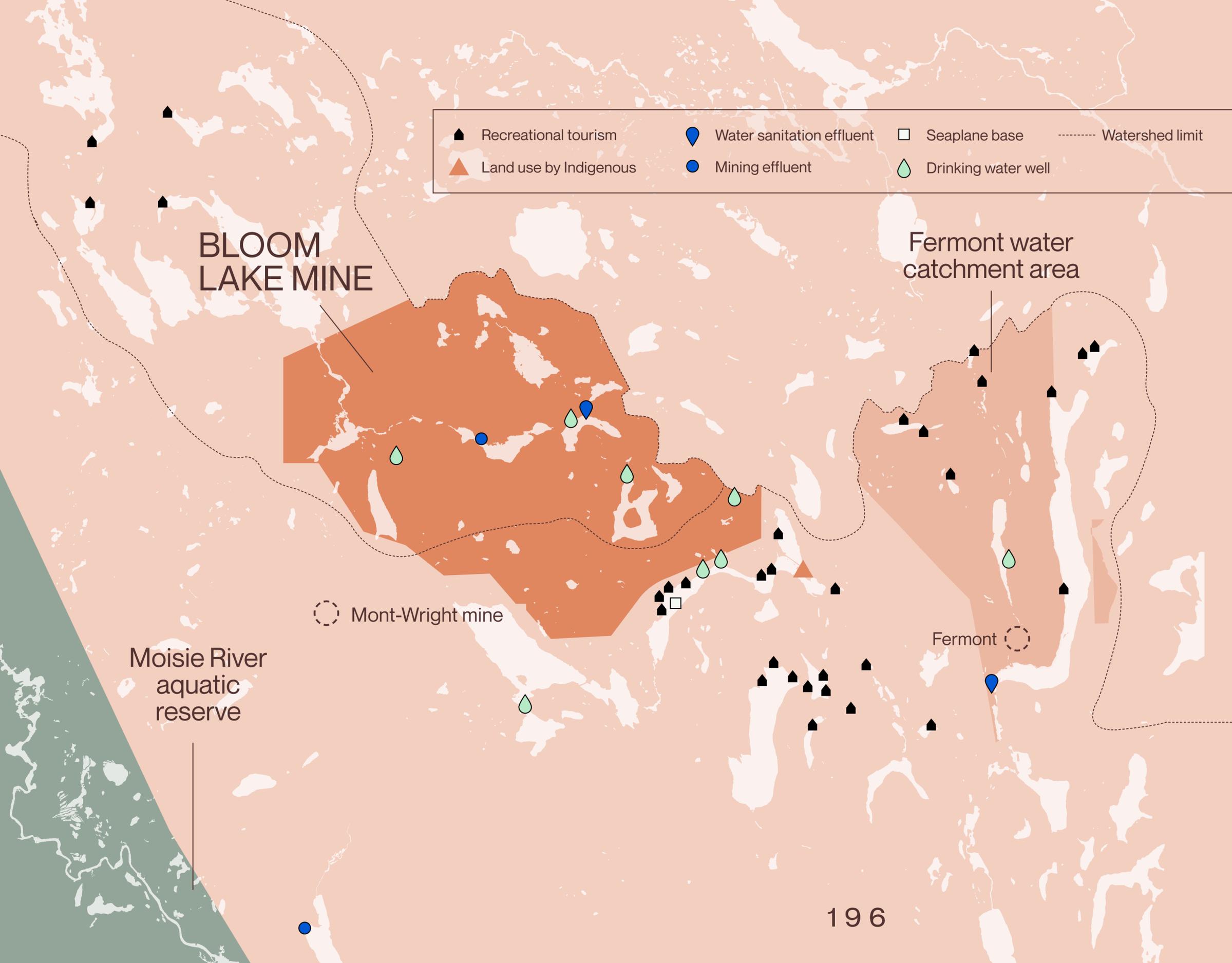
- Hudson Bay and James Bay watershed
 - Surface and underground water intakes from cabins and vacation homes in the watershed
 - Surface water intake on the Bloom Lake mine property to meet sanitary water needs for operations
 - Underground water intakes on the Bloom Lake mine property to supply a workers' camp
- St. Lawrence River Watershed
 - Surface and underground water intakes from cabins and vacation homes in the watershed
 - Surface water intake from the host municipality and its catchment area.
 - Surface water intake from the Mont-Wright mine

Agriculture

Market gardening, field irrigation and grazing are the main agricultural activities carried out on a regional scale, most of which are located more than 500 km south of the Bloom Lake mine site, in the downstream sector of the basin slope of the Moisie river. Some of the farming businesses include the following:

- St. Lawrence River Watershed
 - Jean-François Côté farm (strawberry plant)
 - du Golfe Blueberry field
 - Christiane Morneau farm
 - Bleu Nord Blueberry Field
 - Galix gardens
 - Purmer aquatic farm





Recreational tourism

The main water-related recreation and tourism activities in the Bloom Lake mine area are as follows:

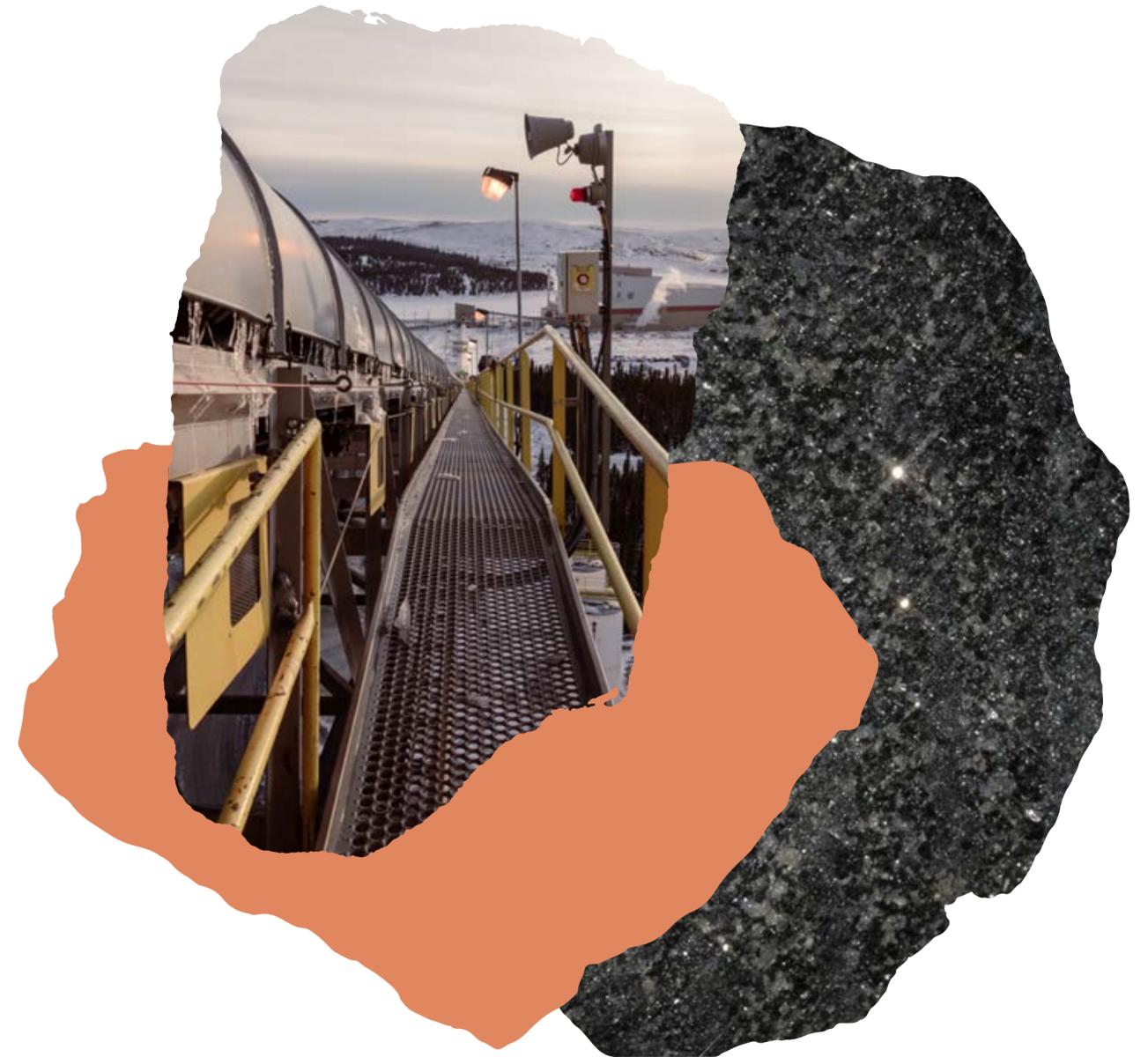
- Hudson Bay and James Bay watershed
 - Fishing on the surrounding rivers and bodies of water
 - Ice fishing
 - Canoeing and kayaking
 - Resort in the sectors of Boulder, Lawrence and Cherny Lakes
- St. Lawrence River Watershed
 - ZEC of the Moisie river (swimming, boating and fishing).
 - Outfitters: Moisie Nipissis inc. and Moisie-Ouapetec
 - Fishing on the surrounding rivers and bodies of water
 - Ice fishing
 - Canoeing and kayaking
 - Daigle Lake seaplane base
 - Vacationing in the sectors of Daigle, Tupper, Moiré, Mogriddle, Daviault and Perchard lakes

Industrial

The Mont-Wright mine is located less than 5 km southwest of the Bloom Lake mine site, in the St. Lawrence River Watershed, which includes waste rock and tailings storage areas and their associated retaining structures, an industrial surface water intake and a mining effluent that discharges into the Pékans river.

Hydroelectric facilities belonging to the Quebec government (Hydro-Quebec) are in place a few hundred kilometres from the Bloom Lake mine, outside its area of influence:

- ① Hudson Bay and James Bay Watershed
 - La Grande hydroelectric complex, approximately 450 km to the west (La Grande-4 generating station)
- ② St. Lawrence River Watershed
 - Romaine hydroelectric complex, approximately 300 km to the southeast (Romaine-4 generating station)



OPPORTUNITY AND RISK MANAGEMENT

Following the comments and recommendations received as part of the consultation process of the waste rock and tailings storage area expansion project, Champion had the initial storage location selection alternative analysis revised by an additional group of specialized external experts. This revision made it possible to refine the approach by expressly taking into account stakeholder comments and recommendations.

Following the completion of this exercise, the project provides for the improvement of the compensation program for losses of water and wetlands. This program will make it possible to counterbalance the losses of wildlife habitats by an equivalent ecological gain, which will benefit Indigenous groups and host communities as well as other water users throughout the watersheds.

The use of the southern sector of the Bloom Lake mining property for the waste rock storage will be accompanied by an infrastructure plan to collect rainwater and snow melt in contact with the waste rock. This approach will avoid impacting water resources in the St. Lawrence Watershed. In addition, always with the aim of limiting impacts in this watershed, the collected water will be redirected to the north of the property for treatment before being released, into the natural environment of the James Bay and Hudson Bay Watershed. Although more

expensive, this approach avoids mining effluent from being drained into the St. Lawrence River Watershed, which already receives the effluent from the Mont-Wright mine. This contributes to the conservation of water resources and of the Moisie River aquatic reserve located downstream. This approach also helps preserve recreational and tourism use of the reserve and of the Moisie River, uses made by Indigenous groups and agricultural uses further south.

EXTERNAL COMMITMENTS

UN SDG

	Description	Target	What we do	
 <p>Clean water and sanitation</p>	Ensure access to water and sanitation for all	6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing the release of hazardous chemicals and materials, halving the proportion of untreated wastewater, and substantially increasing recycling and safe reuse globally.	<p>Champion supports the achievement of Goal 6 through the establishment of infrastructure to maintain the quality of treated mining wastewater discharged into natural surface water, as well as through efforts to improve the efficiency of water use in operations.</p> <p>The Company seeks to proactively manage the quantity and quality of water used to reduce potential social</p>	<p>and environmental impacts and to implement opportunities that support a preventive and precautionary approach to water stewardship.</p> <p>The Company uses water collection infrastructures in contact with the mining site, and a water treatment unit ensures its quality before it is returned to the natural environment.</p>

ICMM MP

 <p>Environmental performance</p>	Pursue continual improvement in environmental performance issues, such as water stewardship, energy use and climate change.	6.2 Implement water management practices Implement water management practices that provide for strong and transparent water governance, effective and efficient water management in operations, and collaboration with stakeholders at a catchment level to achieve responsible and sustainable water use.	<p>Champion supports Principle 6 by ensuring transparent governance through public disclosure of its approach to water management and the results obtained in this area.</p> <p>The Company also implements a water management approach based on equitable and sustainable use that involves collaboration with water users throughout the watershed.</p> <p>The Company pursues continuous improvement in the effectiveness and</p>	<p>efficiency with which it manages water in its operations through the use of a predictive model of its operational water balance, the accuracy of which is refined on a continuous basis.</p> <p>Processes to ensure the monitoring of the quality of surface water and groundwater as well as of treated wastewater effluent are in place to act proactively before the emergence of water-related problematics.</p>
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TSM SDP

Water stewardship	The purpose of the protocol is to guide establishments in the evaluation of their performance in terms of water stewardship in relation to water governance, management of water intended for operations, basin planning, and water yield and reporting.	Not applicable	We started work on implementing the TSM water stewardship protocol in 2019, which will take approximately two to three years to complete.	
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PERSPECTIVES FOR 2021

Champion will produce its Water Stewardship Policy in 2021 to confirm its commitment to using water in a socially equitable, environmentally sustainable and economically beneficial manner in its operations.

Following the development of a detailed portrait of water uses in the Bloom Lake mine area in 2020, Champion plans to produce an action plan aimed at further minimizing the risks associated with its use throughout the watershed.

A detailed geostatistical analysis of the results of monitoring the quality of the groundwater in the Bloom Lake mining site sector is also planned for 2021. This will be done using specialized tools in order to determine whether there are potential or actual trends that could cause water-related issues and allow the company to intervene proactively as needed.

Lastly, work carried out on some water management infrastructures will be completed in 2021, which will make it possible to reduce the consumption of natural water in favour of reusing and recycling water in operations.





BIODIVERSITY CONSERVATION AND THE PRECAUTIONARY PRINCIPLE



Adeline Menon

Sustainable development
and compliance coordinator

As part of the sustainable development team, she advocates respect, in particular so that the Company honors its commitments and the laws and regulations in terms of sustainable development. Also, she firmly believes that a caring company must be transparent with all of its stakeholders.

“Companies must now be smart and ensure the sustainability of their activities, but also of the territory they exploit, which is encouraged at Champion. This is what makes me appreciate my work and our business culture so much.”



BIODIVERSITY CONSERVATION AND THE PRECAUTIONARY PRINCIPLE

IMPORTANCE FOR OUR STAKEHOLDERS

Stakeholders expect Champion to adequately monitor any negative impacts its activities may have on biodiversity. They also want the Company to respect the support capacity of surrounding ecosystems so that thresholds maintaining the functions and balance of the natural environment are not surpassed, which would cause irreparable harm.

Stakeholders also expect Champion to integrate biodiversity conservation management into its planning, strategies and action plans and proceed with caution when risks are poorly understood.

IMPORTANCE FOR US

Bloom Lake mine is located in the Canadian boreal forest, home to animals, plants and other natural resources upon which surrounding communities depend.

It is important for Champion to act responsibly and equitably toward future generations, preserving biodiversity and the support capacity of surrounding ecosystems so that these future generations can also fully benefit from biodiversity.

OUR APPROACH



Champion recognizes that its activities may have negative impacts on wildlife, flora, soil, water and air. The Company believes that the best approach to protecting and preserving biodiversity is to integrate environmental aspects as early as possible in the planning stages and when developing strategies.

We believe that environmental issues must be part of design data and strategies as well as other technical and financial elements. At Champion, this is based on the following sequence: Understand, Prevent, Reduce, Compensate.



UNDERSTAND

First, we make sure that we understand the distribution, quantity and status of important species that make up the biodiversity of our operating location and their habitats. It is important for Champion to understand the uses of the territory and the biological resources in the region, including rare, threatened, endangered and other species that have special value for communities and Indigenous groups. This knowledge is used to manage related regulatory requirements, prevent or reduce potential effects on biodiversity and respond to the concerns of the community and other stakeholders.



PREVENT

Champion believes that the best way to preserve biodiversity is to prevent impact at the source, based on knowledge of biodiversity issues. We consider potential future impacts in order to make preventive choices as much as possible when implementing our projects and operations.



COMPENSATE

We only introduce compensatory measures as a last resort to provide a positive counteractive remedy if negative impacts persist and cause a loss of biodiversity. The objective of these measures is to offset a proven loss with an ecological gain that must be at least equivalent to the loss or even lead to a net gain.



REDUCE

When negative impacts on the environment cannot be fully avoided, we make sure to implement measures to minimize them through the use of infrastructure and technologies or targeted technical adjustments.

Champion advocates a precautionary approach, ensuring that the absence of complete scientific data is never used as an excuse to postpone the adoption of effective measures to prevent harms that could result in serious or irreversible damage.

The Company also refrains from conducting its activities on World Heritage sites and respects all legally designated protected areas by ensuring that these activities are compatible with the value for which they have been designated.



OUR STRATEGIES

Our biodiversity and ecosystem conservation strategies are based on integrating the importance of critical wildlife and plant habitats into corporate planning and operations.

Short term (2020–2021)

IN PROGRESS

- Implement a management system for the important aspects of biodiversity associated with our activities, including their monitoring and follow-up, the establishment of objectives and action plans, as well as awareness programs.

COMPLETED

- Based on current knowledge of important aspects of biodiversity, implement risk assessment measures to determine the possible effects of our activities on them and establish and determine how to preserve them and, if possible, improve them.

Medium term (2022–2024)

IN PROGRESS

- Contribute to the conservation of biodiversity in areas outside the site with host communities and Indigenous groups or other public or private organizations.

TO COME

- Promote the conservation of biodiversity among industry peers or other industries that generate environmental impacts.

Long term (2025–2029)

TO COME

- Seek to contribute to a better scientific understanding to protect biodiversity for the benefit of communities and society in general.

PERFORMANCE INDICATOR

Revegetated area



PERFORMANCE IN 2020

All species depend on each other for survival. This means that when a species is threatened or endangered, the survival of other species that depend on it is also at risk. Preserving diversity helps protect species at risk, reduce disruption to the food chain and habitats and protect health, communities and the economy.

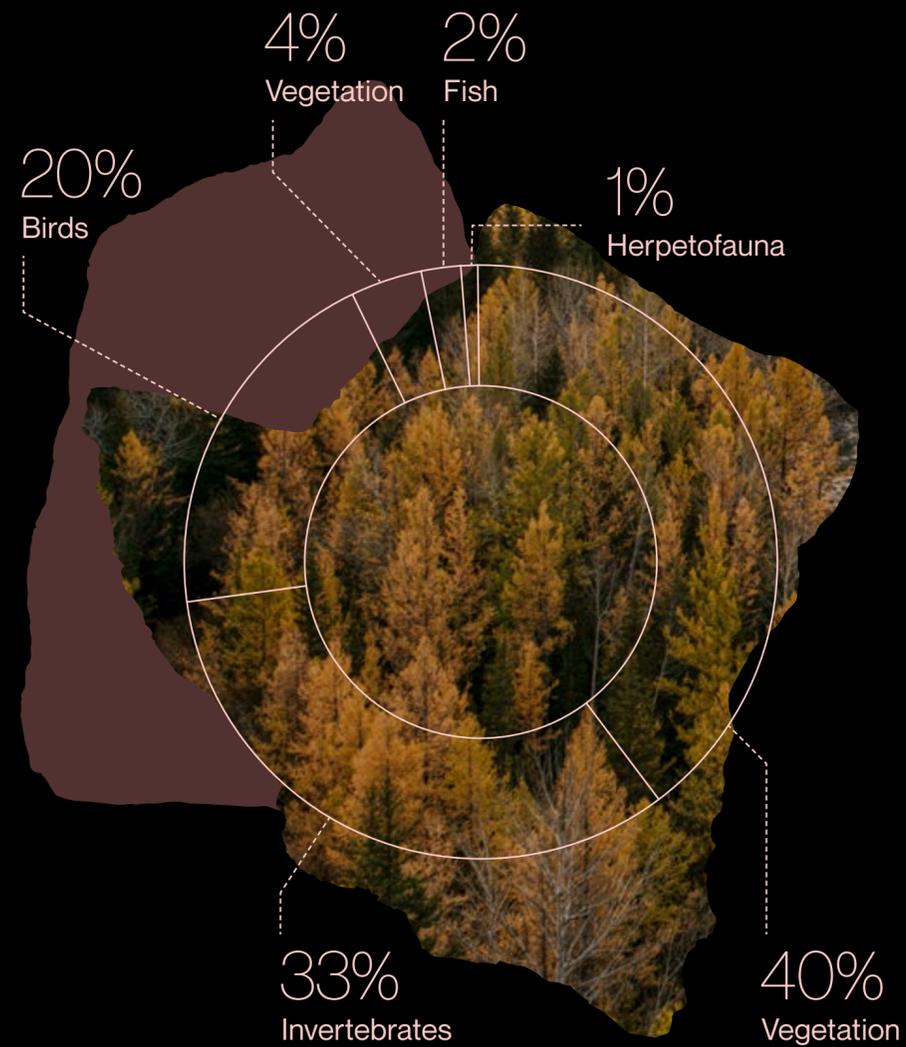
Champion established the biodiversity portrait in the Bloom Lake mine area in 2020, which is based on species and family richness. The groups considered are vegetation, invertebrates, fish, herpetofauna, birds and mammals. In addition, key elements such as species at risk were considered in establishing the portrait.

A total of 204 families and 880 species are present, or potentially present, in the Bloom Lake Mine site region, including 33 species at risk. Vegetation is the main group contributing to diversity, with 352 species, or 40% of the total number of species. Invertebrates rank second with 295 species, corresponding to 33% of species. Birds are in third place with 172 species (20%). Vegetation and birds are the two groups with the highest proportions of species at risk in the Bloom Lake Mine area.

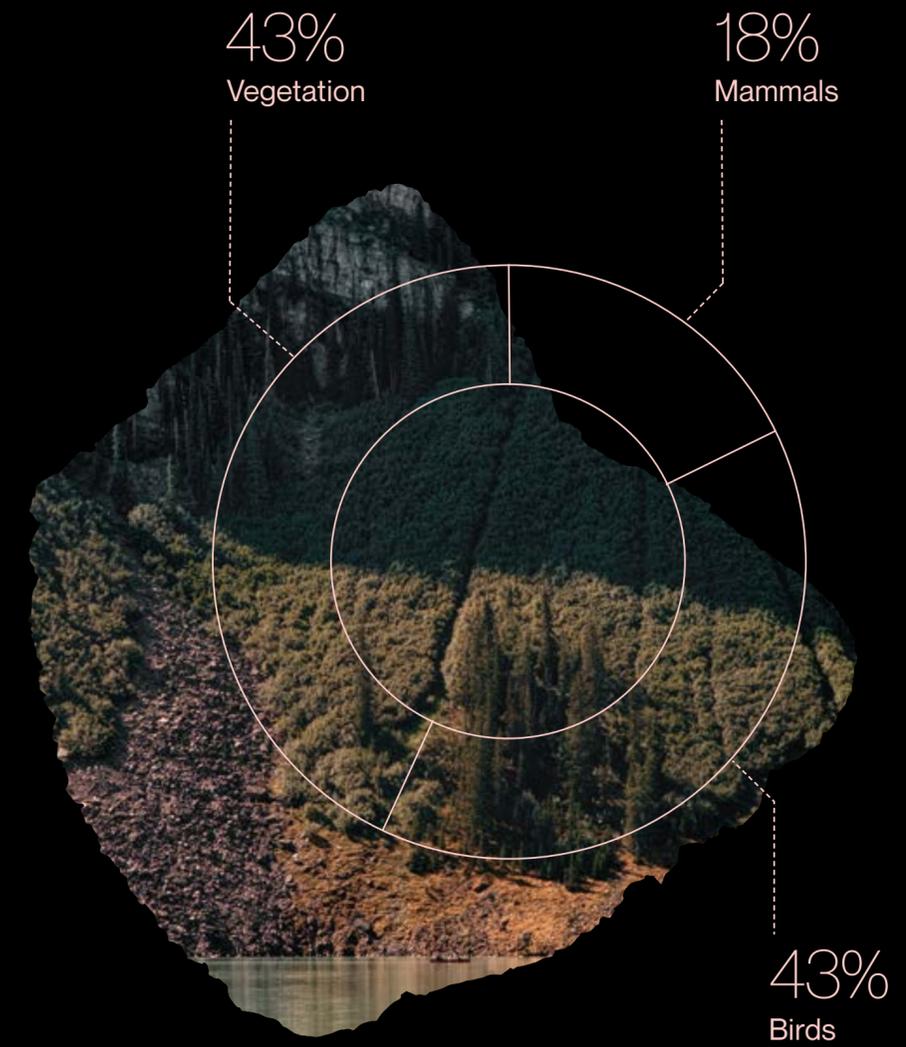
Number of families	204
Number of species	880
Number of species at risk	33



DISTRIBUTION OF BIODIVERSITY



DISTRIBUTION OF SPECIES AT RISK



IMPORTANT ASPECTS OF BIODIVERSITY

Champion seeks ways to prevent or mitigate potential effects of its activities on biodiversity, respond to concerns of the host communities or other stakeholders and /or meet regulatory requirements or support government initiatives to protect biodiversity. There are 4 main aspects of biodiversity for which the company is committed to taking specific management and monitoring measures in the context of the Bloom Lake mine site.

→ **Bats:** Bats play an important ecological role in the environment. However, their populations are in an advanced state of decline in the province where Champion is operating⁽²⁴⁾. The main threat is associated with white-nose syndrome, an infection caused by the fungus *Pseudogymnoascus destructans*. It affects bats during their hibernation period and causes extreme mortality rates leading to a sharp decline in populations. Provincial authorities have determined several conservation objectives to support bat species.

→ **Atlantic salmon in eastern Canada:** Atlantic salmon in eastern Canada are born in freshwater, particularly in coastal rivers, and migrate long distances to different parts of the North Atlantic ocean to feed and grow before returning to their native rivers to reproduce. However, the number of salmon returning to their native rivers has declined significantly in recent years, which may affect the survival of the species⁽²⁵⁾. While it remains a very important species for host Indigenous groups, Atlantic salmon is also considered of special concern by the Committee on the status of endangered wildlife in Canada⁽²⁶⁾ and some of the rivers located near the Bloom Lake Mine are worrisome.

→ **Bank swallow:** Some at-risk species live in very specific habitats that need to be protected to avoid affecting their population. This is the case for the bank swallow, which nests in natural embankments along rivers or man-made embankments (sand pits or gravel pits) in the Bloom Lake Mine region. According to data from the Quebec Breeding Bird Atlas, the Canadian bank swallow population decreased by 96.1% between 1970 and 2017; this decline has even reached 99.3% over the same period in the Province of Quebec where the Bloom Lake Mine site is located⁽²⁷⁾.

⁽²⁴⁾ QUEBEC BAT RECOVERY TEAM. 2019. Recovery plan for three species of bats resident in Quebec: the Little Brown Myotis (*Myotis lucifugus*), the Northern Myotis (*Myotis septentrionalis*) and the Tri-colored Bat (*Perimyotis subflavus*) - 2019- 2029. Produced for the Ministère des Forêts, de la Faune et des Parcs, General Directorate of Wildlife and Habitat Management, 102 p.

⁽²⁵⁾ WILD ATLANTIC SALMON IN EASTERN CANADA, Report of the Standing Committee on Fisheries and Oceans, President Scott Simms, JANUARY 2017, House of Commons Canada 42nd PARLIAMENT, 1st SESSION

→ **Woodland caribou:** Due to its dual legal status of protection, the woodland caribou is regulated by both the federal and provincial governments. This species is also linked to First Nations ancestral practices rights in the Bloom Lake Mine site area. Woodland caribou was listed as threatened in Canada under the Species at Risk Act (SARA) in June 2003. In February 2005, the woodland caribou was designated vulnerable in Quebec under the Act respecting threatened and vulnerable species.

⁽²⁶⁾ COMMITTEE ON THE SITUATION OF ENDANGERED SPECIES IN CANADA (COSEWIC). 2010. COSEWIC assessment and status report on the Atlantic Salmon *Salmo salar* (Nunavik population, Labrador population, Northeast Newfoundland population, South Newfoundland population, Southwest Newfoundland population, Northwest Newfoundland population, Quebec Eastern North Shore population, Quebec Western North Shore population, Anticosti Island population, Inner St. Lawrence population, Lake Ontario population, Gaspé-Southern Gulf of St. Lawrence population, Eastern Cape Breton population, Nova Scotia Southern Upland population, Inner Bay of Fundy population, Outer Bay of Fundy population) in Canada. Committee on the Status of Endangered Wildlife in Canada. Ottawa. xvii + 136 pp.

⁽²⁷⁾ QUÉBÉCOISEAUX. 2020. Knowing and protecting the Bank Swallow, 2nd edition [Leaflet]. Montreal, Qc.

BIODIVERSITY PROTECTION AND MONITORING ACTION PLAN

Champion is working hard to preserve the many species and diverse ecosystems in the Bloom Lake Mine site area. The company works with regional organizations, host Indigenous communities and groups and governments to implement its action plan,

which aims to reduce threats to biodiversity, increase the resilience of ecosystems, mobilize local and regional actors and improve knowledge of species in order to intervene in a coherent and relevant manner.

Important aspects of biodiversity	Actions	Timeline
BATS	Raise public awareness about the situation of bats in Quebec.	2021-2024
	Work in partnership with key stakeholders for bat conservation.	
	Monitor the status of resident bat populations in Quebec and improve knowledge about these populations.	
	Improve knowledge on the spatial distribution of resident bats and their habitat.	
ATLANTIC SALMON	Evaluate salmon runs on the Moisie River and its tributaries to improve knowledge and help target potential relevant actions to be taken.	2020-2024
	Monitor the Moisie River population and subpopulation (genetic differentiation/exchange).	
	Develop and update the salmon farming potential calculation using the Moisie River as a typical case.	
BANK SWALLOW	Create nesting habitat.	2021-2024
WOODLAND CARIBOU	Improve habitat conditions for woodland caribou by closing and reforesting forest roads.	2021-2024
AQUATIC COMMUNITIES	Monitor aquatic communities downstream of the mining site to improve knowledge and help target potential relevant actions to be taken.	2021-2023

DISTURBED AND RESTORED AREAS



We seek to design, build, operate and ultimately close our operations in a way that minimizes risks to biodiversity. At the end of 2020, the Bloom Lake Mine had a total footprint of 1,370 hectares (ha).

This total excludes 73 ha restored by revegetation, and includes 20 ha that were revegetated in 2020. There will be more unrestored sectors over time until the mining areas are closed and become available for restoration.

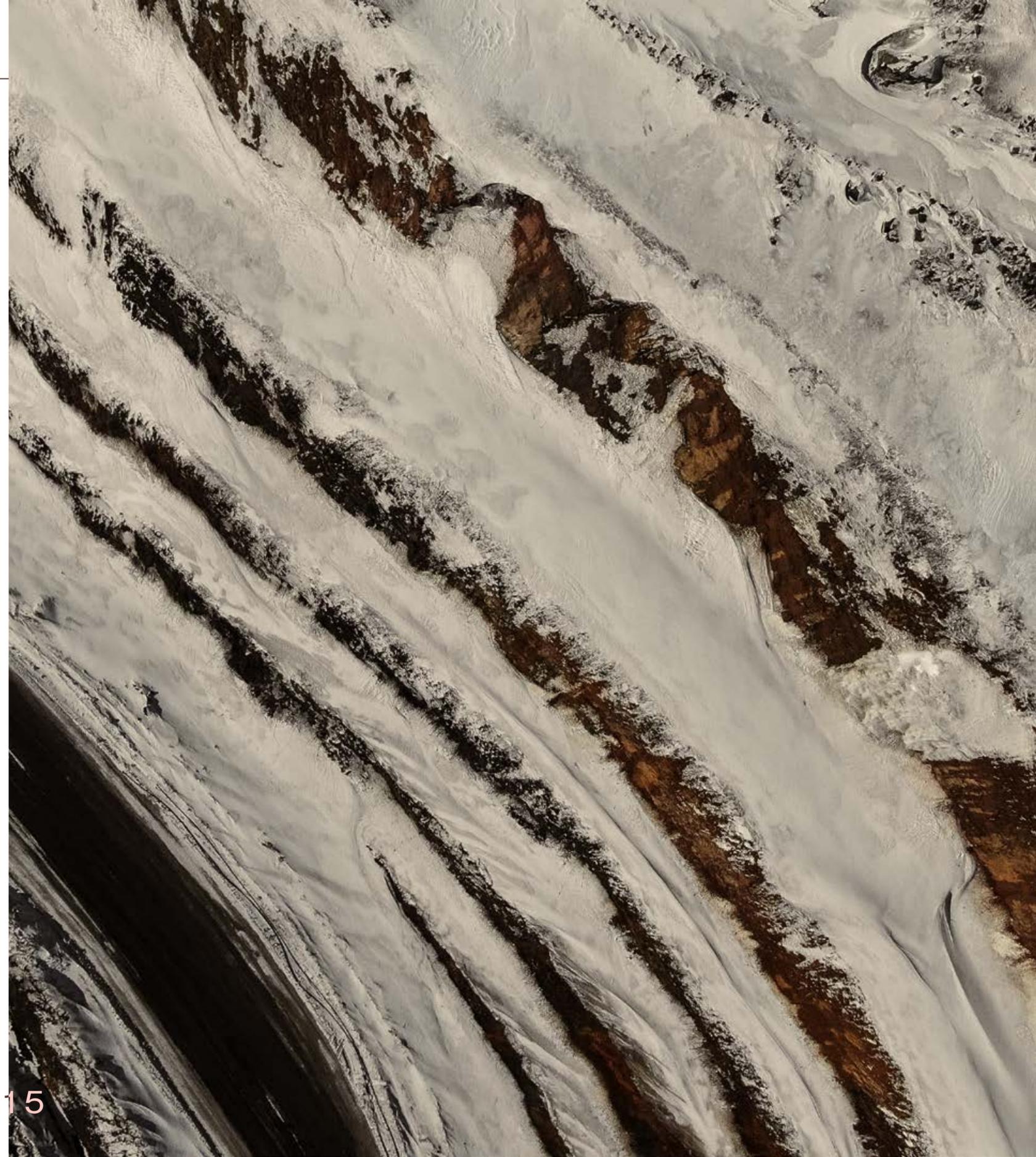
	2020 (ha)
Area previously used and unrestored	1,247
New area used	70
New restored area	20
Area used and not restored at the end of the year	1,297

RISK AND OPPORTUNITIES

Champion took advantage of the United Nations Decade on Biodiversity to launch an awareness and information campaign on this topic for employees in 2020.

Biodiversity awareness is a useful way to foster long-term social change. It helps everyone understand the importance of adjusting their consumption and lifestyle patterns in order to promote the conservation and sustainable use of biological resources on a daily basis.

The objective of Champion's awareness campaign was to highlight the issues and the importance of the natural environment surrounding our employees at the mining sites every day and educate them on the importance of biodiversity and the need to protect it across Champion's operations. The campaign also reached employees' children and students at the host community school through a drawing competition based on biodiversity topics.



Biodiversity means

352

plant species making
life beautiful

Biodiversity means

4

species of reptiles and
amphibians all around us

Biodiversity means

33

at-risk species under
our protection

Biodiversity means

172

species of birds
soaring above us

Biodiversity means

18

species of mammals living
in harmony with us

EXTERNAL COMMITMENTS

UN SDG

	Description	Target		What we do
 15 LIFE ON LAND Terrestrial life	<p>Preserve and restore land ecosystems, making sure to use them sustainably, sustainably manage forests, combat desertification, stop and reverse the process of land deterioration and halt biodiversity loss.</p>	<p>15.1 By 2020, ensure the preservation, restoration and sustainable use of terrestrial and freshwater ecosystems and related services, especially forests, wetlands, mountains and arid zones, in accordance with obligations under international agreements.</p> <p>15.2 By 2020, promote the sustainable management of all types of forests, halt deforestation, restore degraded forests and significantly increase afforestation and reforestation globally.</p>	<p>15.5 Urgently take strong action to reduce deterioration of the natural environment, put an end to the impoverishment of biodiversity and, by 2020, protect endangered species and prevent their extinction.</p>	<p>Champion supports objective 15 by implementing measures to preserve biodiversity and restore disturbed areas as quickly as possible. The Company has also implemented measures to try and prevent potential impacts on biodiversity at the source, and when this is not possible, Champion strives to mitigate such impacts using measures implemented in its operations.</p> <p>Champion developed a protection and monitoring plan based on important aspects of biodiversity, which aims to reduce threats to biodiversity, increase the resilience of ecosystems, mobilize local and regional actors and improve knowledge of species in order to intervene in a coherent and relevant manner to protect them.</p>

ICMM MP

 Biodiversity conservation	<p>Contribute to the conservation of biodiversity and integrated approaches to land use planning.</p>	<p>7.1 Do not explore or develop new mines on World Heritage sites, respect legally designated protected areas by ensuring that Company operations are compatible with the nature of their designation.</p>	<p>Assess and resolve risks and impacts on biodiversity and ecosystem services by applying the mitigation hierarchy, with the aim of achieving zero net loss of biodiversity.</p>	<p>Champion supports Principle 7 by refraining from operating on World Heritage sites and respecting all legally designated protected areas. We also take environmental aspects into consideration as early as possible when developing our strategies and in the planning stages, using the 'Understand, Prevent, Reduce, Compensate' sequence.</p>
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EXTERNAL COMMITMENTS (CONT'D)

TSM SDP

	Description	Target		What we do
Biodiversity conservation	The purpose of the protocol is to guide institutions in assessing their performance in relation to their commitment, communications on biodiversity conservation and their planning and implementation of their production of reports on the subject.	<p>The TSM biodiversity conservation management protocol sets out the criteria that companies must meet with regard to the following indicators:</p> <ul style="list-style-type: none"> • The Company’s commitment to managing biodiversity at its mine sites by applying the hierarchy of mitigation measures, as well as a clear definition of employee responsibilities to this effect. 	<ul style="list-style-type: none"> • Identification of significant aspects of biodiversity and the implementation of action plans as part of an effective biodiversity management system. • Publication of reports on performance and activities related to biodiversity. 	Champion has started implementing biodiversity conservation protocols by doing plant and animal inventories. The Company will continue to implement the protocol in the coming years.

PERSPECTIVE FOR 2021

In 2021, Champion will continue to work on biodiversity conservation by starting the implementation of its biodiversity protection and monitoring plan. The Company will also deploy the second phase of its biodiversity awareness campaign addressed to employees and the host community.





WASTE AND AIR EMISSIONS



Stéphanie Naud

Technician, Metallurgy Laboratory

In the lab, we choose not to compromise future generations so we make efforts for the environment. For example, recovering waste, avoiding waste of samples, using electric machines to reduce fossil fuel use, or favoring electronic rather than paper records.

“I still have a lot to learn
– I want to be the
best tech possible!”



WASTE AND AIR EMISSIONS

IMPORTANCE FOR OUR STAKEHOLDERS

Stakeholders expect Champion to make efforts to reduce at source, reuse, enhance or recycle any waste or air emissions it generates. They also expect the Company to be managed eco-responsibly in compliance with applicable regulations and legal obligations related to residual materials and air emissions.

IMPORTANCE FOR US

Champion's activities generate waste, hazardous waste and air emissions related to fuel combustion, blasting, hauling and the handling and storage of materials on the mine site. To respect its commitment to protecting the environment and minimizing pollution, Champion must reduce at source the production of residual materials and atmospheric emissions by minimizing use of energy and natural resources, and by applying the 4R principles throughout its cycle of activities.

OUR APPROACH

Champion advocates a preventive approach, the ultimate goal of which is to prevent, reduce or control the production and emission of waste and any type of air pollutant into the environment. To achieve this, the Company incorporates preventive, mitigation and corrective measures in its operational processes. Champion prioritizes waste production management as follows:

- Priority 1: Reduction or elimination at the source
- Priority 2: Reuse or recycle onsite
- Priority 3: Reuse or recycle offsite
- Priority 4: Recover and process when possible
- Priority 5: Process onsite or responsible disposal offsite
- Priority 6: Operational control such as controlled storage

This approach reduces potential impacts on human health and ecosystems and helps minimize our resource consumption.

OUR STRATEGIES

IN PROGRESS

Short term (2020–2021)

- Implement means of communication and performance reviews regarding waste and atmospheric emissions in order to encourage progress and facilitate company-wide mobilization and participation in the continuous improvement of the related systems.

Medium term (2022–2024)

- Deploy necessary leadership to establish partnerships and create business opportunities with local stakeholders based on a more sustainable management approach.
- Encourage technological initiatives and green energies to minimize air emissions caused by combustion.

Long term (2025–2030)

- Encourage the creation of a local hub that brings expertise, manpower and equipment to the site to create synergies that could generate other collaborations and partnerships within the territory.

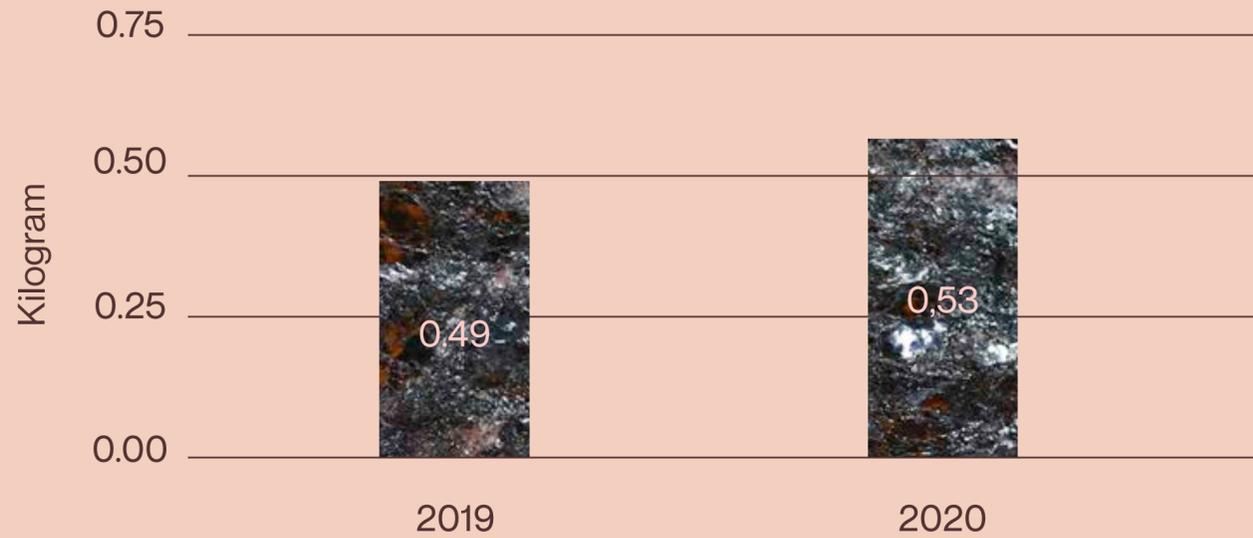
IN PROGRESS

TO COME

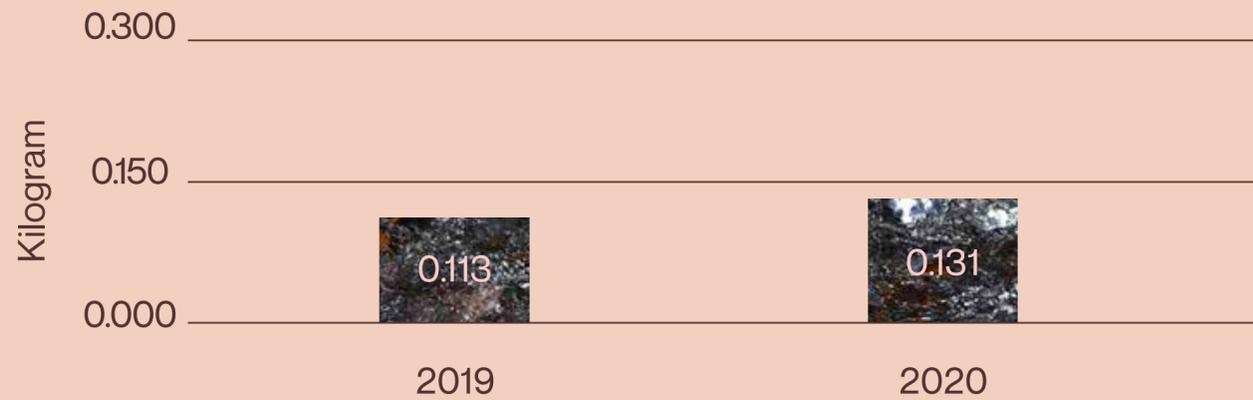


PERFORMANCE INDICATORS

Waste generated per tonne of iron concentrate produced



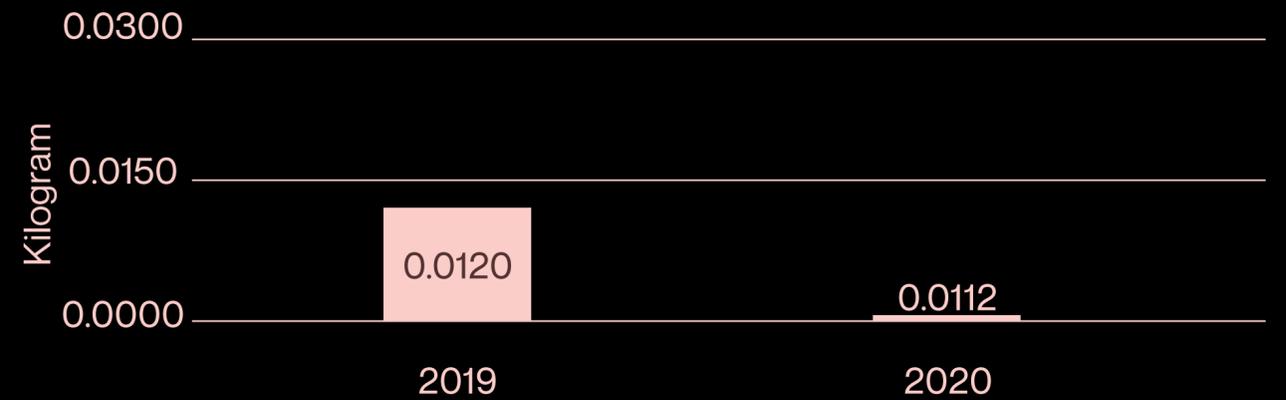
Hazardous waste generated per tonne of iron concentrate produced



Nitrogen oxide (NOx) emissions per tonne of iron concentrate produced



PM_{2.5} fine particle emissions per tonne of iron concentrate produced

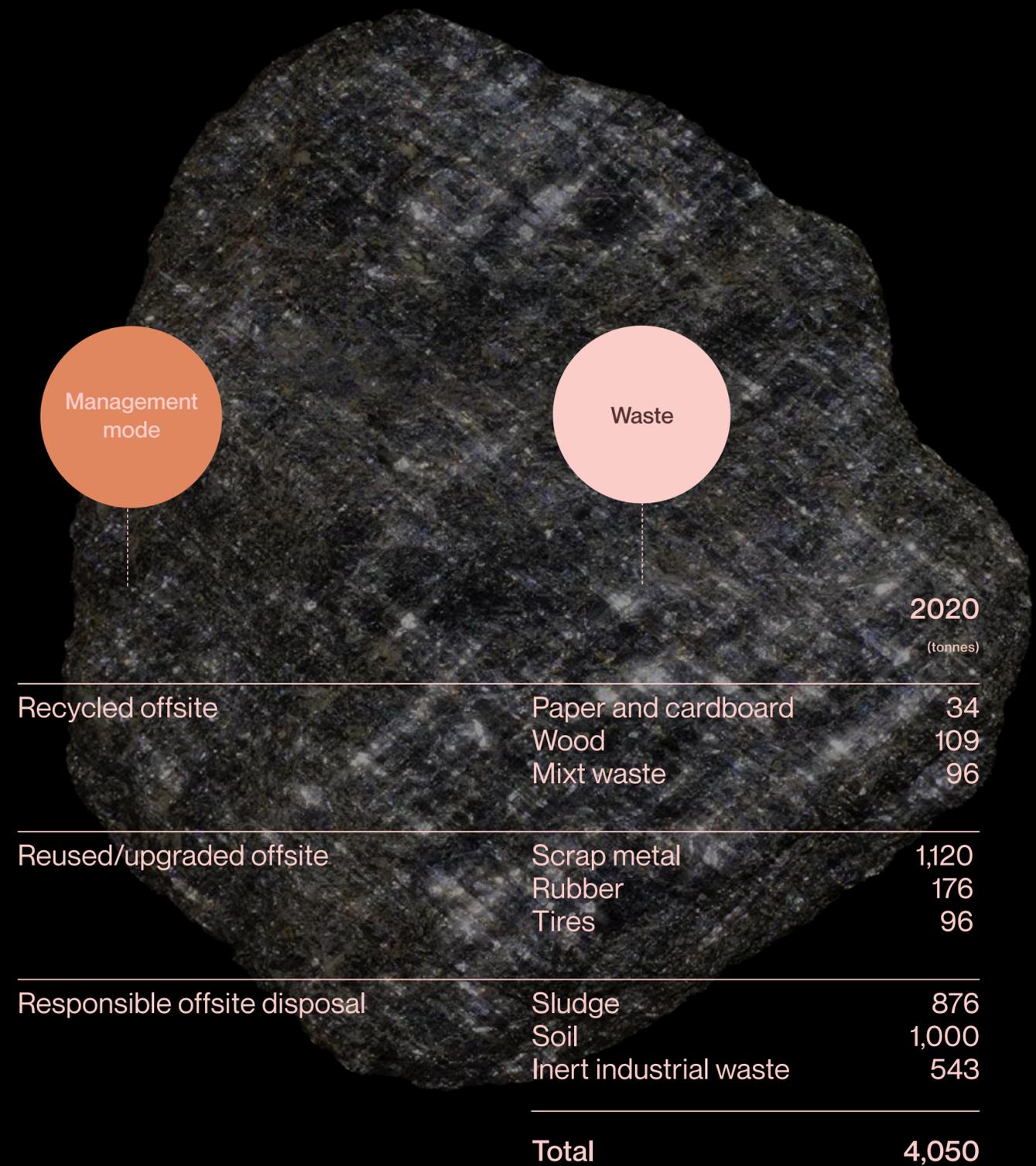


PERFORMANCE IN 2020

WASTES

The main types of waste generated by the Bloom Lake Mine are scrap metal, soil, sludge, inert industrial waste and wood. In 2020, the total waste produced by our activities was 4,050 tonnes.

Despite the fact that there is no recycling infrastructure in the host community, Champion implemented a recycling and reuse program allowing the main types of waste to be recycled or reused offsite: paper, cardboard, rubber, plastic membranes, scrap metal, tires, and wood. In total, 40% of the residual materials produced onsite in 2020 was recycled or reused/upcycled offsite. Industrial and domestic waste as well as sludge and soil are responsibly disposed of offsite in accordance with regulations in force.

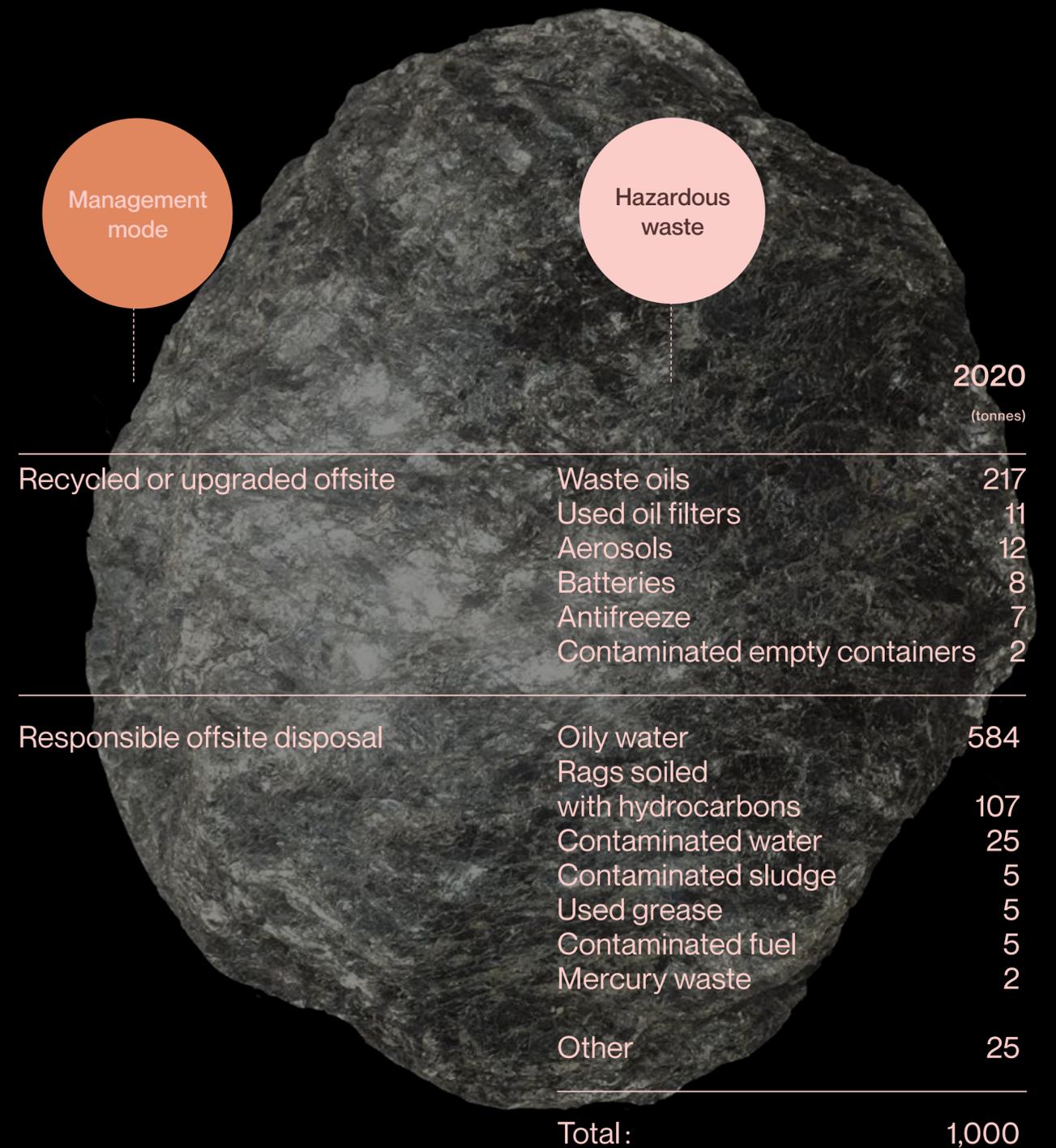


HAZARDOUS WASTES

The main hazardous waste generated includes oily water, waste oil, and rags soiled with hydrocarbons. Our facilities have rigorous hazardous waste management systems to prevent contamination of the environment.

A total of 1,000 tonnes of residual hazardous materials were produced through the Company's activities.

Used oil, used oil filters, aerosols, batteries, empty contaminated containers, and antifreeze are recycled or reused/upcycled offsite. A total of 26% of these materials were recycled or reused/upcycled in 2020.



WASTE ROCK

Bloom Lake mining pit operations require the removal of waste rock to allow safe access to iron ore. These rocks, with zero iron content or content too low to be considered for mining, are stored in specially designed containment areas while minimizing environmental risks.

A total of 14.9 million tonnes of waste rock was excavated at the Bloom Lake Mine site in 2020. Of this number, 1.4 million tonnes were reused as aggregate for the construction of access roads and other infrastructure. The rest (13.5 million tonnes) was stored onsite in a controlled manner.

It should be noted that tailings from the ore concentration process are also iron-poor materials and are contained at Bloom Lake tailings management facilities. The management of these materials explained in a complete and detailed section entitled “Management of mine tailings”, which is included in this report and therefore not described in this section.

AIR EMISSIONS

	2020 (tonnes)
Carbon monoxide (CO)	5.7
Nitrogen oxide (NO _x)	76.5
Sulfur dioxide (SO ₂)	6.3
Particles < 10 microns (PM ₁₀)	556
Particles < 2.5 microns (PM _{2.5})	85.5

Air emissions associated with mining include coarse dust particles (diameter of less than 10 microns [PM₁₀]) and fine particles (diameter of less than 2.5 microns [PM_{2.5}]), which are generated by sources such as vehicle traffic, unloading of materials, storage of mine tailings, blasting, and crushing.

The emissions also include gases generated by the combustion of fuels from mobile or stationary sources, the main ones being carbon monoxide (CO), sulfur dioxide (SO₂) and nitrogen oxide (NO_x).

For more information on Champion air emissions, see the National Pollutant Release Inventory of Canada. It is available to the public and contains additional data about our air emissions.

Champion monitors its emissions and continually looks for ways to reduce them, while meeting applicable standards. For example, in 2020 Champion revegetated an area of 20 hectares on the surface of the Bloom Lake tailings storage facilities. This measure is not only part of the progressive restoration approach, but also helps minimize fugitive emissions of dust particles caused by wind sources. It is very effective and allows responsible operational control.

RISKS AND OPPORTUNITIES

NOx reduction

With a view to reducing nitrogen oxide emissions (NOx) from its mining operations, and in collaboration with its explosives suppliers, Champion ran tests aimed at developing new explosive emulsion mixtures designed to reduce NOx emissions from rock blasting fumes.

These fumes are normally generated through ammonium-nitrated-based explosive bulk products. The project therefore aims to develop an explosives formula that will meet rock breaking requirements while reducing the potential for NOx fumes emissions.

In addition to this potential gain in GHG emission reduction, this new approach will reduce employee health and safety risks.

Dust control

Champion has updated the long-term mining plan for Bloom Lake, now expecting to mine twice the iron resources compared to the initial plan.

To reduce any dust emissions, including PM₁₀ and PM_{2.5} that may result from this future increase in mining operations, Champion is planning to introduce mitigation measures based on the results of atmospheric modeling, produced specifically to assess potential dust emissions related to the implementation of the new mining plan:

- Avoid blasting when wind conditions make dust control difficult.
- Reduce the size of blasts depending on the location in the pit to reduce dust emissions.
- Spread water on access roads to control dust.
- Set up an additional dust monitoring station to monitor the effectiveness of these measures.

This approach relies primarily on reducing dust emissions at the source through tangible methods, supported by operational controls aimed at minimizing potential dust emissions during mining operations.

COMMITMENTS

UN SDG

	Description	Target	What we do
	Sustainable cities and communities Make cities inclusive, safe, resilient and sustainable	11.6 By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management.	We support Goals 11 and 12 by implementing measures that prioritize prevention at the source with the ultimate goal of avoiding, reducing or controlling the production and emission of waste or any type of air pollutant into the environment. To do this, we take environmental aspects into account in the design, development, replacement of materials, and use of products and technologies.
	Responsible consumption and production Ensure sustainable consumption and production patterns	12.4 By 2020, achieve environmentally sound management of chemicals and all waste throughout their life cycle, in compliance with agreed international frameworks, and significantly reduce their release to air, water and soil to minimize adverse impacts on human health and the environment. 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.	We also continually strive to reduce our consumption of resources and thus minimize waste.

COMMITMENTS

ICMM MP

	Description	Target	What we do	
 <p>Responsible production</p>	<p>Facilitate and support the knowledge base and systems for responsible design, use, reuse, recycling and disposal of products containing metals and minerals</p>	<p>8.1 Recover, reuse and recycle In project design, operation and decommissioning, implement cost-effective measures for the recovery, reuse or recycling of energy, natural resources and materials.</p> <p>8.2 Assess product hazards Assess the hazards of mining products in accordance with the United Nations Globally Harmonized System of Risk Classification and Labelling or equivalent relevant regulatory systems, and communicate through safety data sheets and labelling where appropriate.</p>	<p>We support Principle 8 by using an approach aiming to prevent, reduce or control the creation, emission or discharge of any type of pollutant or waste by applying practices and techniques and using materials, products, services and energies according to prevention principles.</p>	<p>We also use a WHMIS hazardous waste management system and implement measures in accordance with applicable laws and regulations.</p>

PERSPECTIVE FOR 2021

In preparation for the start-up of Phase 2 of the Bloom Lake Mine, scheduled for the first quarter of 2022, Champion will work through 2021 to reduce at source the generation of residual materials from the construction of this second phase.

The Company will also work to implement ways to reuse, recycle and recover waste, which will be somewhat different from the types of waste usually generated at the site.

“Assi, shashish ut,
tshiminu-kanuenimikunu...”



“Mother Earth has always
taken care of us...”

Art by Anatole St-Onge

APPENDIX A

GRI content
index

Organizational profile

GRI index	Reference year	Description	Location	Page number	Notes
102-1	2016	Name of the organization	Introduction	1	Champion Iron Limited
102-2	2016	Activities, brands, products and services	Chapter 1	18	
102-3	2016	Location of headquarters	Chapter 1	20	
102-4	2016	Location of operations	Chapter 1	20	
102-5	2016	Ownership and legal form	Chapter 1	18	Champion Iron Limited was, as of December 31, 2020, a public company listed on the Toronto Stock Exchange (CIA.TO) and the Australia Stock Exchange (CIA-ASX). Quebec Iron Ore Inc. was founded in 2015 and is as a subsidiary of Champion Iron Limited.
			Appendix A	239	
102-6	2016	Markets served	Chapter 1	19	
102-7	2016	Scale of the organization	Chapter 1	16	
102-8	2016	Information on employees and other workers		133, 145, 148	
			Chapter 6	149, 150	
102-9	2016	Supply chain	Chapter 6	134, 135	
102-10	2016	Significant changes to the organization and its supply chain	Introduction	7	There was no significant change in the supply chain.
102-11	2016	Precautionary principle or approach	Chapter 6	210	

Organizational profile (cont'd)

GRI index	Reference year	Description	Location	Page number	Notes
102-12	2016	External initiatives	Chapter 2	42, 43, 44, 45, 46	
			Chapter 6	106, 107, 120, 121, 137, 138, 139, 155, 156, 157, 169, 170, 185, 202, 220, 221, 234, 235	
102-13	2016	Membership of associations	Chapter 3	64	The subsidiary company QIO is a member of the Quebec Mining Association and also sits on the association's Board of Directors.

Strategy

GRI index	Reference year	Description	Location	Page number	Notes
102-14	2016	Statement from senior decision-maker	Introduction	4 to 12	

Ethics and integrity

GRI index	Reference year	Description	Location	Page number	Notes
102-16	2016	Values, principles, standards, and norms of behavior	Chapter 1	23, 24, 25, 26	
			Chapter 6	114, 115, 116	

Governance

GRI index	Reference year	Description	Location	Page number	Notes
102-18	2016	Governance structure	Chapter 2	36	

Stakeholder engagement

GRI index	Reference year	Description	Location	Page number	Notes
102-40	2016	List of stakeholder groups	Chapter 3	62	
102-41	2016	Collective bargaining agreements	Chapter 6	148, 151	
102-42	2016	Identifying and selecting stakeholders	Chapter 3	62	
102-43	2016	Approach to stakeholder engagement	Chapter 3	62, 64, 65, 66, 68, 69, 70	
102-44	2016	Key topics and concerns raised	Chapter 3	64, 65, 66, 68, 69, 70	

Reporting practice

GRI index	Reference year	Description	Location	Page number	Notes
102-45	2016	Entities included in the consolidated financial statements	Chapter 1	18, 19	
102-46	2016	Defining report content and topic Boundaries	Introduction	13, 14	
102-47	2016	List of material topics	Chapter 4	79	
102-48	2016	Restatements of information	Appendix A	242	No restatements were made.
102-49	2016	Changes in reporting	Appendix A	242	Compared to last year's report, the issue of social acceptability crossed the notification threshold and has been among the subjects of great importance to the company in 2020. On the other hand, the issue of product stewardship fell below the notification threshold during this same period. Although the reporting entity is the parent company (Champion Iron Limited) rather than its subsidiary (Quebec Iron Ore inc.), the limits and scope of the content compared to the previous report remain the same.
102-50	2016	Reporting period	Introduction	15	
102-51	2016	Date of most recent report	Appendix A	242	July 2020
102-52	2016	Reporting cycle	Introduction	13	
102-53	2016	Contact point for questions regarding the report	Introduction	14	
102-54	2016	Claims of reporting in accordance with GRI Standards	Introduction	13	
102-55	2016	GRI content index	Appendix A	238 to 252	
102-56	2016	External assurance	Appendix A	242	None

Management approach

GRI index	Reference year	Description	Location	Page number	Notes
103-1	2016	Explanation of the material topic and its Boundary	Chapter 4	80, 81	
			Chapter 6	85, 95, 113, 126, 144, 162, 175, 191, 201, 227	
103-2	2016	The management approach and its components	Chapter 6	85, 96, 114, 128, 145, 163, 176, 177, 178, 191, 208, 227	
103-3	2016	Evaluation of the management approach	Chapter 2	36, 38, 39, 40, 41, 47 to 58	
			Chapter 6	85, 96, 114, 128, 145, 163, 176, 177, 178, 191, 208, 227	

Economic Indicators

GRI index	Reference year	Description	Location	Page number	Notes
201-1	2016	Direct economic value generated and distributed	Introduction	2, 16	
			Chapter 6	118, 135, 147, 153	
201-2	2016	Financial implications and other risks and opportunities due to climate change	Chapter 6	168	
201-3	2016	Defined benefit plan obligations and other retirement plans	Chapter 6	153	
201-4	2016	Financial assistance received from government	Appendix A	244	None
202-1	2016	Ratios of standard entry level wage by gender compared to local minimum wage	Chapter 6	153	
202-2	2016	Proportion of senior management hired from the local community	Chapter 6	133	
203-1	2016	Development and impact of infrastructure investments	Chapter 6	136	Champion operations are still in the early stages. We provide information on our 2020 socio-economic contributions to the communities and will continue to do so on a yearly basis.
203-2	2016	Significant indirect economic impacts	Chapter 6	154	
204-1	2016	Proportion of spending on local suppliers	Chapter 6	134, 135	

Economic Indicators (cont'd)

GRI index	Reference year	Description	Location	Page number	Notes
205-1	2016	Operations assessed for risks related to corruption	Appendix A	245	Champion owns one operation. The quarterly risk assessment review is used to flag significant risks, including corruption, if any are occurring. The process provides a well-structured way to escalate significant risks to the board.
205-2	2016	Communication and training about anti-corruption policies and procedures	Appendix A	245	In 2020, all new hires had to read and agree to abide by Champion's Code of Conduct. The training program was completed in 2019 and has been mandatory since 2020. Code of Conduct available at: https://www.championiron.com/wp-content/uploads/2017/05/2017_08-CIA-Corporate-Governance-Policy.pdf
205-3	2016	Confirmed incidents of corruption and actions taken	Chapter 6	117	
206-1	2016	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Chapter 6	117	

Environmental Indicators (cont'd)

GRI index	Reference year	Description	Location	Page number	Notes
301-1	2016	Materials used by weight or volume	Appendix A	246	The following materials are used: ore, waste rock, explosives, chemicals, lubricants, rubber. The amount of raw material used is 36.2 million tonnes.
301-2	2016	Percentage of materials used that are recycled input materials	Appendix A	246	Recycled input materials: 6.4%
302-1	2016	Energy consumption within the organization	Chapter 6	165, 166	
302-3	2016	Energy intensity	Chapter 6	166	
303-1	2018	Interactions with water as a shared resource	Chapter 6	194	
303-3	2018	Water withdrawal	Chapter 6	194	
303-4	2018	Water discharge	Chapter 6	194	
304-1	2016	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Appendix A	246	No protected areas in or adjacent to the mining site. No areas of high biodiversity value outside the protected area.
304-2	2016	Significant impacts of activities, products and services on biodiversity	Chapter 6	209, 213, 214, 215	
304-3	2016	Habitats protected or restored	Chapter 6	217	
304-4	2016	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Chapter 6	213, 214, 215	
305-1	2016	Direct (Scope 1) GHG emissions	Chapter 6	167	
305-2	2016	Energy indirect (Scope 2) GHG emissions	Chapter 6	167	
305-4	2016	GHG emissions intensity	Chapter 6	167	

Environmental Indicators (cont'd)

GRI index	Reference year	Description	Location	Page number	Notes
305-5	2016	Reduction of GHG emissions	Chapter 6	168	
305-6	2016	Emissions of ozone-depleting substances (ODS)	Appendix A	247	Ozone depleting substances are not material to Champion's operations.
305-7	2016	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	Chapter 6	232	
306-1	2016	Total water discharge by quality and destination	Chapter 6	195	
306-2	2016	Total weight of waste by type and disposal method	Chapter 6	177, 178, 181, 230, 231, 232	
306-3	2016	Total number and volume of significant spills	Appendix A	247	Significant spills are those reported under categories 3, 4 and 5 according to QIO's classification scheme: <ul style="list-style-type: none"> • Category 4 - Serious: Incident causing a serious environmental impact involving medium-term effects and requiring significant remediation. • Category 5 - Catastrophic: Incident causing a disastrous environmental impact, implying long-term effects and requiring major remediation. No category 4 or 5 incidents occurred in 2020.
306-4	2016	Transport of hazardous waste	Appendix A	247	1,000 tonnes of hazardous waste was transported offsite, either to an authorized location not owned by Champion, or to suppliers, all within the country.
306-5	2016	Identity, size, protected status and biodiversity value of waterbodies and related habitats significantly affected by the organization's discharges of water and runoff	Chapter 6	195	
307-1	2016	Monetary value of significant fines and non-monetary sanctions	Chapter 6	117	
308-1	2016	New suppliers that were screened using environmental data	Appendix A	247	No new suppliers were selected using environmental data in 2020.

Social indicators

GRI index	Reference year	Description	Location	Page number	Notes
401-1	2016	New employee hires and employee turnover	Chapter 6	148, 152	
402-1	2016	Minimum notice periods regarding operational changes	Appendix A	248	Minimum notice period is one week. Depending on the nature of the operational change, this can extend to several weeks, based on how much the change may affect employees.
403-1	2018	Occupational health and safety management system	Chapter 6	145	
403-2	2018	Hazard identification, risk assessment, and incident investigation	Chapter 6	101, 103	
403-3	2018	Occupational health services	Chapter 6	100	
403-4	2016	Worker participation, consultation, and communication on occupational health and safety	Chapter 6	103, 104	
403-5	2016	Worker training on occupational health and safety	Chapter 6	104, 105	
403-6	2016	Promotion of workers' health	Chapter 6	100	
403-7	2016	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Chapter 6	96, 97	
403-8	2016	Workers covered by an occupational health and safety management system	Chapter 6	96	
403-9	2016	Work-related injuries	Chapter 6	99, 101	

Social indicators (cont'd)

GRI index	Reference year	Description	Location	Page number	Notes
403-10	2016	Work-related ill health	Chapter 6	99	Pursuant to workers' compensation claims accepted by the CNESST, Quebec's occupational health and safety board, no work-related illness was observed among Champion employees in 2020.
404-1	2016	Average hours of training per year per employee	Chapter 6	152	We do not collect this information by gender as we treat male and female employees equally.
405-1	2016	Composition of governance bodies and breakdown of employees by category	Chapter 6	148, 149	Number of female employees: 59 Ratio of female employees: 11%
			Appendix A	249	Ratio of women on the senior executive team: 20% Ratio of women on the Board of Directors: 25%
405-2	2016	Ratio of basic salary and remuneration of women to men	Appendix A	249	Our basic salaries are not differentiated by gender (1:1).
406-1	2016	Incidents of discrimination and corrective actions taken	Chapter 6	117	
407-1	2016	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Appendix A	249	No incidents associated with the right to freedom of association and collective bargaining were reported in 2020, nor were operations or major suppliers considered to represent a significant risk of incidents associated with the right to freedom of association and collective bargaining.
408-1	2016	Operations and suppliers at significant risk for incidents of child labour	Appendix A	249	No incidents of child labour were reported in 2020, nor were any operations or major suppliers considered to represent a significant risk of incidents of child labour.
409-1	2016	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Appendix A	249	We do not engage in or condone forced or compulsory labour. No incidents of forced or compulsory labour were reported in 2020, nor were any operations or suppliers considered to represent a significant risk of incidents of forced or compulsory labour.
410-1	2016	Security personnel trained in human rights policies or procedures	Appendix A	249	No human rights training was provided to security personnel in 2020. Planned for the near future.

Social indicators (cont'd)

GRI index	Reference year	Description	Location	Page number	Notes
411-1	2016	Incidents of violations involving rights of Indigenous peoples	Chapter 6	131	
412-1	2016	Operations that have been subject to human rights reviews or impact assessments	Appendix A	250	No human rights review was conducted in 2020. Planned for the near future.
412-2	2016	Employee training on human rights policies or procedures	Appendix A	250	All new employees in 2020 received human rights training through Champion's Code of Conduct.
412-3	2016	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Appendix A	250	No significant investment agreements were undertaken in 2020.
413-1	2016	Operations with local community engagement, impact assessments, and development programs	Chapter 6	131, 132	Our single operational unit has commitments with the local community.
413-2	2016	Operations with significant actual and potential negative impacts on local communities	Chapter 4	79, 80, 81	We give specific examples related to this point throughout the report.
414-1	2016	Percentage of new suppliers that were screened using human rights criteria	Appendix A	250	No new suppliers were screened using human rights criteria in 2020
415-1	2016	Political contributions	Chapter 4	68	No political contributions were made in 2020
419-1	2016	Non-compliance with laws and regulations in the social and economic area	Chapter 6	117	

Additional indicators – Mining and metals sector

GRI index	Reference year	Description	Location	Page number	Notes
MM1	2013	Amount of land disturbed or rehabilitated	Chapter 6	217	
MM2	2013	Sites identified as requiring biodiversity management plans according to stated criteria, and sites with plans in place	Chapter 6	216	
MM3	2013	Total amounts of overburden, rock, tailings and sludges and their associated risks.	Chapter 6	181, 232	
MM4	2013	Number of strikes and lockouts exceeding one week's duration	Appendix A	251	In 2020 there were no strikes or lockouts.
MM5	2013	Total number of operations taking place in or adjacent to Indigenous Peoples' territories, and number and percentage of operations or sites where there are formal agreements with Indigenous peoples' communities	Chapter 6	128	
MM6	2013	Number and description of significant disputes relating to land use, customary rights of local communities and Indigenous peoples	Appendix A	251	In 2020 there were no litigations relating to land use or the customary rights of local communities and Indigenous peoples.
MM7	2013	The extent to which grievance mechanisms were used to resolve disputes relating to land use, customary rights of local communities and Indigenous peoples, and the outcomes	Appendix A	251	In 2020 there were no litigations relating to land use or the customary rights of local communities and Indigenous peoples.

Additional indicators – Mining and metals sector

GRI index	Reference year	Description	Location	Page number	Notes
MM8	2013	Number of company operating sites where artisanal and small-scale mining takes place on or adjacent to the site, the associated risks, and the actions taken to manage and mitigate the risks	Appendix A	252	In 2020 there were no company operating sites where artisanal or small-scale mining occurs, either on or adjacent to the site.
MM9	2013	Sites where resettlement took place, the number of households resettled in each, and how their livelihoods were affected in the process	Appendix A	252	In 2020 there were no resettlements.
MM10	2013	Number and percentage of operations with a closure plan	Appendix A	252	In 2020 we had a closure plan for our single operational unit.

APPENDIX B

SASB content
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Sustainability Disclosure Topics & Accounting Metrics

Topic	Code	Accounting metric	Unit of measure	Location	Page number	Notes
Greenhouse Gas Emissions	EM-MM-110a.1	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	Metric tons CO ₂ e	Appendix B	254	55,500 tonnes CO ₂ e of gross global Scope 1 GHG emissions.
			Percentage	Appendix B	254	Percentage of fixed emissions with respect to the Quebec Regulation respecting a cap-and-trade system for greenhouse gas emission allowances (Champion is not subject to the Regulation because its fixed GHG emissions are under regulation threshold): 15% (8,232 tonnes CO ₂ e of GHG emissions from stationary Scope 1 sources out of 55,500 tonnes CO ₂ e of gross global GHG emissions from Scope 1)
	EM-MM-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	n/a	Chapter 6	168	
Air Quality	EM-MM-120a.1	Air emissions of the following pollutants: (1) CO, (2) NO _x (excluding N ₂ O), (3) SO _x , (4) particulate matter (PM ₁₀), (5) mercury (Hg), (6) lead (Pb), and (7) volatile organic compounds (VOCs)	Metric tons	Appendix B	254	CO: 51.7 NO _x : 76.5 SO _x : 6.3 Particulate matter (PM ₁₀): 556.3 Mercury: 0.0000227 Lead: 0.00567 Volatile organic compounds (VOCs): 5.4
Energy Management	EM-MM-130a.1	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Gigajoules	Appendix B	254	Total energy consumed : 1,942 GJ
			Percentage	Appendix B	254	Percentage of grid electricity : 64% Percentage of renewable: 64%
Water Management	EM-MM-140a.1	(1) Total fresh water withdrawn, (2) total fresh water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Thousand cubic meters	Chapter 6	194	
			Percentage	Chapter 6	194	
	EM-MM 140a.2	Number of incidents of non-compliance associated with water quality permits, standards, and regulations	Number	Chapter 6	117, 195	

Sustainability Disclosure Topics & Accounting Metrics (cont'd)

Topic	Code	Accounting metric	Unit of measure	Location	Page number	Notes
Waste & Hazardous Materials Management	EM-MM-150a.1	Total weight of tailings waste, percentage recycled	Metric tons	Chapter 6	181	
			Percentage	Appendix B	255	8% of tailings was recycled in 2020.
	EM-MM-150a.2	Total weight of mineral processing waste, percentage recycled	Metric tons	Chapter 6	230, 231	
			Percentage	Appendix B	255	37% of mineral processing waste was recycled in 2020.
EM-MM-150a.3	Number of tailings impoundments, broken down by MSHA hazard potential	Number	Appendix B	255	High hazard potential: 1 (A basin) Significant hazard potential: 0 Low hazard potential: 0	
Biodiversity Impacts	EM-MM-160a.1	Description of environmental management policies and practices for active sites	n/a	Chapter 2	35 to 58	
	EM-MM-160a.2	Percentage of mine sites where acid rock drainage is: (1) predicted to occur, (2) actively mitigated, and (3) under treatment or remediation	Percentage	Appendix B	255	No drainage acid from mining operations. The drainage is neutral because of the geochemical composition of the rock mass being mined.
	EM-MM-160a.3	Percentage of (1) proven and (2) probable reserves in or near sites with protected conservation status or endangered species habitat	Percentage	Appendix B	255	Proven: 100% Probable: 100%

Sustainability Disclosure Topics & Accounting Metrics (cont'd)

Topic	Code	Accounting metric	Unit of measure	Location	Page number	Notes
Security, Human Rights & Rights of Indigenous People	EM-MM-210a.1	Percentage of (1) proved and (2) probable reserves in or near areas of conflict	Percentage	Appendix B	256	No proven or probable reserves are located in areas of active conflict.
	EM-MM-210a.2	Percentage of (1) proved and (2) probable reserves in or near indigenous land	Percentage	Appendix B	256	Proven: 100% Probable: 100%
	EM-MM-210a.3	Discussion of engagement processes and due diligence practices with respect to human rights, indigenous rights, and operation in areas of conflict	n/a	Chapter 6	128, 131, 132	Champion uses due diligence practices in relation to the Indigenous rights of the communities in which it operates. This includes, but is not limited to, respect for International Labour Organization Conventions on human and Indigenous rights, the use of free, prior and informed consultation processes with Indigenous people and the establishment of an agreement with them on the impacts and of the projects. Champion operates in a jurisdiction (Canada) where there is no conflict and where existing laws and regulations contain well-developed provisions to protect the safety and the rights of all people, including Indigenous peoples.
Community Relations	EM-MM-210b.1	Discussion of process to manage risks and opportunities associated with community rights and interests	n/a	Chapter 6	132	
	EM-MM-210b.2	Number and duration of non-technical delays	Number	Appendix B	256	No stoppage or delays for non-technical reasons
			Day	Appendix B	256	0 day
Labor Relations	EM-MM-310a.1	Percentage of active workforce covered under collective bargaining agreements, broken down by U.S. and foreign employees	Percentage	Chapter 6	148, 151	
	EM-MM-310a.2	Number and duration of strikes and lockouts	Number	Appendix B	256	No strikes or lockouts
			Day	Appendix B	256	0 day

Sustainability Disclosure Topics & Accounting Metrics (cont'd)

Topic	Code	Accounting metric	Unit of measure	Location	Page number	Notes
Workforce Health & Safety	EM-MM-320a.1	(1) MSHA all-incidence rate, (2) fatality rate, (3) near miss frequency rate (NMFR) and (4) average hours of health, safety, and emergency response training for (a) full-time employees and (b) contract employees	Rate	Chapter 6	99	
Business Ethics & Transparency	EM-MM-510a.1	Description of the management system for prevention of corruption and bribery throughout the value chain	n/a	Chapter 6	113 to 116	
				Champion's corporate policies	s/o	Available on the Champion website at: https://www.championiron.com/corporate-profile/corporate-governance-and-policies/
	EM-MM-510a.2	Production in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	Metric tons saleable	Appendix B	257	Champion has no production in countries that have the 20 lowest rankings in the Transparency International Corruption Perception Index. Operations are exclusively conducted in Canada.

Activity Metrics

Activity metrics	Code	Unit of measure	Location	Page number	Notes
Production of (1) metal ores and (2) finished metal products	EM-MM-000.A	Metric tons saleable	Chapter 1	19	
Total number of employees, percentage contractors	EM-MM-000.B	Number	Chapter 6	148	
		Percentage	Chapter 6	148	



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