



SUSTAINABILITY REPORT

CHAMPION IRON 

OUR ELECTRONIC VERSION IS
EVEN MORE SUSTAINABLE. PLEASE
AVOID UNNECESSARY PRINTING.

2021

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Message from the Chairman of the Board of Directors



MICHAEL O'KEEFFE

Executive Chairman of the Board of Directors



This past year, our Company achieved key milestones and accomplishments. Although the global pandemic continued to impose a challenging operating environment, our people upheld our values and demonstrated their agility as they undertook major growth projects at the Bloom Lake mine ("Bloom Lake"). Benefiting from decades of available iron ore resources, our focus remains on operating sustainably to create a long-term positive impacts for the region.

As our Company capitalizes on the rising demand for high-purity iron

ore products, we are committed to minimizing our environmental footprint and maximizing the positive impacts for local communities. With this vision, the Board of Directors established an ESG committee of non-executive directors in the last year, to support the planning and implementation of practices that safeguard a sustainable future for our operations and for all stakeholders involved in our projects.

The window of opportunity to address the global climate emergency is rapidly closing. It is therefore imperative that we work with the knowledge that greenhouse gas ("GHG") emissions reduction efforts transcend borders. Our products are a cleaner supply source for the global steel industry, thanks especially to the Company's use of renewable energy technologies that are required to meet global emission reduction targets. Benefiting from strategic advantages, such as renewable hydroelectricity and the ability to produce leading high-purity iron ore products, our Company is well positioned to significantly contribute to reducing emissions globally in the steelmaking supply chain. To increase

our positive impact, we have initiated a research & development strategy aimed at improving our products and maximizing opportunities to reduce emissions for our customers.

Since recommissioning Bloom Lake in 2018, our Company has already reduced GHG emissions by 36,000 tonnes of CO₂e annually. Even with this accomplishment, our robust environmental practices and ingenuity enable us to continue to set ambitious goals. Reflecting our determination to make a significant contribution to the fight against climate change, our Company has committed to reduce our GHG emissions by 40% by 2030, using a 2014 emission intensity baseline combined with the Phase II project's expected nameplate capacity of 15 Mtpa. We are also committed to being carbon neutral by 2050.

Our sustainability report reflects our determination to provide a safe environment for our people to operate responsibly. I am grateful for the support and trust we have received from our employees, partners and communities, as we implement our vision to pursue our many organic growth opportunities.

Message from the CEO



DAVID CATAFORD

Chief Executive Officer
and Director

CEO

Our Company's efforts to create a positive impact for all our stakeholders continued in 2021. Significant milestones achieved this year, including work required to complete the Phase II expansion project, which aligns with our mission to decarbonize the steel industry globally and maximize our positive impact for local stakeholders. In collaboration with local communities, the completion of the Phase II project enables our Company to create an additional 400 permanent quality jobs for the region.

Nitassinan is the traditional territory of the Uashat mak Mani-Utenam

and Matimekush-Lac John First Nations. It means "our land" in the Innu language. With values of respect deeply anchored in our Company's culture, we made commitments to our host communities with various initiatives to protect the territory and ecosystems surrounding our activities. This included programs to preserve and enhance the Atlantic salmon population and measures to reduce the level of disturbance on the habitat of the woodland caribou.

Building on the mutually beneficial relationship with local communities and Innu groups, we became the first mining company in Québec to recognize the National Day of Truth and Reconciliation as a day of remembrance for all our employees in 2021. On this symbolic day, employees are provided the opportunity to learn more about the difficult history of the First Nations, and to honour the memory of their ancestors.

Despite the difficult context created by the COVID-19 pandemic, we remain committed to providing a safe work environment for our people and enforcing measures to mitigate risks for our local communities. As such, our Company provided support for vaccination campaigns in the Québec Côte-Nord region and continued to operate our on-site testing laboratory.

We continuously strive to innovate and reduce our environmental footprint. Accordingly, we partnered with two mining industry leaders, Caterpillar and Toromont Cat, to use a new artificial

intelligence-based drilling technology aimed at improving operational productivity and reducing energy consumption. In line with our vision to supply products required for the ongoing structural shift in the steel industry to reduce emissions, Champion is also working on projects to produce a 69% Fe iron ore pellet feed and a cold pelletizing technology.

Transparency is a core value at Champion Iron and it is also the foundation of our trusted relationships with stakeholders. In 2021, our team continued to improve our environmental, social, and governance disclosure practices. As a Québec Mining Association member, we are working to align with the Mining Association of Canada's ("MAC") Towards Sustainable Mining ("TSM") standard and additionally, the Task Force on Climate-Related Financial Disclosures ("TCFD"), outlining our roadmap to improve our climate strategy and risk management, and furthering our understanding of climate-related financial risks.

This 2021 Sustainability Report demonstrates our desire to continually aim to meet the highest standards in sustainability performance and illustrates our efforts and progress in integrating sustainability principles into our business activities. We are committed to continuous improvement as we work to create a positive impact, both for today and tomorrow.



2021 PERFORMANCE HIGHLIGHTS

Performance Highlights

¹ Suppliers with a business unit in the Côte-Nord region of Québec

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 This includes Scope 1 (direct) and Scope 2 (indirect) emissions.

BENEFIT FOOTPRINT

Community Investment	\$5.2 million
Sourcing from Regional Suppliers ¹	\$393 million
Sourcing from Indigenous Suppliers ²	\$471 million
Municipal Taxes Paid	\$7.8 million

\$217.3 M

Mining Taxes Paid to Government

GOVERNANCE

ESG

ESG Board Committee established

COVID 19

LAB

Successfully operated a COVID-19 laboratory on site

HEALTH & SAFETY GENERAL

Total Recordable Injury Frequency | 2.46

0.95

Lost Time Injury Frequency

COMMUNITIES & INDIGENOUS PEOPLE

58

Local and Indigenous Jobs

HUMAN RIGHTS PROGRESS

NDTR

National Truth and Reconciliation Day was declared a company holiday

ENERGY & CLIMATE CHANGE

Energy Consumed | 2,403 TJ

Total GHG Emissions ⁴ | 84,448 tonnes of CO₂e

40%

GHG emission reduction by 2030 & net-zero by 2050 set

TAILINGS AND WASTE MANAGEMENT

100%

Compliance with the monitoring program for tailings retaining structures

WATER STEWARDSHIP

93%

Reused or recycled mining wastewater

BIODIVERSITY

17 ha

Site restoration - 17 hectares of revegetated area

AIR QUALITY

93%

Developed a new blasting recipe to reduce emissions intensity

CLOSURE AND/OR OTHER REHABILITATION WORK

\$118M

Adopted for a revised closure plan



ABOUT CHAMPION IRON

10	Our Values
11	Our Operations
12	Our Product
13	Our Value Chain

Champion Iron Limited (“Champion” or the “Company”), through its subsidiary Quebec Iron Ore Inc. (“QIO”), owns and operates the Bloom Lake Mining Complex, located on the south end of the Labrador Trough, Québec.

Bloom Lake is an open-pit operation with a concentrator that primarily sources energy from renewable hydroelectric power. In addition to the Bloom Lake Mining Complex, Champion owns a portfolio of exploration and development projects in the Labrador Trough, including the Kamistiasusset Project (“Kami”) located a few kilometres south-east of Bloom Lake, and the Consolidated Fire Lake North iron ore project, located approximately 40 km south of Bloom Lake.

The Company was incorporated under the laws of Australia in 2006 and is listed on the Toronto Stock Exchange (TSX: CIA), the Australian Securities Exchange (ASX: CIA), and is available to trade on the OTCQX Best Market marketplace of the OTC Markets Group (OTCQX: CIAFF). Champion is headquartered in Rozelle NSW, Australia, with its principal administrative office located in Montréal, Québec, Canada.

We are dedicated to creating value for our stakeholders while respecting the environment and contributing to the long-term sustainable development of the communities where we operate. Champion benefits from strong, mutually beneficial partnerships, including those with our Indigenous partners Uashat mak Mani-utenam and Matimekush-Lac John. At the end of the reporting period, the Company was providing over 800 quality jobs in remote areas of Québec and at the end of 2021, is considered the largest employer of Indigenous people in our host region.

To capitalize on the growing demand for its product, in May 2022 Champion completed the Bloom Lake Phase II expansion project, which is expected to double the mine’s nameplate capacity. During the fiscal year, as many as 450 individuals actively worked on the project, to ensure its timely and successful completion, which will have both direct and indirect beneficial impacts for the region including, the creation of an additional 400 permanent quality jobs.



OUR VALUES

Our commitment to responsible mining is reflected in our values. These four core values are the cornerstone of what we believe in and guide how we operate every day.



PRIDE

We are proud to be a Quebecois operator and leader in the mining industry. We take pride in what we do and our sense of collective belonging is strong.

RESPECT

We pursue our operational objectives while being responsible environmental stewards and considering the interests of stakeholders and society.

TRANSPARENCY

We develop and maintain transparent and mutually beneficial relationships with our stakeholders. Open dialogue and active listening enable us to take actions that meet stakeholder needs and address their concerns.

INGENUITY

We leverage our collective creativity and know-how to find innovative sustainability solutions every day. Our quest to keep improving our practices continues unabated.

MINERAL RESERVES & RESOURCES

For details on Champion's mineral reserves and mineral resources, please see our latest news releases at championiron.com.

PERFORMANCE INDICATORS:

GRI 102-1, 102-2, 102-3, 102-4, 102-5, 102-16, 203-2

OUR OPERATIONS

BLOOM LAKE
MINE

ADMINISTRATIVE
OFFICE

PERFORMANCE INDICATORS: GRI 102-4, 102-7, 102-8 (partial), 102-10 201-1 (partial), 301-1, SASB EM-MM-000.A

Champion's principal asset is the Bloom Lake mine complex located on the south end of the Labrador Trough in Québec, Canada, known for its deposits of high quality iron ore where a narrow belt of sedimentary and igneous rock 160 km wide and 1,200 km long runs through northern Québec and Labrador. The Bloom Lake Phase I and Phase II plants have a combined nameplate capacity of 15 Mtpa and benefit from nearly US\$4.5 billion in infrastructural investments.

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

On April 1, 2022, Champion completed the acquisition of the Kami project. The Company is currently revising the project's scope and updating a feasibility study completed by its previous owner, which we expect to complete in the second half of 2022 as part of the Company's strategy to evaluate its organic growth alternatives. During the reporting period, we also completed the acquisition of Lac Lamêlée South property, a project located adjacent to Champion's existing development properties south of the Bloom Lake Mine.

PERFORMANCE SPOTLIGHT

Our Economic Contributions

Revenues:	\$1,460.8	million
Net income:	\$522.6	million
Mining taxes paid to government:	\$217.2	million
Community Investments:	\$5.2	million
Procurement Spend ⁵ :	\$1.012	million
Salary & Benefits Spend:	\$116.5	million

Our Production

Ore mined and hauled:	22.3 M	tonnes
Iron ore concentrate produced:	7.91 M	wet metric tonnes
Iron concentrate sold:	7.65 M	dry metric tonnes

Our People

Total number of employees:	811
Local and Indigenous employees:	58

⁵ This total takes into account our Canadian suppliers only

OUR PRODUCT

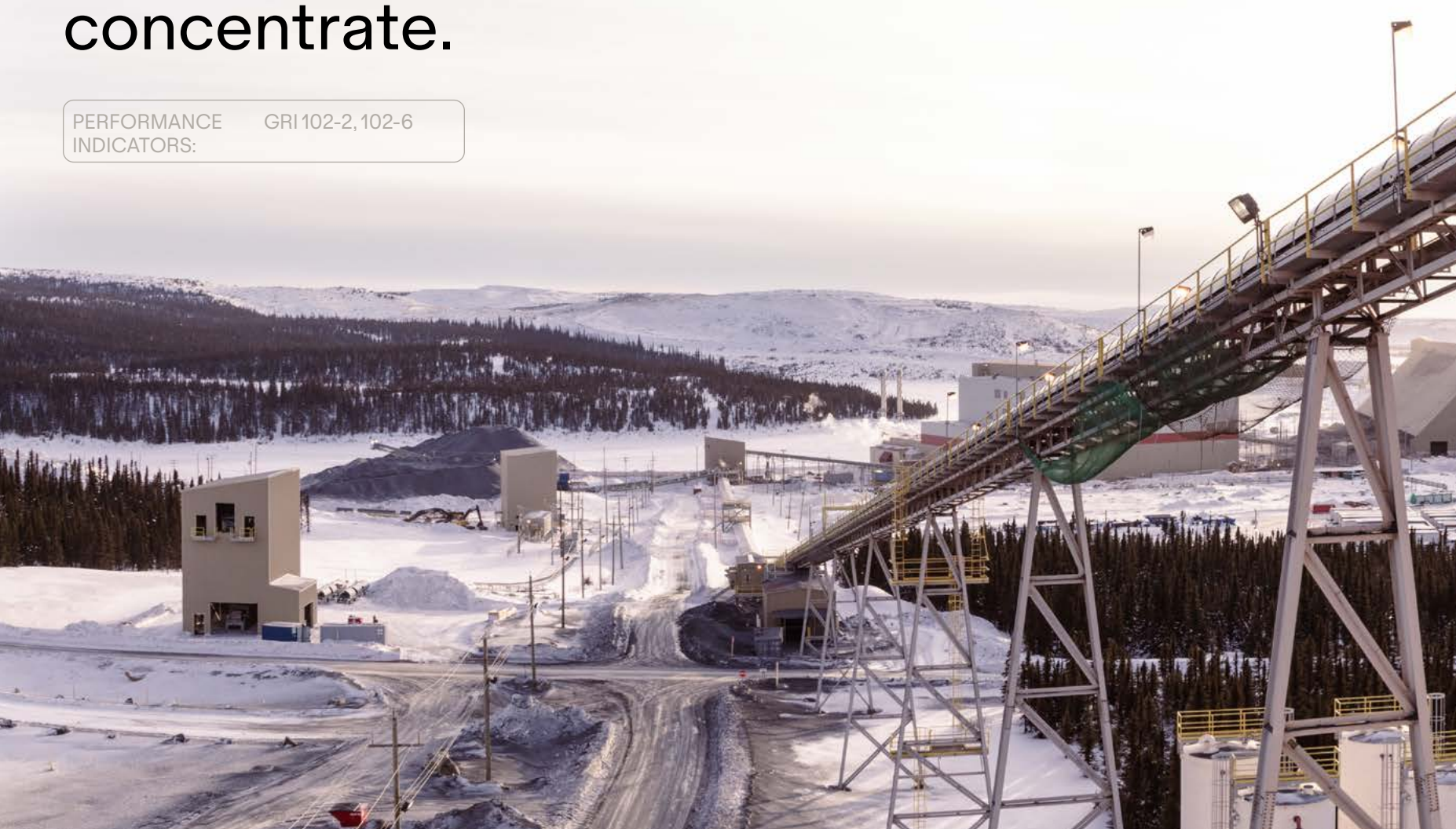
Champion commercially produces a low contaminant 66.2% Fe iron ore concentrate and proved its ability to produce a >67.5% Fe Direct Reduction quality iron ore concentrate.

PERFORMANCE INDICATORS: GRI 102-2, 102-6

Champion commercially produces a low contaminant 66.2% Fe iron ore concentrate and proved its ability to produce a >67.5% Fe Direct Reduction quality iron ore concentrate. The Company's high-purity product characteristics reduce emissions in the steelmaking process and facilitates the production of complex steel. Due to the low impurities and favourable characteristics of our iron bearing minerals, the extraction and concentration of our iron ore concentrate is completed using gravimetric and magnetic processes which are free of chemicals. Our quality products meet the highest standards of steelmaking required by our customers, which are located primarily in China, Japan, Europe, India, South Korea and the Middle East. The exceptional quality of the concentrate positions our product as one with the highest purity in the world.

We have begun a feasibility study, following laboratory work testing, to evaluate the reprocessing and infrastructure required to commercially produce a 69% Fe Direct Reduction pellet feed product. The study is expected to be completed in mid-2022. The proposed project would convert approximately half of Bloom Lake's expected combined nameplate capacity of Phase I and II.

The exceptional properties of Champion's iron ore concentrate enable steelmakers to use significantly less energy in the steel making process, including the use of coal. Additionally, our Company benefits from access to renewable hydroelectric power, positioning our Company as one of the global producers with the lowest emission intensity. Such competitive advantages position our Company as a leading solution to contribute to the global transition required for a low-carbon economy.



OUR VALUE CHAIN



Consumers around the world increasingly demand ethical and sustainable products. We promote sustainability in our value chain by focusing on our own responsible sourcing, on process stewardship and on reducing our environmental footprint, which in turn helps downstream users achieve their sustainability goals.

Champion has sold its products to 25 different customers globally since recommissioning Bloom Lake in 2018. We collaborate with a range of stakeholders upstream and downstream, to continuously improve the sustainability impact of our product, as it moves from extraction through processing, and then to our end users.

As our Company continues to positively impact the region where it operates, our procurement policy favours, where all else is equal, the local procurement of goods and services.

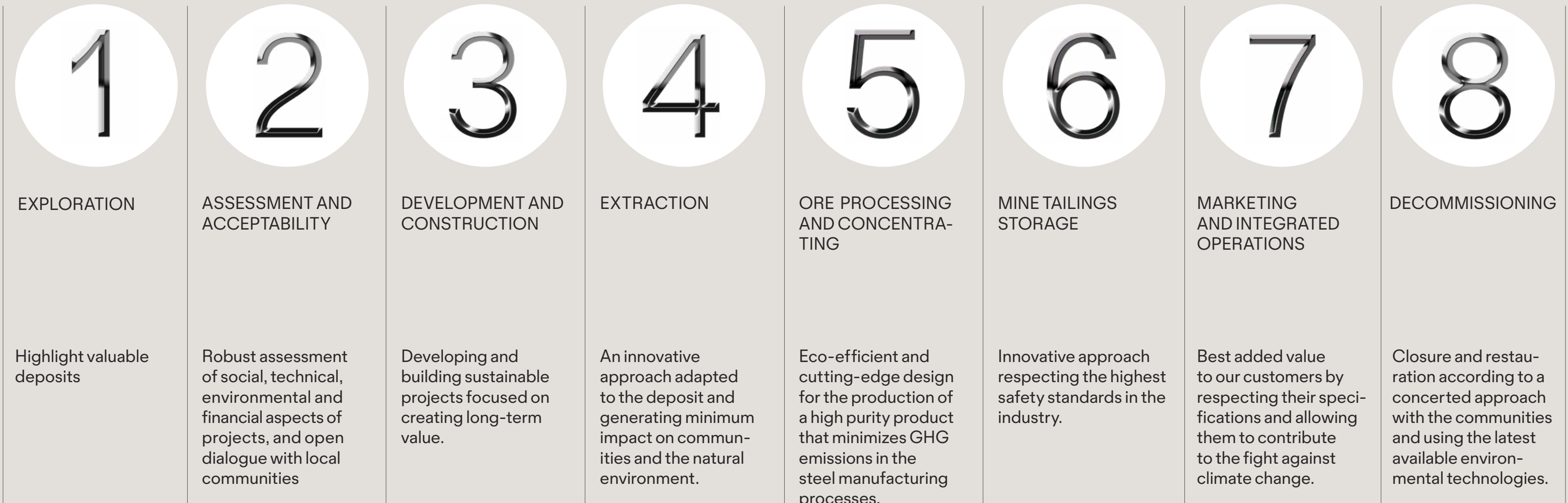
Our operations are supported by a diverse supply chain that provides goods, materials and services required at different stages of the value chain. Champion's industrial operations are supported by 93 direct (Tier 1) suppliers, and 99% of our direct supplier annual spending is contracted to suppliers located in Canada. The remaining 1% is sourced from suppliers located in the United States, Australia, China, Lithuania, France, New Zealand, Germany and the Czech Republic. Our direct supply chain primarily involves

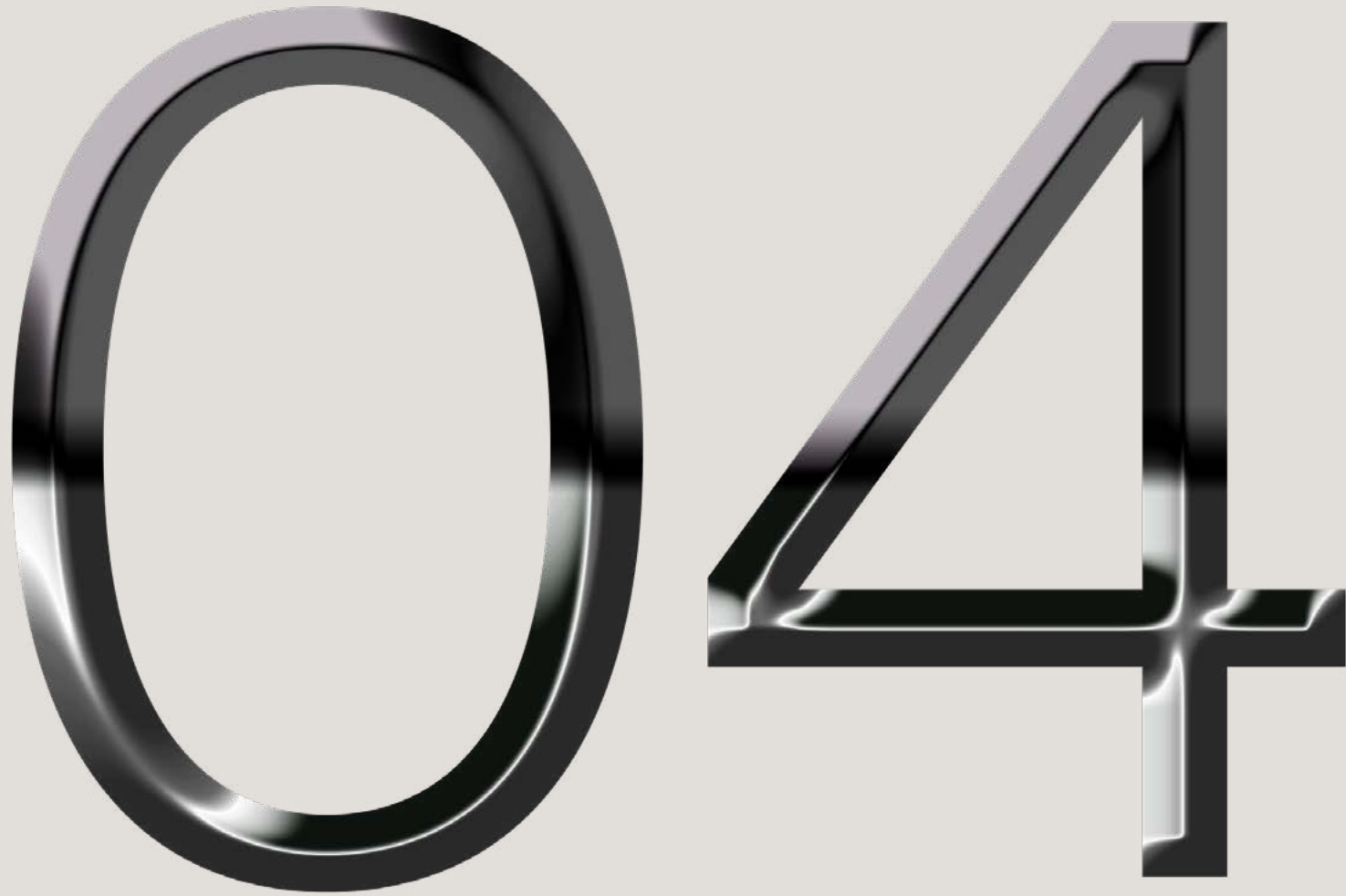
transportation (land and rail), contract labour (e.g., maintenance and drilling services), mining equipment, mining supplies, equipment rentals, fuel and spare parts and consumables for our onsite operations. Smaller categories include non-mining support supplies, such as electricity, travel, professional services (e.g., consultants and engineering), and other staff provisions (e.g. COVID-19 testing). There were no significant changes to our supply chain during the reporting period.

Our Mining Lifecycle

PERFORMANCE INDICATORS: GRI 102-9, 102-10, 203-2

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





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About Our Reporting Practice

Champion Iron Limited prepared this report in collaboration with its subsidiary, Québec Iron Ore Inc (QIO). The use of the terms Champion and the Company in the context of this report includes Champion Iron Limited and all of its subsidiaries. The report focuses on the Bloom Lake Mine complex, our principal asset, which is operated by QIO.

SUSTAINABILITY MATERIALITY ASSESSMENT



In line with our continuous dedication to sustainable development and the highest level of Environmental, Social and Governance (“ESG”) performance, in 2021, Champion undertook a materiality assessment review to determine the best way to validate our ongoing approaches in organizing and prioritizing our primary economic, environmental and social impacts, as identified by the Company’s stakeholders.

For this year’s report our validation exercise entailed a two-step process. Firstly, we undertook an initial internal revision of the existing material topics list. To do so, we consulted with key subject matter experts from around the Company, we examined peer sustainability disclosures and evolving ESG terminology

trends, and analyzed our corporate and site level stakeholder engagement records, including inquiries from investors and customers.

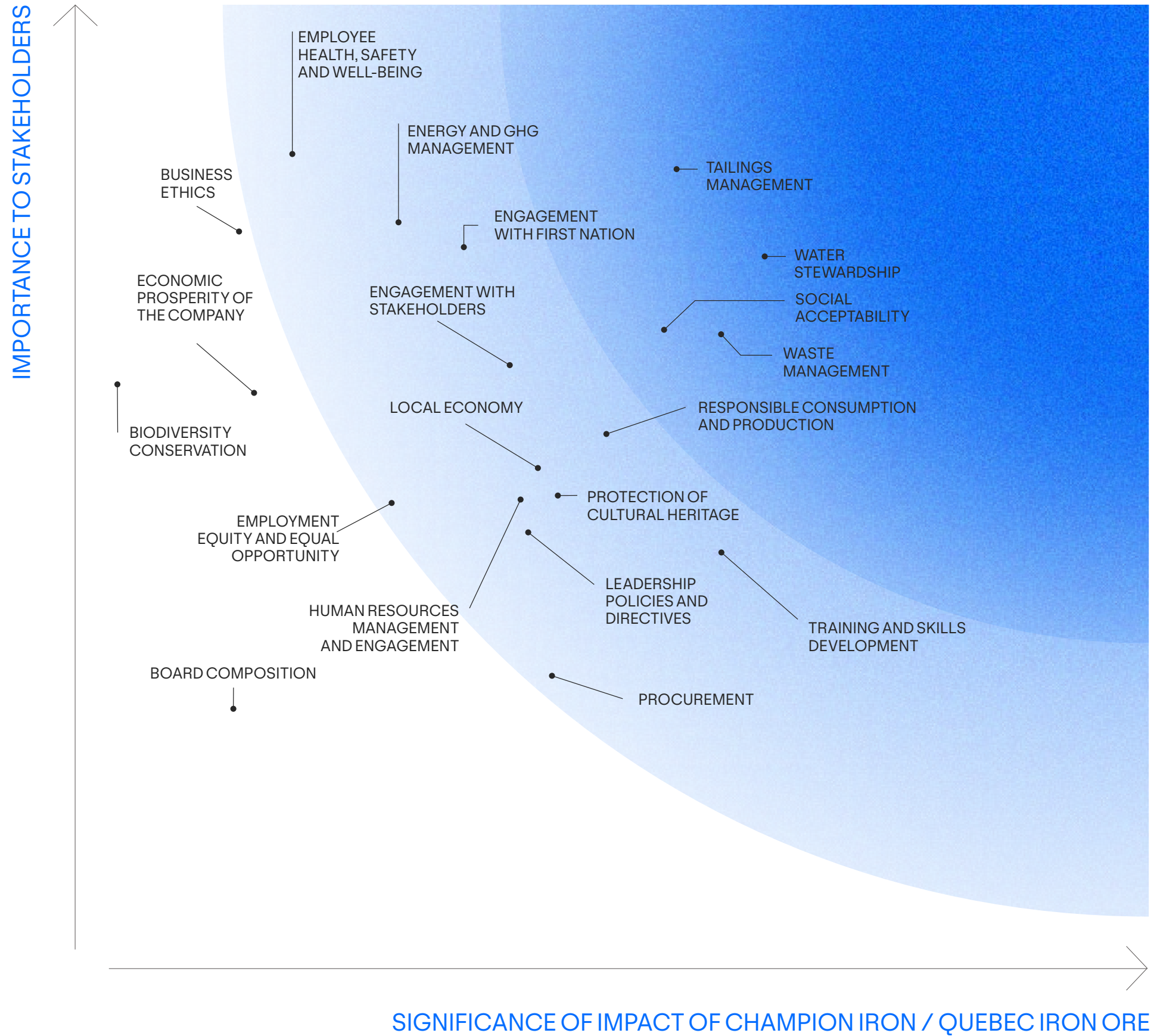
The initial list was then integrated into the design of an online survey, which was completed by 62 internal and external stakeholders. Approximately 40% of respondents were internal stakeholders and 60% were external stakeholders. This included Champion’s executive team, QIO directors and managers, employees at the Bloom Lake site, suppliers and contractors, community organizations, Innu leadership, members of civil society, government representatives, analysts, bankers, lenders and investors.

Our Material Topics

The result of our materiality assessment review is presented in the updated materiality matrix below.

The matrix visually represents each material topic's importance to our stakeholders as well as the perceived impact of our operations on the topics. We define as material those topics that have either a direct or indirect impact on our ability to create, preserve or erode economic, environmental or social value for the Company, our stakeholders, and the communities where we operate.

Champion Iron 2021 Materiality Matrix



Materiality Topics



Tailings Management	Tailings management, including storage in a specially designed impoundment called a tailings impoundment.
Water Stewardship	Water quality management across site operations and efforts to minimize potential impacts to surrounding natural waters.
Waste Management	Environmentally responsible waste management (including mineral and non-mineral waste) and efforts to reduce, recycle and recycle these materials at source.
Social Acceptability	Collective stakeholder opinion on the project.
Engagement with First Nations	Transparent and respectful approach to engaging with First Nations to build and enhance relationships and ensure respect for their land and culture.
Energy and GHG Emissions Management	Energy efficiency of operations as well as initiatives to reduce GHG emissions.
Responsible Consumption and Production	Optimization and efficient management of resources in any business activity.
Training and Skills Development	Opportunity for personal and professional growth, including formal learning of new skills and knowledge.
Engagement with Stakeholders	Transparent and respectful engagement with surrounding communities and partners.

Employee Health, Safety and Well-being	Practices and programs put in place to ensure the health and safety of employees to create a safe and secure work environment within the Company.
Local Economy	Contributions to the economic development of the region.
Protection of Cultural Heritage	Measures to enhance and protect cultural property and community heritage (including customs, practices, places, objects, and artistic expressions) from harm.
Human Resources Management and Engagement	Actions taken to attract, develop and retain employees for long-term success in the workplace.
Business Ethics	Maintain an appropriate level of transparency by clearly stating corporate governance practices.
Leadership Policies and Directives	Effective and fair management. Leadership efforts to ensure that policies support fair and effective management that is responsive to the organization's objective, culture and changing circumstances.
Employment Equity and Equal Opportunity	Merit-based and performance-based recognition, and measures for inclusion, participation and advancement of diverse, traditionally under-represented groups.
Procurement	Responsible and equitable procurement of goods and services to support business activities.
Economic Prosperity of the Company	Success in producing financial value for business owners, partners and investors, through the efficient and cost-effective use of the Company's resources.
Air Emissions Management	Measures taken to minimize the amount of polluting air emissions other than greenhouse gasses (e.g., dust).
Biodiversity Conservation	Monitoring and management of the negative impacts of operations on the variety of species of living organisms in the mine area.
Board Composition	The variety of expertise, experience and diversity available to the Board of Directors, taking into account the skills and attributes that enable optimal monitoring of the Company.

Our Priorities

The review process undertaken as part of the preparation of this report highlighted some important changes from our previous assessments. Tailings Management has replaced Water Stewardship as the most important topic. Engagement with First Nations is a significant new addition to the material topic list, and has emerged as the fifth most important topic for our stakeholders. Existing topics that rose in importance include Responsible Consumption and Production, Training and Skills and Development, and Protection of Cultural Heritage. Several topics declined somewhat in

significance, including Biodiversity Conservation, non-GHG Air Emissions Management, and Employee Health, Safety and Well-being. Previous material topics that were eliminated or folded into other topics during the assessment process this year included: Internalization of Social and Environmental Costs, Respect for the Support Capacity of Ecosystems, Subsidiarity, Employee Compensation, Product Management, Innovation, Supply, and Precautionary Principle.

ABOUT OUR REPORTING PRACTICE



This third annual sustainability report has been prepared in accordance with the Global Reporting Initiative ("GRI") Standards: Core Option (2016) and selected GRI G4 Mining and Metals Sector Disclosures, as well as the Sustainability Accounting Standards Board (SASB) Metals & Mining Industry Standard and the Task Force on Climate-Related Financial Disclosures ("TCFD") reporting framework.

The report details Champion's sustainability impacts and performance as prescribed by the GRI standards and guidance. Following our materiality validation exercise, we systematically assembled the 21 topics deemed material for our operations into the chapter topics and subtopics included in this report. During this process, we also took into account Champion's values, business strategy, corporate sustainability policies, standards, procedures, management systems,

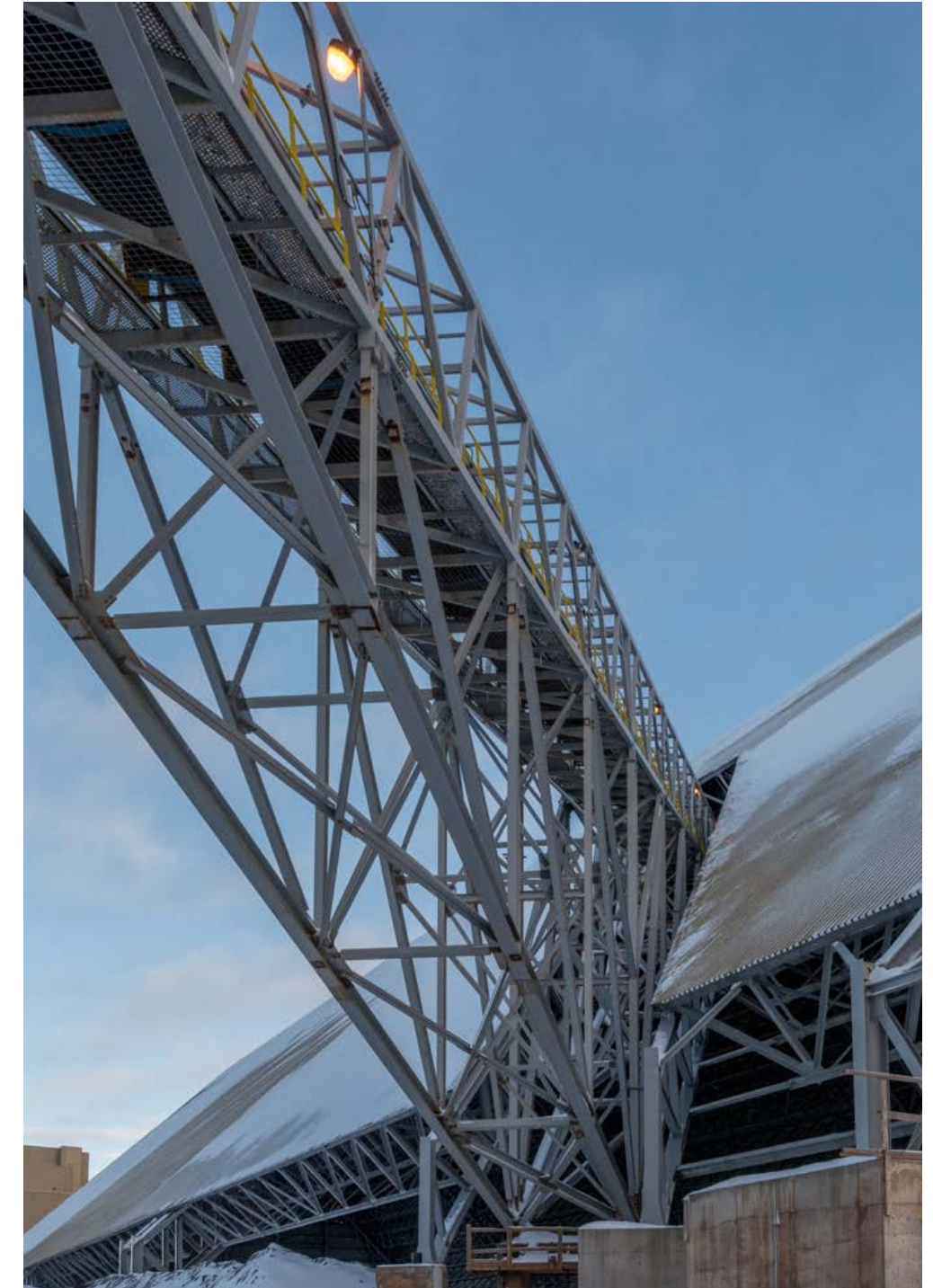
and our broader regulatory and industry environment. The ESG information and data provided in this report cover the period from January 1st, 2021 to December 31st, 2021 (unless noted otherwise). Fiscal data presented aligns with the Company's 2022 fiscal year ended March 31st, 2022. There is no change in reporting period from our previous report. All data has been subject to internal reviews and evaluations. This report was approved for publication by the executive

management of Champion in May 2022.

The GRI, SASB and TCFD content indices for the report are available in the Appendix, and in the ESG Databook on our website.

Please read the cautionary note about forward looking information and statements presented at the end of this report. Unless otherwise indicated, all dollar amounts are expressed in Canadian dollars.

We welcome your comments and questions via our contact platform at the following address: info@championiron.com.



Our Material Topics Covered in This Report

Many of our material topics intersect and are thus discussed in more than one performance section. The visual below describes where in the report the various topics are addressed.

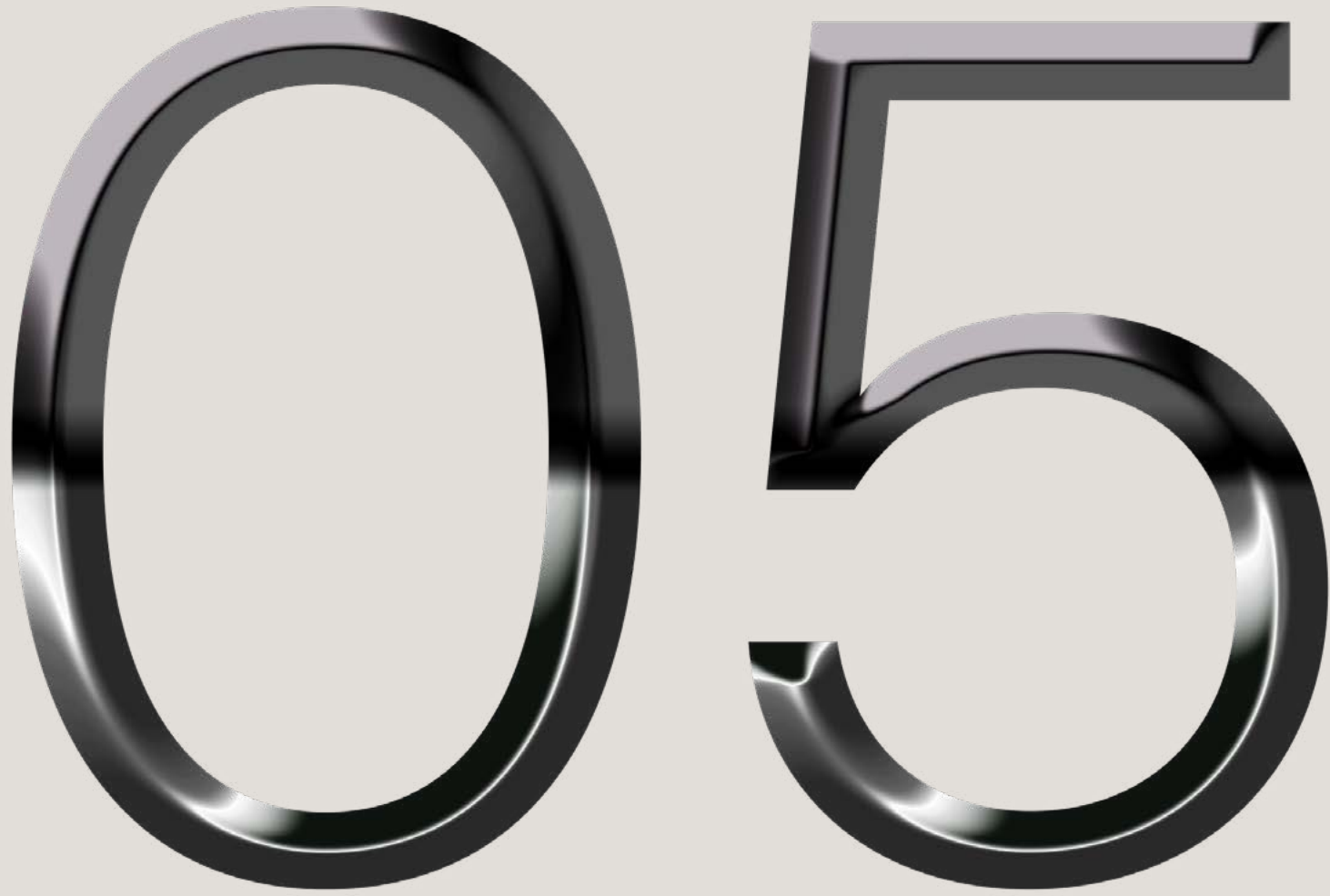


RESTATEMENTS OF INFORMATION (102-48)

Champion is reporting three restatements of information. One restatement relates to data entry errors. The amount of aerosols recycled or upgraded offsite in 2020 was reported as 12 tonnes. The correct number was 1.48 tonnes. The second restatement relates to the total amount of residual hazardous materials produced by our operations reported in 2020. The number reported was 1,000 tonnes, but the correct figure was 1,004 tonnes. The third restatement concerns the reporting period for Water Stewardship data. Previous reports and the current report cover Water Stewardship for the period of October 1 - September 30. This discrepancy in reporting periods was not disclosed in the 2019 and 2020 Sustainability Reports. Future sustainability reports will seek to align the reporting period of Water Stewardship data with that of other departments.

PERFORMANCE INDICATORS:	GRI 102-46, 102-48, 102-50, 102-51, 102-52, 102-53, 102-54
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<p>ABOUT CHAMPION IRON</p> <ul style="list-style-type: none"> • Economic Prosperity of the Company • Procurement 	<p>GOVERNANCE</p> <ul style="list-style-type: none"> • Business ethics • Leadership policies and directives • Procurement • Board composition • Responsible Consumption and Production 	<p>HEALTH, SAFETY & WELL-BEING</p> <ul style="list-style-type: none"> • Employee health, safety and well-being 	<p>OUR PEOPLE</p> <ul style="list-style-type: none"> • Training and skills development • Engagement with stakeholders • Human resources management and engagement • Employee health, safety and well-being • Employment equity and equal opportunity
<p>COMMUNITIES & INDIGENOUS PEOPLES</p> <ul style="list-style-type: none"> • Social acceptability • Engagement with First Nations • Engagement with stakeholders • Local economy • Protection of cultural heritage • Procurement • Economic Prosperity of the Company 	<p>ENERGY & CLIMATE CHANGE</p> <ul style="list-style-type: none"> • Energy and GHG Management • Responsible Consumption and Production 	<p>TAILINGS</p> <ul style="list-style-type: none"> • Tailings Management • Water Stewardship 	<p>WATER STEWARDSHIP</p> <ul style="list-style-type: none"> • Water Stewardship
<p>WASTE MANAGEMENT</p> <ul style="list-style-type: none"> • Waste Management 	<p>BIODIVERSITY</p> <ul style="list-style-type: none"> • Biodiversity Conservation 	<p>AIR QUALITY</p> <ul style="list-style-type: none"> • Air Emissions Management 	<p>CLOSURE & RECLAMATION</p> <ul style="list-style-type: none"> • Biodiversity Conservation • Responsible Consumption and Production • Business ethics



OUR APPROACH TO SUSTAINABILITY

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OUR APPROACH TO SUSTAINABILITY

Sustainability is deeply anchored in our culture as we aim to create a positive impact for all stakeholders. Champion’s business strategy, annual objectives and company values guide our approach to sustainability every day. We strive to produce high-purity iron ore products sustainably and with integrity by providing a safe and inclusive working environment, avoiding social inequities, respecting human rights and protecting the environment and biodiversity.

Our commitment is articulated in our sustainability policies, including our Human Rights, Environment, Responsible Procurement, Occupational Health and Safety and Prevention of Harassment and Discrimination at Work Policies. Such policies are supported by our governance structure, described in this report.

Environmental protection is embedded within our approach to sustainable development. We work daily to develop innovative solutions to reduce the environmental footprint of our activities. Our commitment to protecting the environment is organized along three primary axes. First, we strive to reduce our greenhouse gas emissions by electrifying our production

processes, since we rely on sustainable hydro-electric energy. Second, we continuously search for innovative ways to decrease our consumption of fresh water. A system of 50 collector basins at our Bloom Lake site collects rainwater and snow-melt for use in our production. The water used is then treated and reused. Moreover, in line with our goal of revitalizing the mine site as we operate and in anticipation of its end of mine life, we strive to improve ecosystems and local biodiversity.

The core purpose of our sustainability approach is to responsibly and ethically minimize the environmental impact of our operations, while supporting emission reductions globally with our high-purity iron ore products. Iron ore is the foundation upon which we build infrastructure, housing and countless essential goods for society—and—Champion is proud to be a market-leading, low-emission producer of one of the highest quality iron ore products globally.

PERFORMANCE INDICATORS: GRI 102-30, 102-32, 103-2, 103-3

Sustainability Guidance

The following standards and frameworks serve as a reference in the daily management of our material sustainability topics, including planning, strategy development, objective setting, implementation, monitoring and evaluation.



UNITED NATIONS' SUSTAINABLE DEVELOPMENT GOALS



MINING ASSOCIATION OF CANADA - TOWARDS SUSTAINABLE MINING



EQUATOR PRINCIPLES



INTERNATIONAL COUNCIL ON MINING AND METALS - MINING PRINCIPLES

SUSTAINABLE DEVELOPMENT GOALS CONTRIBUTION



We believe that the success of our business is dependent on our ability to create a positive impact for all stakeholders, while considering the environmental, social and economic

context in which we operate. Integrating sustainable practices and meaningfully contributing to the Sustainable Development Goals (SDGs) is an essential element of our approach to sustainability. In continuity with our 2020 sustainability report, we identified 13 out of the 17 United Nations Sustainable Development Goals to which the Company contributes through its sustainable development efforts. The performance sections of this report contain references to the relevant goals, and elaborate our efforts to meaningfully contribute to sustainable development through our practices. The on-going challenges imposed by COVID-19 during 2021 provided an impetus to focus on SDG 3: Good Health and Well-being. To safeguard the health of everyone on our site and surrounding communities, we developed a Medical Laboratory with the capacity to test for COVID-19. The success of this project earned our Health & Safety team the distinction of being a finalist for Québec's prestigious Mercuriades business award in 2021.

Mining Association of Canada (MAC)

Champion is aligning its activities with the Mining Association of Canada's ("TSM") initiative, a requirement of our membership in the Québec Mining Association. The MAC's TSM framework establishes protocols for assessing mining companies' performance in key environmental and social areas. Champion's protocol alignment efforts in 2021 focused on Tailings Management, Climate Change and Safety & Health, as well as Water Stewardship and Biodiversity Conservation. In 2022 we will be targeting Level A alignment for all protocols. The performance sections throughout this report indicate the MAC TSM protocols that guide our practice.

Equator Principles

Champion aligns its activities with EP4, the latest version of the Equator Principles, which provide a framework for financial institutions to identify, assess, and manage the social and environmental risks of projects they finance. The principles thereby support us in promoting company-wide sustainable environmental and social performance.

International Council on Mining and Metals (ICMM)

The International Council on Mining and Metals Mining Principles aim to enable companies to integrate sustainable development planning into their decision-making processes and practices. Although not an ICMM member, our operational approach is inspired by the ICMM Mining Principles, which provide us with valuable guidance on aligning our mining activities with industry best practices and global sustainable development objectives. Our efforts to follow the ICMM guidance are listed in tables at the end of each performance section.



MANAGEMENT FRAMEWORK

Champion establishes strategic sustainable development objectives aligned with our commitments, policies and risks to ensure positive results for our business and all our stakeholders. Our objectives are established along three time scales: Short term (1-2 years), Medium term (3-4 years), and Long term (5-10 years). These objectives are monitored on an annual basis and adjusted according to observed performance and stakeholder expectations, in order to better align with our goal of contributing to the sustainable development of the communities where we operate.

One of the primary pillars of our management framework is our dedication to continuous improvement of our sustainability practice across our value chain, from exploration to mining site restoration. A focus on enterprise risk management is thus rooted in our policies and everyday business decisions. Our continuous improvement culture entails a consistent application of the Plan-Do-Check-Act cycle to ensure we are always striving to do better in all our business activities, to protect people and the environment. We draw extensively on guidance from ISO standards, in particular ISO 14001 and ISO 45001, as a source of inspiration in our maturing management approach. We have also begun to draw on ISO 50001 to support our energy management framework during the reporting period. At both

the corporate and site levels, we maintain a risk register of the highest perceived risks, including social and environmental risks, taking into account likelihood and potential consequence.

Champion's overall management approach also includes an important focus on emergency preparedness and response, incident management, and compliance obligation management. Our six-stage incident management approach for example is designed to minimize the likelihood of incidents, while mitigating the possible impact of any incident on our people, the communities where we operate, and the environment. Similarly, our emergency preparedness and response plans limit and control potential or actual effects of an emergency.

In 2021, we focused on optimizing this area by revising our Corporate Emergency Response Plan communications protocols, to build in additional governance layers. Which also contributes to our efforts to align with the Crisis Management and Communications Planning Protocol of MAC TSM.

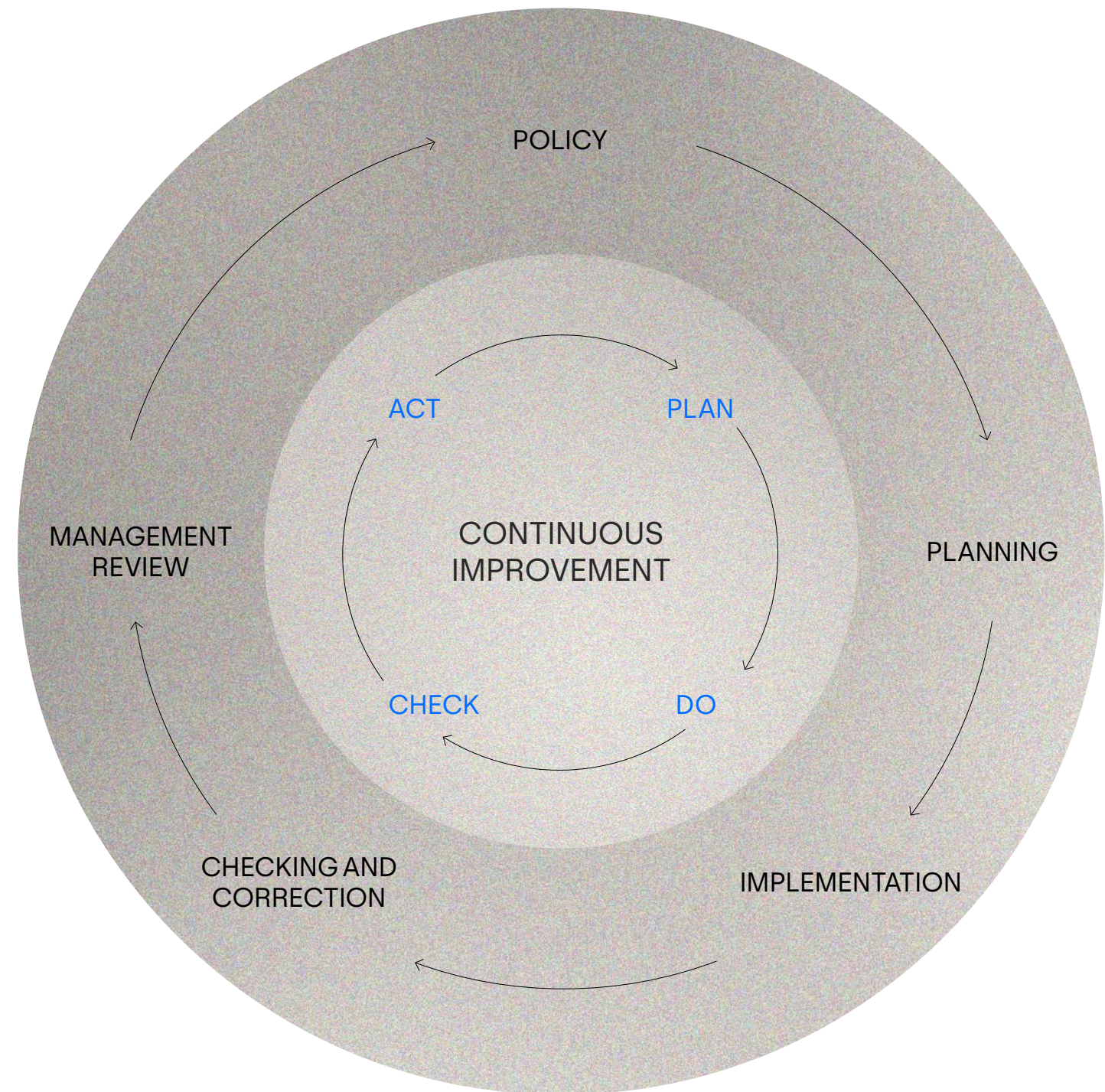
And, within our compliance management, we employ a legal and legislative monitoring process to ensure that we comply with all legal requirements, including obligations arising from our agreements with Indigenous groups.

We evaluate our sustainability performance through ongoing monitoring as well as our governance and audit mechanisms. Our performance improves by modifying our programs and objectives based on the learnings from such efforts, enabling us to act on any emerging issues. During the reporting period, we retained an independent specialized industry ESG management consulting firm to undertake a comprehensive company-wide ESG Diagnostic to support the continuous improvement of our

management approach. Additionally, our team initiated benchmarking to identify industry requirements regarding ESG disclosure. Lastly, our firm retained the services of a specialized firm in governance management to align our disclosures with global best practices.

Our management of individual materiality topic areas, including our management of the impact of our operations on all of our stakeholders, is considered in the performance sections.

Management framework





STAKEHOLDER ENGAGEMENT

Champion believes that a dedicated and consistent approach to engaging with stakeholders and our Indigenous partners who are impacted by, or have an interest in, our operations contributes to a foundation of credibility and trust in our business.

Stakeholders are identified based on the degree to which they are affected by our activities, by our relationships with them and by their ability to influence the achievement of our business objectives.

Identifying our stakeholders helps us understand risks and opportunities, responsibly manage the impacts of our business and understand the effectiveness of our actions.

We regularly engage with our stakeholders in order to understand their interests, solicit input about our activities, and to identify any areas of existing or potential concerns so that

they can be addressed as quickly as possible. We employ a range of proactive engagement strategies that are customized to meet the needs of specific stakeholders, and are inclusive of any potentially marginalized groups. In order to optimize this strategy and its outcome, our Company has a mechanism to monitor and track feedback provided from key stakeholders. The infographic presented here identifies our main stakeholder groups and highlights the primary engagement approaches employed, although at times different engagement methods are also appropriate and are used as needed.

TYPE OF ENGAGEMENT	Consider	Inform	Mobilize	Satisfy	Collaborate
	Research and analyze relevant concerns, trends, expectations and innovations	Transparently share and educate about the Company's activities and impacts	Actively bring stakeholders together for collective impact	Respect the relevant requirements, commitments and needs, to maintain stakeholder satisfaction	Work together in developing programs or solutions and taking joint action
TYPE OF STAKEHOLDER GROUPS	<ul style="list-style-type: none"> • Civil society and non-governmental • Organizations • Industry peers 	<ul style="list-style-type: none"> • Media • Shareholders • Investors 	<ul style="list-style-type: none"> • Employees • Suppliers 	<ul style="list-style-type: none"> • Customers • Governments • Lenders 	<ul style="list-style-type: none"> • Indigenous Partners • Union • Local Communities

We value constructive feedback from our stakeholders and regularly integrate it in decision-making and strategic planning, which allows us to improve our sustainability performance.



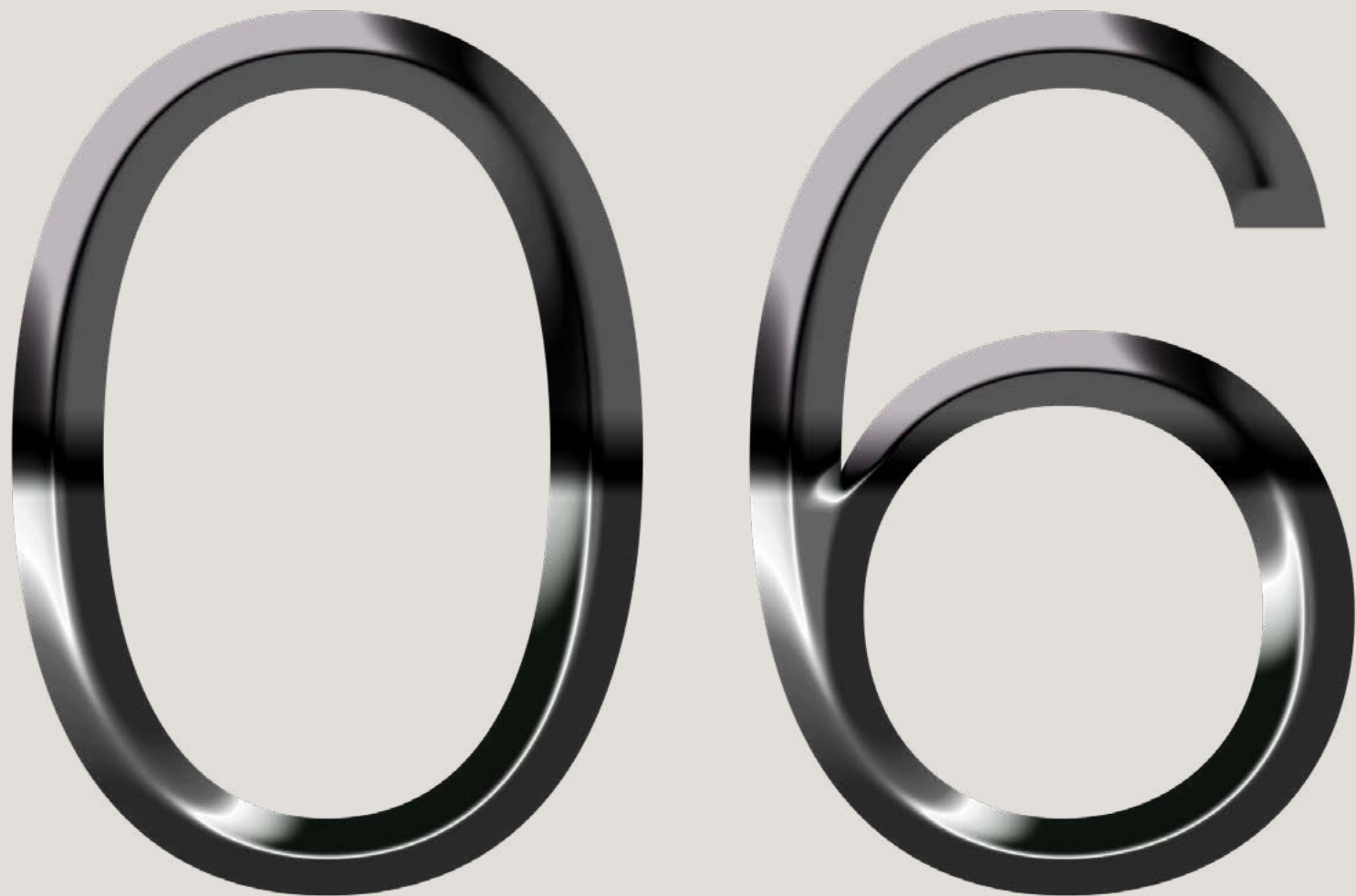
A range of internal and external stakeholders were consulted as part of the materiality assessment and validation process conducted in the preparation of this report. The results highlight the most important issues for a broad range of our internal and external stakeholders. Consistent with its growing importance across our industry globally, Tailings Management emerged as the top concern for our stakeholders. It was followed by Water Stewardship, Waste Management, Social Acceptability, and Engagement with First Nations.

While Engagement with First Nations was identified as a novel material topic for this report, our commitment to establishing and consolidating strong constructive partnerships with Indigenous partners has been central to our operations. An Impact and Benefits Agreement (IBA) completed in 2017 covers our projects located on the Québec portion of the Labrador Trough, and provides for active participation by Indigenous partners. The monitoring and implementation of the IBA is carried out by a coordination committee and two subcommittees. The committees, which are composed of both Company and Indigenous representatives, meet regularly and work to promote local procurement and the employment of Indigenous community members, while ensuring the protection of the environment.

In line with our dedication to continuous improvement, we monitor best practices and technologies used by other mining companies domestically and globally through participation in trade fairs, conferences and symposiums. These initiatives provide an opportunity to identify better operational processes and to identify new ways to contribute to the management of common challenges. We are a member of the Québec Mining Association and our Chief Operating Officer, Alexandre Belleau, sits on the Association's Board of Directors. We benefit from the Association's guidance, and use our role within its Board to promote our industry's broader efforts to contribute to sustainable development.

PERFORMANCE
INDICATORS:

GRI 102-13, 102-40, 102-42,
102-43, 102-44



GOVERNANCE

32

Our Approach

38

Business Conduct and Ethics

41

Human Rights

Why this
is important:

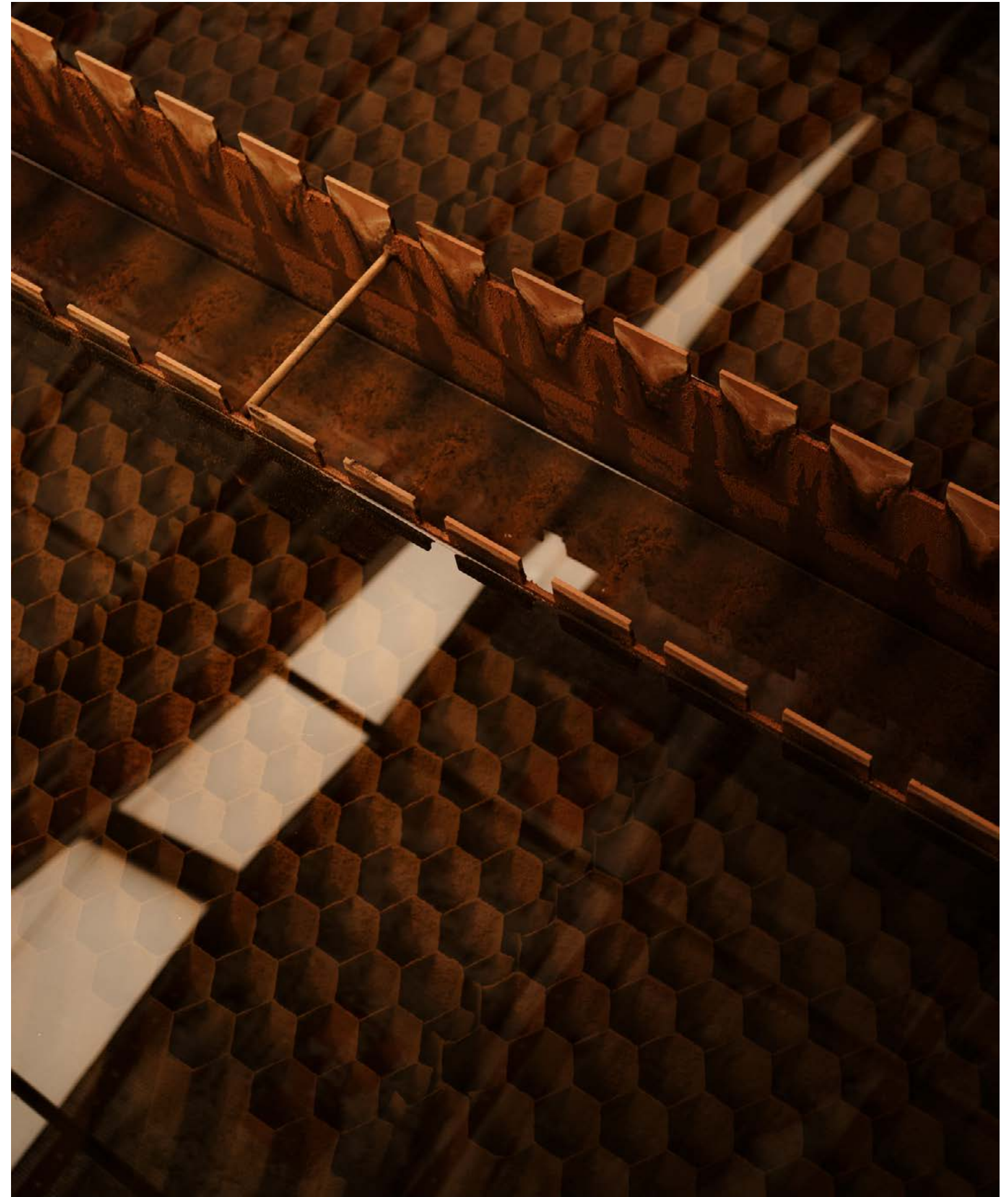
Adopting the highest ethical and legal standards in the conduct of our business operations is of utmost importance to our stakeholders. Good governance is central to the continuous improvement of our accountability and sustainability performance, enabling us to uphold our core values of transparency and respect.

Who this
impacts:

Internal and external stakeholders benefit from our strong governance practices. Internally, our corporate governance policies foster a safe and transparent working environment. Externally, we communicate our governance commitments and ethical business practices to our external stakeholders, building a reputation of trust and integrity.

OUR APPROACH

Champion is committed to conducting business ethically, responsibly, in compliance with the legal requirements of the jurisdictions where we operate, and in accordance with the highest standards of corporate governance. We seek to create value for our shareholders while providing a safe working environment for our employees and contributing to the sustainable development of local communities.



Our suite of corporate governance and sustainability policies, listed below, guide the conduct of our business practices, and establish commitments and expectations to be met across the organization:

[Board Charter](#)

[Board Performance Evaluation Policy](#)

[Code of Conduct](#)

[Audit Committee Charter](#)

[Remuneration and Nomination Committee Charter](#)

[Environment, Social and Governance Committee Charter](#)

[Mandate of Chief Executive Officer](#)

[Diversity Policy](#)

[Continuous Disclosure Policy](#)

[Shareholder Communications Policy](#)

[Trading Policy](#)

[Majority Voting Policy on Election of Directors](#)

[Whistleblower Policy](#)

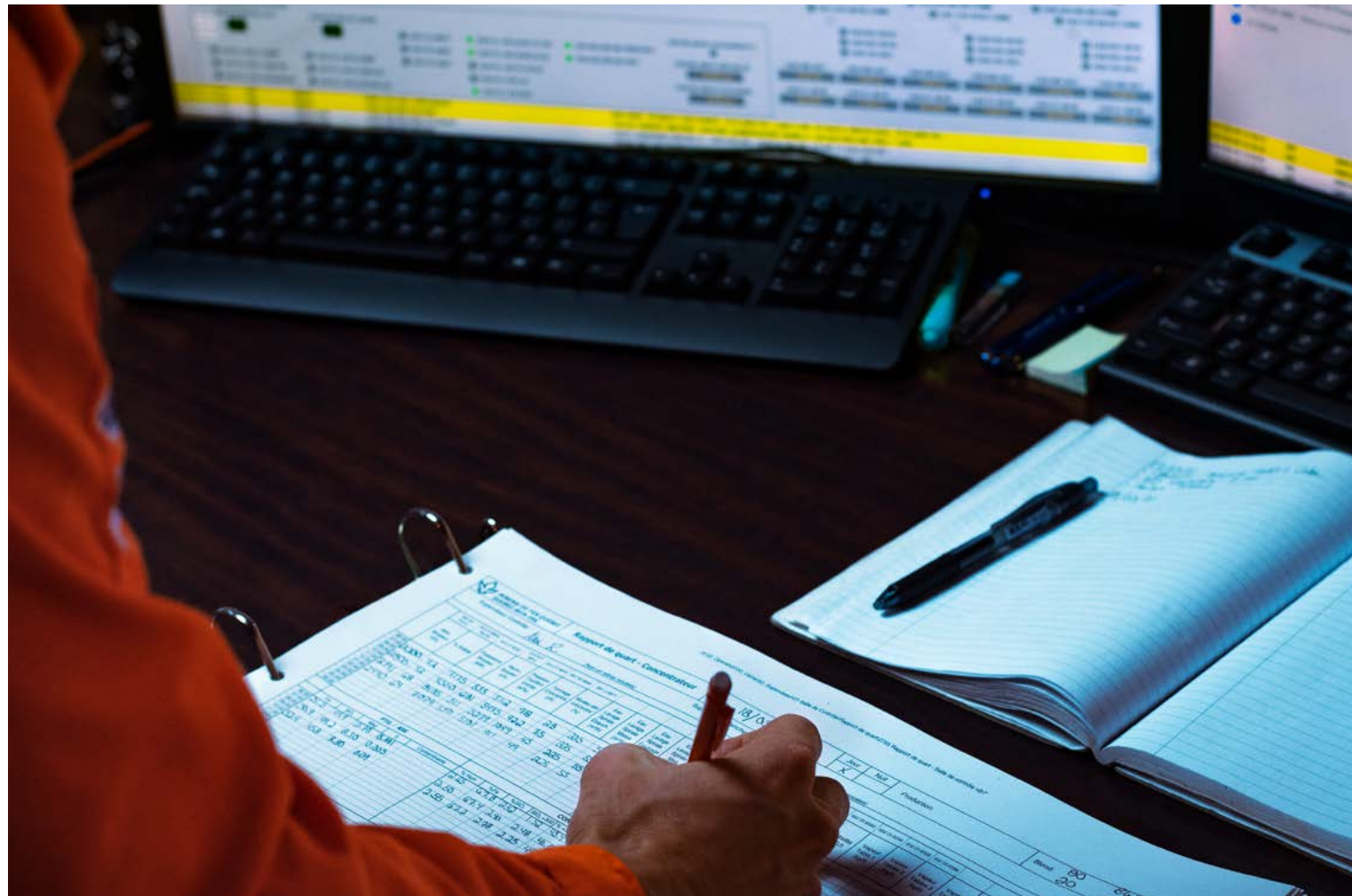
[Occupational Health & Safety](#)

[Prevention of Harassment and Discrimination at Work](#)

[Responsible Procurement](#)

[Human Rights](#)

[Environmental Policy](#)



Our policies are reviewed on a regular basis in order to ensure their ongoing relevance and coherence with overall business strategies and changes in our internal and external operating context. Champion Iron Limited’s sustainability and governance policies are available at championiron.com.

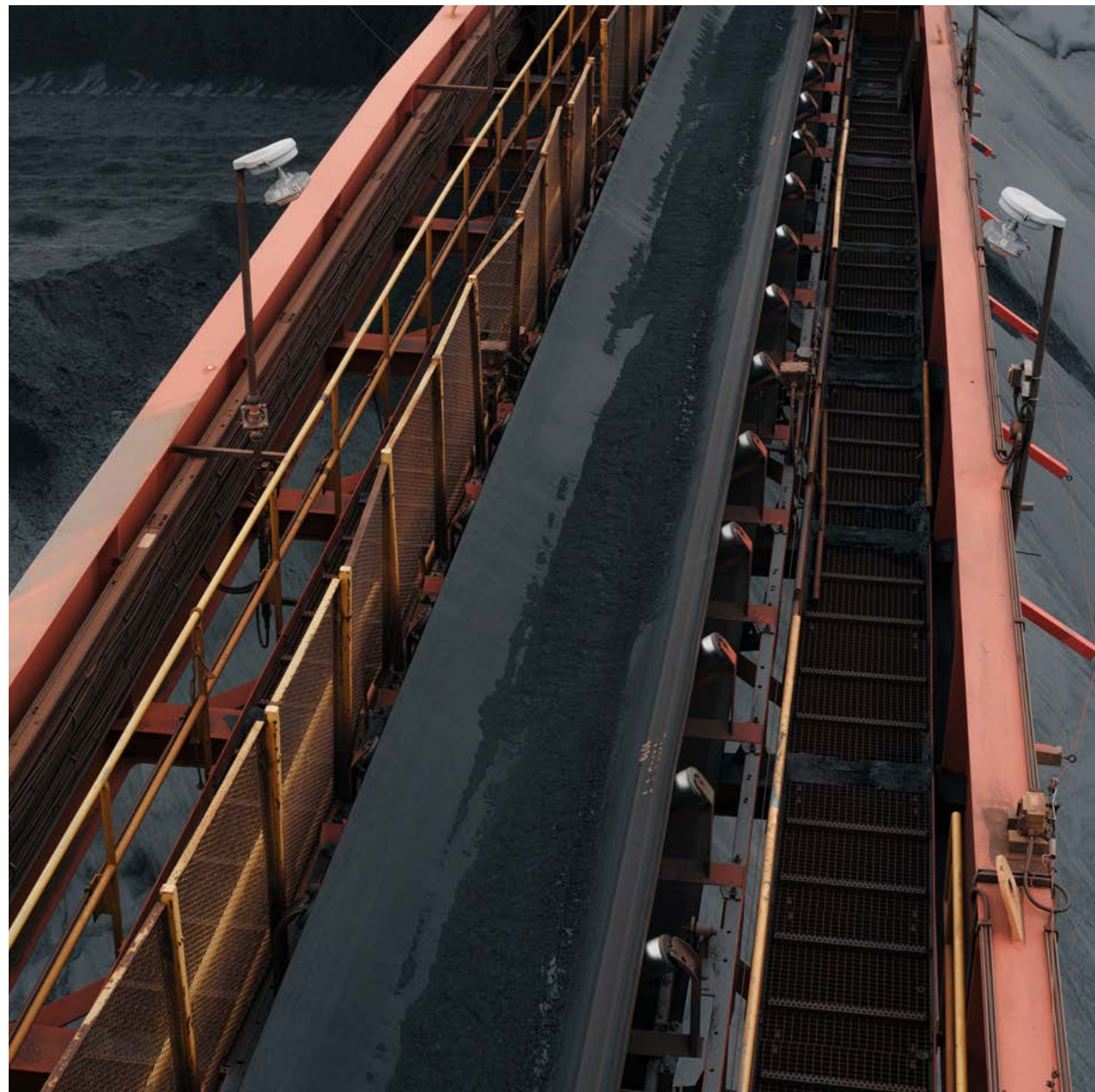
The oversight of the management of the Company is the responsibility of the Board of Directors. Our highly qualified Board members are the stewards of the Company, ensuring that we are positioned to create value for our stakeholders while operating in a safe, responsible, and ethical manner. The Board continually strives to stay current on sustainability topics through regular meetings and site visits which support governance and accountability mechanisms across the Company. In 2021, Champion’s Board was composed of eight members, 25% of whom are female. The table below outlines the high level of key skills and expertise of the Company’s Board.

SKILLS & EXPERTISE	NUMBER OF QUALIFIED BOARD MEMBERS
Mining, Resources and Development	Five
Health and Safety	Three

Environment and Sustainability	Five
International Markets	Four
Strategy, M&A and Capital Markets	Seven
Financial, Audit and Risk	Four
Legal and Public Policy	Two
Executive Management	Seven
Government and Regulatory Affairs	Five
Human Resources	Five

The Board has three committees that guide the Company.

PERFORMANCE INDICATORS: GRI 102-22, 102-26, 02-27, 102-29, 103



1. The Audit Committee
2. The Remuneration and Nominating Committee
3. The ESG Committee

The ESG Committee monitors and reviews environmental, social and governance risks, and supports the Company’s commitment to environmentally sound and responsible resource development.

PERFORMANCE SPOTLIGHT

Following the addition of industry sustainability expert Louise Grondin to our Board of Directors in August 2020, we created our ESG Committee in 2021 and it consists entirely of non-executive Directors. The Committee meets at least once per quarter, and met four times during the course of 2021. Tasked with monitoring and reviewing environmental, social and governance risks, and supporting the Company’s commitment to environmentally sound and socially responsible resource development, the

ESG Committee plays an important role in shaping Champion’s continuous effort to improve its approach to sustainability. Any significant concerns, incidents, issues, claims, complaints, or instances of non-compliance are reported directly to the Board, including any proposed actions or recommendations. In line with the growing importance our stakeholders place on ESG topics, the Committee’s founding further solidifies our dedication to sustainability within our management practices.

Sustainability Governance Structure

The oversight and governance of Champion’s sustainability performance begins with the Board and the ESG Committee and flows outward to the executive level and our operations. The Committee meets at least once quarterly to review sustainability performance and recommend appropriate measures to the Board of Directors, to which it reports directly.

Its activities include providing the Company with meaningful assistance and oversight, ensuring that good governance practices are followed, including business conduct, transparency and ethics. The Committee’s governance contributes on topics including sustainable development, tailings management, water stewardship, site restoration, human resources, health and safety, human rights, and relations with communities and Indigenous peoples.

The executive management team is responsible for defining and updating our sustainability guidelines and frameworks and for the implementation of of Champion’s sustainability practices. They deploy sustainability risk and opportunity management systems and sustainability performance audit and review programs, and determine which strategies, objectives and programs should be implemented, integrating them into a long-term vision. Site management then ensures that



sustainability guidelines are applied, and annual goals are met.

The chart below demonstrates the roles that are directly accountable or responsible for Champion’s sustainability related decision-making and performance.

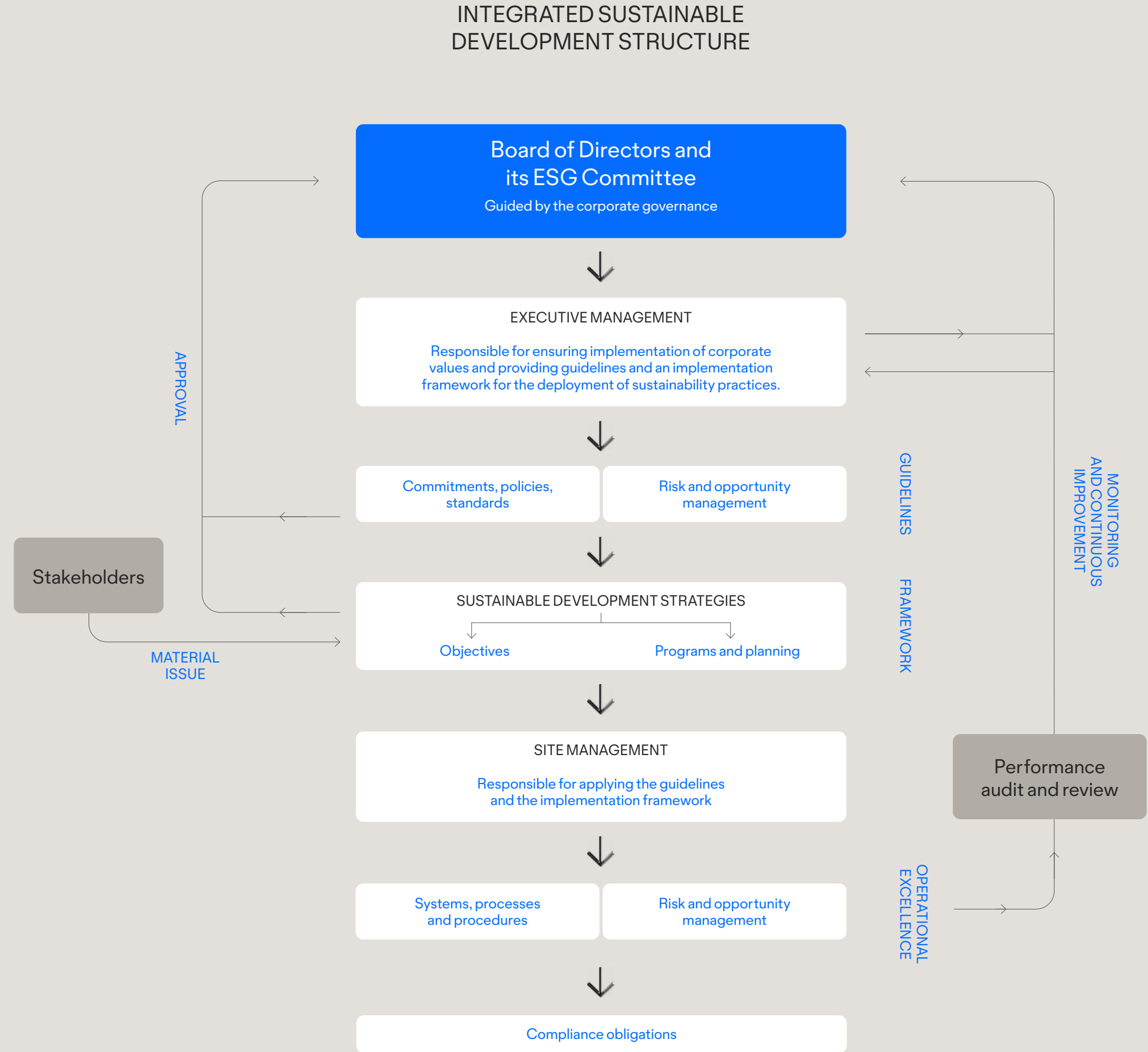
In line with the growing importance we place on ESG topics, during the reporting period we expanded the ESG capacity of several of our departments by hiring new staff. This includes

the addition of new staff designated with oversight of governance best practices, and new staff responsible for overseeing our engagement with local communities and Indigenous partners. Additionally, a new team was tasked with focusing on our GHG emissions, broader environmental impacts and creating a strategy to reduce our GHG emissions.

PERFORMANCE INDICATORS: GRI 102-18, 102-20, 102-35 (partial)

Our dedication to embedding sustainability into our practices extends to our executive compensation policies.

When calculating executive bonuses, we take into account the achievement of annual objectives in four primary social and environmental areas: communities; our people; climate change and reducing GHG emissions; and biodiversity. These objectives represent 25% of total bonuses under our short-term incentive plan. In 2021 particular attention was given to implementing a management system program, including process controls and actions related to energy use and our GHG emissions. In 2022 we are working on developing further detailed climate change metrics for our executive compensation program.



BUSINESS CONDUCT AND ETHICS



Conducting our business in accordance with a high degree of transparency and integrity is central to maintaining Champion's reputation and the trust of those with whom we do business.

Our Code of Conduct (the "Code") applies to all directors, officers and employees of the Company and its subsidiaries, and embeds responsible and ethical business conduct across our operations. The Code establishes relevant procedures on confidentiality, the protection and use of company assets, as well as prohibitions against conflicts of interest. Included in the Code is our zero-tolerance approach towards corruption and bribery. Our quarterly risk assessment review process is used to flag significant risks, including risks of corruption, which are brought to the attention of the Board.⁶

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The Audit Committee is charged with ensuring Champion's compliance with all ethical and legal requirements. The Audit Committee also provides oversight of the Company's risk management system, and monitors standards of corporate conduct including any potential conflicts of interest.

Together with our policy on the Prevention of Harassment and Discrimination at Work, the Code prohibits discrimination or harassment of

any kind. In 2021, 68 events related to a potential violation of the Code of Conduct were filed through our internal grievance mechanism. Further details on which can be found in the [Our People](#) section of this report. These were considered minor breaches, and did not include instances of violence, harassment or sexual assault. The steep rise in incidents (one was recorded in 2020) was partially linked to our efforts to improve our to improve our Occupational Health and Safety ("OHS") performance performance. During 2021, we introduced a new Drug and Alcohol Policy, and implemented a seatbelt awareness campaign. Many of the reported incidents were violations of those new policies. The cases were addressed with the utmost diligence and appropriate disciplinary measures were taken. No one was fired for violating the Code of Conduct in 2021. Champion was not subject to any fines, penalties or prosecutions related to business ethics in 2021. There were no confirmed incidents of corruption, or legal action relating to anti-competitive behaviour, antitrust, and monopoly practices.

⁶ Champion's operations are exclusively conducted in Canada, and we have no production in countries that have the 20 lowest rankings in the Transparency International Corruption Perception Index.

All employees of Champion and its controlled entities must complete an online training certification of the Code after their hiring. This training includes anti-corruption policies and procedures.

All employees are also required to recertify every year, including taking a mandatory test. And we ask that our employees formally reconfirm their commitment to abide by the Code, once a year.



We provide corporate and site-level frameworks to ensure that our employees, host communities, and other stakeholders have accessible and legitimate ways to express any concerns regarding our practices. Our Whistleblower Policy establishes a procedure for the confidential and anonymous submission, receipt, retention and treatment of complaints or concerns. Whistleblower concerns are handled through a third-party reporting system provided by Deloitte. The Whistleblower Policy prohibits any retaliation against individuals who make a report of known or suspected violations in good faith. We also have an internal Employee Grievance Mechanism specifically designed for our employees (see page 67) as well as a new formalized Community Grievance Mechanism (see our discussion on page 74, which also includes specific concerns that were raised in 2021).

During 2021, Steve Boucraie, Champion's Senior Vice-President and General Counsel and Corporate Secretary, received the distinguished ZSA Québec General Counsel Awards, recognizing his legal expertise and excellence in contributing to Champion's success.

As a reporting entity under Canada's Extractive Sector Transparency Measures Act (ESTMA), and Quebec's Act Respecting Transparency Measures in the Mining, Oil and Gas Industries in Québec, we annually disclose certain types of payments made to governments. This contributes to deterring corruption in the extractive sector, by raising transparency in our sector. The related data provided covers our fiscal year, from April 1, 2021 to March 31, 2022.

TAX AMOUNTS PAID

TAXES PAID (\$M)	FY 2020	FY 2021	FY 2022
MUNICIPAL	5.6	5.7	7.8
INCOME	0.3	90.4	258.0
MINING	65.9	56.7	217.3
MINING LEASES	0.3	0.3	0.3
SCHOOL	NA	0.2	0.2
TOTAL	72.1	153.3	483.6

483.6

PERFORMANCE INDICATORS:
 GRI 102-16, 102-17 (partial), 102-33, 201-1 (partial), 205-1, 205-2, 205-3, 206-1 SASB EM-MM-510a.1 SASB EM-MM-510a.1 (partial)



HUMAN RIGHTS

Respect for human rights is embedded in our commitment to ethical and sustainable business conduct, and affects all our stakeholders. We specifically recognize that strong relationships with local populations are essential to our ability to operate our business sustainably, and that we have a duty to minimize the negative impacts of our activities in the communities where we operate.

PERFORMANCE INDICATORS:

GRI 103-3, 102-41, 406-1, 407-1, 408-1, 409-1, 412-1, 412-2, 419-1 SASB EM-MM-310a.1

Our approach to respecting human rights is rooted in identifying and managing risk across our value chain. QIO's single operational site and its various exploration sites are all located in Canada.



We comply with Québec's and Canada's extensive labour, employment, and immigration laws. Canada is also a Designated Country under the Equator Principles, meaning that it is deemed to have robust environmental and social governance, legislation systems and institutional capacity designed to protect its people. We also respect our workers' right to freedom of association and collective bargaining. 56 percent of our employees are covered by collective bargaining agreements.

Working in conjunction with our Code of Conduct, our Human Rights Policy affirms the Company's commitment to respecting and protecting human rights for all our stakeholders. The policy is rooted in 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. Our Policy sets out prohibitions against the use of child, prison, or any form of forced labour, and there were no reports of child or compulsory forced labour reported during 2021 within our operations or our supply chain.

All employees and management are required to undertake human rights training in parallel with their Code of Conduct training at the start of their employment with Champion Iron or one of its controlled entities.

The respect for human rights is also embedded in our Policy on the Prevention of Discrimination and Harassment at Work, which highlights our dedication to create a safe and respectful working environment for our employees. There were no incidents of discrimination or harassment during the reported period. Our Whistleblower Policy, internal Employee Grievance Mechanism, and Community Grievance Procedure provide mechanisms to ensure that all our stakeholders have a confidential and easily accessible way to report any concerns regarding our human rights practices. No formal human rights reviews were undertaken in 2021.

Our dedication to protecting human rights extends to our procurement policies. Champion's Responsible Procurement Policy, adopted in February 2021, embeds human rights within our supply chain, providing guidelines promoting sustainable development in the purchasing, leasing and contract award practices of the Company.

UN SDG



5. Gender equality



8. Decent work and economic growth



10. Reduced inequalities



16. Peace, justice and strong institutions



17. Partnerships for the goals

MAC TSM

CRISIS MANAGEMENT AND COMMUNICATION PLANNING PROTOCOL

PERFORMANCE SPOTLIGHT

In 2021, Champion produced our second Modern Slavery Statement, which considers our exposure to modern slavery risks throughout our operations and supply chain. The Statement, which was prepared in accordance with the Australian Modern Slavery Act (2018), defines “modern slavery” as anything that encompasses the trafficking of persons, slavery and the slave-like practices of servitude, forced labour, debt bondage, deceptive recruiting for labour or services, and the worst forms of child labour. The Statement did not identify any modern slavery practices at our operations or within our supply chain during the reporting period, but identified a number of higher risk categories where there is the potential for us to cause, contribute or be directly linked to modern slavery, notably transportation and contract labour. The Statement analyzes how we are implementing policies and procedures to ensure that we are consistently addressing those risks throughout our value chain, and identifies how we can continue to reduce our exposure to modern slavery in the future.





HEALTH, SAFETY & WELL-BEING

46

Our Approach

48

Our Objectives

50

Our Performance

53

COVID-19 Pandemic Management

Why this is important:

Champion believes that everyone has the right to a safe workplace. Ensuring the health, safety and well-being of our employees is not only rooted in our values, it is necessary for the operation and long-term success of the Company.

Who this impacts:

The mining industry poses risks that can impact a wide range of stakeholders. How well we manage the topics of health, safety and well-being directly impacts our employees, contractors, suppliers and local communities.

We are committed to identifying and mitigating any possible risks to health and safety throughout our operations. Our OHS Policy, which is inspired by our corporate values, establishes our commitment to the health, safety and well-being of our workforce and the communities where we operate. Put simply, we continuously strive to provide our workers with a healthy work environment that prevents the risk of injuries, accidents,

or occupational illnesses. By placing the primary emphasis on prevention, Champion's commitment to health, safety and well-being is promoted by our leadership and management team throughout the organization and is embedded in daily operations, training, and the continuous monitoring of health and safety performance.

OUR APPROACH



At Champion, we foster a working environment in which everyone adopts a preventive approach so that occupational injuries and illnesses can be avoided. Our Company relies on a leadership team that assumes complete accountability to ensure a high level of health and safety performance in our business activities. Our OHS Policy Policy establishes four pillars to achieve this, as shown below.

We continuously work to improve our OHS performance by identifying and prioritizing OHS objectives; identifying hazards and risks and implementing rigorous controls; and through training and communication to raise awareness.

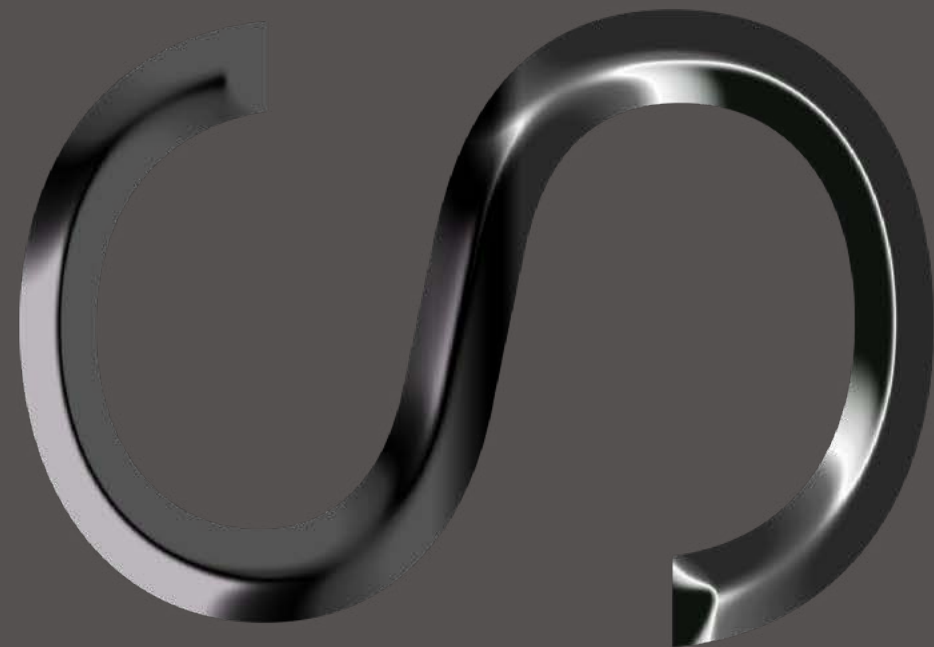
We apply all relevant laws and regulations and ensure we are in compliance, as well as drawing on a number of rigorous industry best practice frameworks, standards and principles.

We prioritize risk prevention in our health and safety management approach by implementing effective programs and tools designed to eliminate OHS risks.

We foster an environment in which everyone understands that embodying our health and safety values is a shared responsibility. We encourage the active participation of all individuals and business partners in achieving our OHS goals.



As our policy indicates, risk management is central to our approach. Inspired by the international standard ISO 45001 and the hierarchy of control, our OHS management system applies to all Company employees and contractors as well as other persons entering the mine site.



Our inspection and audit program enables us to examine and verify the compliance of the working environment, equipment, tools and materials used in relation to established standards. We emphasize the importance of reporting incidents and hazards, even if they seem minor, since this allows us to assess the OHS risks posed by our operations and to take appropriate corrective measures before injuries or incidents occur. As we strive to establish a healthy and safe work environment for all employees and contractors, we equip them with the necessary tools and training so that they can take ownership of their health, safety and well-being.

Our joint OHS committee, composed of workers and management representatives, allows 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 our prevention programs. The committee assesses OHS performance, makes appropriate recommendations, supports management to implement prevention programs, and helps to establish OHS training programs.



OUR OBJECTIVES

Our primary short-term objective is to continue to lay the foundations of a rigorous OHS management system and to foster a culture of long-term health, safety and well-being.

We continuously seek to promote learning and skills development for everyone involved in our operations so they are well equipped to identify, prioritize and manage risks. Given the ongoing challenges posed by the COVID-19 pandemic, much of our recent and current focus remains on identifying and implementing effective ways to manage COVID-19. In the future, our objective is to

continue to improve our training programs to bolster the skills and knowledge of our employees and contractors, to improve our overall OHS performance. Over the long term we will maintain our efforts to strengthen our OHS culture, and aspire to transfer acquired expertise and knowledge to local communities and everyone with whom we work.



OBJECTIVES

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 measures to mitigate impacts of the COVID-19 pandemic for our employees and local communities.

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

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

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

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.

2021 UPDATE/PROGRESS

Progress is ongoing. We continued to develop our OHS management practices.

We continued to maintain measures in line with the Government of Québec's directives to mitigate COVID-19. Additionally, we continued to successfully operate our COVID-19 laboratory on site and implemented a crisis management group in response to the emergence of the Omicron variant in late 2021.

Progress is ongoing. During 2021, we implemented shop-floor audits, and have further emphasized root cause analysis. Toolbox meetings have featured 'refreshers' on high risks and how to address them.

Progress is ongoing.

Progress is ongoing.

Progress is ongoing.

Planned objective.

Short Term
(2021-2022)

Medium Term
(2024)

Long Term
(2030)

OUR PERFORMANCE

The ongoing challenges posed by the COVID-19 pandemic, coupled with the rapid increase of our workforce to staff the Phase II expansion project, highlighted the importance of managing OHS performance during the reporting period.



Accordingly, we optimized and solidified the foundation of our OHS management system and nurtured our workplace culture of long-term health, safety and well-being for all those involved in our activities. We were fully compliant with all provincial and federal laws and regulations governing employee health and safety.

Our OHS system applies to all QIO employees, as well as any contractors who work onsite. Over the reporting year 4,000 individuals entered our site to work for various contractors. Since everyone onsite is covered by the OHS system, it confirmed that 19% of people were QIO employees, while 81% were contractors and their employees.

Our total recordable injury frequency rate in 2021 was 2.46, compared to 2.86 per 200,000 hours worked in the previous year. With our focus on continuous improvement, we provided more employee training, and our toolbox meetings featured specialized refreshers on high risks and best practices, including lock out/tag procedures, electrical and circulation risks, and the dangers of working in confined spaces. We also expanded our audit program, including our audit of contractors. We increased the number of contractors covered by the program from 5 to 10, and expanded the scope of our audit processes. We identified contractors who were

driving higher injury rates, and began to follow up with them monthly, collaborating on the implementation of corrective action plans and promoting stricter contractor OHS management.

QIO employees conducted a total of 165 task safety analyses in 2021, which made it easier to identify hazards associated with performing a specific job. A total of 59 285 pre-task job safety analyses were also conducted in 2021. This tool is used to identify risks and hazards before starting a job and helps employees mitigate their exposure to health hazards and safety risks in advance.

At QIO, any worker can and must withdraw from any work situation that, in their opinion and in good faith, could cause injury or affect their health. This is done with the assurance that they will not be subject to any reprisals. The table below provides a summary of our health and safety performance during 2021. We did not record any “high-risk” injuries, nor any lost-time injuries (“LTIs”) related to high risks. The majority of LTIs were related to slips and falls. As part of our commitment to include everyone in our health and safety culture, we encourage and expect our employees to raise any concerns they may have about workplace safety. In 2021, a total of 1203 reports of potentially hazardous conditions were filed by QIO employees.

PERFORMANCE INDICATOR

2019

2020

2021

Total recordable injury frequency rate	2.41	2.86	2.46
Lost time injuries	6	7	7
Lost time injury frequency	1.11	1.18	0.95
Disabling injury	5	7	10
Disabling injury frequency	0.92	1.18	1.36
Lost time - disabling injury frequency rate	2.04	2.34	2.32
Lost time injury severity rate	5.38	9.45	8.08
Number of cases where first aid was provided ⁷	117	122	150
Number of fatalities	0	0	0
Accidents	0	3	0
Total hours worked	1,076.313	1,185.406	1,460.997

⁷ Values reported over 200,000 hours worked (excluding contractors and subcontractors), based on the international standard set by the Occupational Safety and Health Administration.

The Bloom Lake Mine has its own occupational health service, which helps identify and mitigate hazards and minimizes risks to workers' health. Service is provided on the mine site by qualified nurses 365 days a year.

Our team includes 4 nurses and 1 physician.



QIO strives to continuously improve its assessments of other risks to the occupational health and safety of employees through monitoring and exposure controls. In 2021, a total of 282 audiometric tests were performed on Bloom Lake Mine employees, directly onsite.

The most common occupational diseases in the mining industry are associated with hearing loss and respiratory illness. Our OHS programs help employees assess 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 2021, a total of 282 audiometric tests were performed with employees directly on the Bloom Lake Mine site.

In line with our efforts to continuously improve our ability to meet any emergency, during the reporting year we expanded our fire protection team from 5 to 36 (including 3 women). In the coming year, we are planning to provide 200 hours of training per person for each member of the fire protection team. During the reporting period, we focused on aligning our operations with MAC TSM's Health and Safety Protocol.

From the onset of the pandemic, we deployed considerable efforts to mitigate risks for our employees, partners, and communities. Throughout 2021, we continued to operate our COVID-19 testing laboratory at Bloom Lake and maintained preventive measures in line with the Government of Québec's directives to mitigate the risks related to COVID-19 and to limit the spread of the Omicron variant. Our fully operational COVID-19 testing facility is central to our efforts to protect local communities and to mitigate risks of introducing additional cases into the communities from our fly-in/fly-out operations. Early in the pandemic, we began work setting up the necessary facilities, obtaining provincial public health certification, and developing a partnership enabling us to establish a fully functional

COVID-19 laboratory. Its operation has greatly contributed to our ability to mitigate outbreaks on site, and to continue to protect the health, safety and well-being of our employees and local stakeholders. The success of the project has not gone unrecognized. Our Health & Safety team received the distinction of being a finalist for Québec's Mercuriades business award in the occupational health and safety category for 2021. The Mercuriades awards are the most prestigious business competition in Québec and celebrate the innovation and entrepreneurship of local businesses. The occupational health and safety category recognizes exceptional achievements in developing innovative health and safety management programs that can reduce workplace health and safety incidents.

COVID-19 PANDEMIC MANAGEMENT

ince the beginning of the COVID-19 pandemic, we maintained a sustained effort to minimize the spread of the virus in our workforce and in the communities where we operate.

Building on the approach we established in 2020, throughout 2021 we continued to work to reduce the risk of contamination of employees and contractors, and to minimize contact between employees and contractors and the nearby community.

During 2020, we implemented series of measures that have either met or even surpassed the the recommendations of the governments of Québec and Canada, and these have been adjusted over time to improve their effectiveness and scope. This has included the establishment of an executive committee to monitor and adapt to the ongoing challenges created by COVID-19, the implementation of more rigorous safety rules and protocols, the installation of disinfection stations across the mine site, and the establishment of an employee contact register to trace potential infections and initiate the management protocol for suspected cases. Since 2020, we have also provided mandatory information sessions for new contractors and employees and the communication of updated measures.

By October 2020, we also established a COVID-19 testing laboratory at Bloom Lake to

mitigate the risks related to the pandemic and to limit the spread of COVID-19, which can have a negative impact on our employees' health, company morale, and the health and well-being of our local communities.

Prior to the Québec vaccination campaign, we screened anyone arriving at the site to limit the spread of COVID-19. This measure enabled us to address concerns from members of the Innu TakuaiKAN Uashat mak Mani-Utenam community regarding the potential risk posed by community members returning from work at the mine site. We also decided to adopt exit screening for community members. After the Québec vaccination campaign, as a preventive measure any workers not adequately vaccinated, in addition to any individuals demonstrating symptoms were screened. During the reporting period, we had several positive test results emerge through these protocols, the prompt and rigorous management of which enabled us to ensure there would be no outbreak at the site.



PERFORMANCE INDICATORS:

GRI 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10, SASB EM-MM-320A.1 (PARTIAL)

In collaboration with other mining companies in the Québec Côte-Nord region and the Public Health Ministry, QIO participated in and supported a vaccination centre in Sept-Îles, providing their residents with vaccination access.



We also enhanced our support for employee well-being through the establishment of a tele-medicine service for all employees and their families, accessible 24/7 anywhere in the country, and providing access to a virtual program utilizing both live and pre-recorded training and fitness sessions, for employees and their families.

The operation of our COVID-19 testing laboratory was central to our efforts to address the presence of the highly transmissible Omicron variant in late 2021. When the Omicron variant began to spread in Québec, we rapidly implemented a crisis management response that included multiple departments, allowing us to successfully continue our operations while protecting the health, safety and well-being of our employees, contractors and local communities.

UN SDG

3. Good Health and Well-being



ICMM MP

10. Health and safety



MAC TSM

SAFETY AND HEALTH PROTOCOL



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Why this is important:

Our people are the primary driver of our success as a sustainable mining company. They shape our values and culture, enabling us to be a top industry employer in the region. As technology, inclusivity and diversity reshape the workforce, Champion must focus on providing its people with opportunities to grow and reach their full potential. This focus helps us ensure that we are positioned to adapt to future changes in our social, cultural, technological and economic context.

Who this impacts:

The hiring and support of our people has a direct impact on the professional development and overall well-being of our employees and contractors. It also impacts local communities and our Indigenous partners, since we strive to hire locally, and also have employees who commute to the site that are housed within Champion facilities in the local community. Our approach also impacts our shareholders and regulators, who seek to ensure we operate in a safe, responsible and equitable manner.

Our management of employment and labour relations seeks to promote inclusivity and to create a collaborative work environment rooted in fairness and respect. To this end, we aim to provide equal opportunities for all employees, and promote the hiring of traditionally underrepresented groups.

Champion also seeks to provide our employees with long-term training and support since our success as a company is dependent on their performance, well-being, skills and commitment, both individually and as part of a team.

OUR APPROACH



Champion's Code of Conduct, Diversity Policy, Prevention of Discrimination and Harassment Policy, Human Rights Policy, Whistleblower Policy, and Occupational Health and Safety Policy show our commitment to protecting and supporting our employees.

We continuously work to provide employees with training and career development opportunities, a safe and healthy workplace, and competitive remuneration. Champion also supports employees' rights to freedom of association and values the advancement and protection of worker rights. We provide an easily accessible mechanism for the anonymous and confidential reporting of any grievances.

Our management approach is based on promoting the empowerment of each individual, supporting physical and mental health, developing the talent and leadership of our employees by

strengthening their ability to plan for the future and enabling them to have a positive influence on their workplace, as well as fostering and maintaining an inclusive work environment.

We are strongly committed to building a diverse workforce and to hiring locally when possible. Our Diversity Policy 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. We also seek to create employment opportunities for members of local Indigenous communities.

OUR OBJECTIVES

Our short-term objective is to further develop and refine our talent management processes. This includes retooling our efforts to recruit and employ local Indigenous talent and other underrepresented groups. This work also extends into our medium term goals, as we continue to establish alliances with partners to facilitate hiring practices that promote cultural and gender diversity.

We are also working to develop an approach that can align personal development efforts to employees' individual interests, while fostering a climate of continuous learning and development. Over the long term, we will work with our partners and individual departments to enable them to become more autonomous in their employee management practices. We also want to develop a training centre that would be open to both employees and members of local communities to help address the recruitment challenges and general workforce shortage in the province.



OBJECTIVES

Short Term (2021-2022)

Revisit employability activities with Indigenous and culturally diverse groups.

Continue and finalize the implementation of human resources management tools and processes adapted to QIO's innovative approach.

Medium Term (2024)

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.

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.

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

Long Term (2030)

Maintain efforts to continually strengthen our culture of health, safety and well-being.

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 resources of tomorrow and improve the resilience of host communities.

2021 UPDATE/PROGRESS

Progress is ongoing. We are working to establish an Innu Committee that will offer our Indigenous employees a culturally appropriate forum, specific tools and recourse for the difficulties they may face in the workplace.

Progress is ongoing. We have implemented policies and measurement indicators to better align our policies with overall Company objectives. Several important management tools have also been implemented. This includes a procedure for supervising telework during the COVID-19 pandemic. Our goal is to provide greater work flexibility for our employees in the long term. We also restructured our salary offer approval process to ensure internal equity, and we improved our follow-up of disability cases to ensure our employees receive sufficient support.

Progress is ongoing.

Progress is ongoing. We are implementing an annual Talent Management Cycle that includes individual development plans, succession plans, and establishes measurable objectives linked to business strategy and performance, with periodic feedback to be provided to employees.

Progress is ongoing.

Planned objective.

Planned objective.

OUR PERFORMANCE

INCLUSION AND BELONGING INDICATORS

As part of our continuous improvement efforts and to strengthen our talent recruitment and retention capacity as we expand our operations, during 2021 we invested in expanding our human resources team, and in enhancing our management practices.

As a result of these efforts, we saw an improvement in several indicators linked to inclusion and belonging themes - for example, we increased the proportion of women working in our Company, as well as the number of local and Indigenous jobs. Our overall turnover rate in 2021 was also lower than it was in the previous two reporting periods.

	2019	2020	2021
Women employees (%)	11	11	14
Local & Indigenous jobs	42	37	58
Turnover rate (%)	9	8.7	6.9

OUR EMPLOYEES AND COLLABORATORS
AS OF DECEMBER 31, 2021

We are currently in the process of establishing an Innu Committee, which will offer our Indigenous employees specific tools and recourse for difficulties they may face in the workplace.

As of December 31, 2021, Champion had a total employee workforce of 811 employees, and 108 collaborators, including contractual and seasonal workers and interns. In addition, some 4,000 contract workers were deployed at the Bloom Lake mine complex for various contractors. Presently, 60% of our workforce is unionized. On June 23, 2021, we reached a new 3-year collective agreement with the union representing our workers, a significant milestone. There were no labour-related work stoppages, strikes or lockouts during the reporting period.

	2019	2020	2021
Permanent Employees			
Executive/ non-unionized	184	205	327
Unionized	316	346	484
Total	500	551	811
Other Non-Permanent Collaborators			
Contractual	15	16	31
Seasonal	11	34	73
Interns	6	4	4
Total	32	54	108

Employee Benefits



Our employees and other stakeholders value employment equity and equal opportunity. Champion offers competitive wages and benefits. Our basic non-unionized salary was established at \$26.11 per hour in 2021, while the minimum wage in the Province of Québec stood at \$13.50 per hour. There is no differentiation in basic salary between women and men. During the reporting year, we implemented a new compensation structure policy aimed at greater internal and external equity.

We offer a modular group insurance program that allows all employees to choose the coverage best suited to their needs. Our full-time employees receive several non-cash benefits, including: medical and dental care, life insurance, accidental death and dismemberment insurance, and

disability insurance. We have also established a savings and pension plan to help employees ensure their long-term financial security. The plan includes both corporate and employee contributions. In 2021, we paid a total of \$116.5 million in wages and benefits to Champion employees.

During the period, we also invested in deploying a telemedicine service available to all employees and their families, which is accessible 24/7 from anywhere in the country. To support employee well-being and mental health under the living and working conditions of the COVID-19 pandemic, we provided management level employees with coaching by external certified coaches. We also have an employee assistance program and have organized social activities to reduce isolation during the pandemic.

Diversity and Inclusion

We continuously work to increase the representation of women in our workforce and in leadership positions. Women held 14% of positions across the Company (excluding the executive and Board level) during the reporting period, up from 11% in the previous reporting period. One quarter of our Board of Directors and one third of our Montréal executive management team are also women.

We were also proud that our fire protection brigade expansion (from 5 to 36) this year included three women. Although Champion does not track non-binary gender diversity, our policies and practices of respect for individuals apply to all, regardless of sexual or gender identity.

	Total number	Gender division by each location (%)
Board of Directors		
Women	2	25
Men	6	75
Executive		
Women	2	33
Men	4	66
Total leadership		
Women	4	29
Men	10	71

	Total number	Gender division by each location (%)
Site employees		
Women		
Unionized	28	3.7
Non-unionized Management	60	8
Total women	88	11.7
Men		
Unionized	456	60.7
Non-unionized Management	207	27.6
Total men	663	88.3
Total	751	100
Head office employees		
Women	26	43.3
Men	34	56.7
Total	60	100
Total non-executive workforce		
Women	114	14.1
Men	697	85.9

Our dedication to contributing to the sustainable development and economic inclusion of local and Indigenous communities extends to our hiring practices.

Since 2020, we have adjusted our hiring procedures for Indigenous applicants to be more culturally appropriate and to better match them with available opportunities. In 2021, we had 25 Indigenous employees and 33 residents of Vermont working at the Bloom Lake Mine site. Further details can be found in the [Communities](#)

& Indigenous Peoples section of this report. During the reporting year, we proceeded with 292 new hires, 16% of which were women, with a relatively even age-distribution. Overall, there was a fairly even age distribution within our workforce.

AGE DISTRIBUTION OF NEW CHAMPION EMPLOYEES IN 2021

Age Range:	New Hires — Women	New Hires — Men
20 — 24	4	12
25 — 29	5	42
30 — 34	8	43
35 — 39	3	25
40 — 44	8	34
45 — 49	10	38
50 — 54	5	21
55 — 59	1	18
60 — 64	1	10
65 — 69	1	3
Total	46	246

THE AGE DISTRIBUTION OF ALL CHAMPION EMPLOYEES IN 2021

Age Range:	Total employees
20 — 24	23
25 — 29	100
30 — 34	146
35 — 39	104
40 — 44	114
45 — 49	111
50 — 54	100
55 — 59	70
60 — 64	39
65 — 69	4
Total	811

Development & Retention

AGE GROUP OF EMPLOYEES WHO LEFT CHAMPION

As an important part of our talent management approach and to support continuous improvement, we monitor staff turnover and undertake exit interviews to better understand how we can provide effective support to our employees and provide them with a desirable workplace.

In 2021, a total of 114 employees left their jobs at Champion, including 19 women and 95 men. The annual staff turnover rate was 6.9% in 2021, down from 8.7% in 2020.

Age Range:	Women	Men
20—24	1	6
25—29	4	9
30—34	2	11
35—39	2	10
40—44	1	13
45—49	6	11
50—54	2	7
55—59	0	11
60—64	1	10
65—69	0	7
Total	19	95

Champion is dedicated to investing in employee training and development to ensure they are well equipped for their current and future jobs. 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 our employees to improve their knowledge and skills. We delivered a total of 36,569 total hours of training to staff during 2021, for an average of 31 training sessions per month.

Our goal is to enable our employees to excel, a key contributor to the Company’s success. During the reporting period, we implemented a new performance appraisal process aimed at enhancing fairness, through which employees are provided with greater clarity regarding expectations, and timely feedback regarding their performance from managers. We are also in the process of implementing a formalized annual talent management cycle, including individual development plans, succession plans, and the establishment of measurable objectives linked to the Company’s business objectives. One of the objectives of talent management is to maintain visibility of our talent and high performers during our growth. In 2021, we also held our

inaugural President’s Prize ceremony, in which we honoured the dedication and outstanding performance of two of our employees. In line with our dedication to foster a safe workplace free of harassment and discrimination, we provided our employees with sexual harassment training, which they are required to complete annually. Our human resources team also received expert training on handling harassment complaints and conducting investigations with the goal of deepening their knowledge of the legal and practical aspects of investigating and intervening in reported instances of harassment, as well as to ensure a safe and healthy working environment for all.

AVERAGE NUMBER OF TRAINING SESSIONS RECEIVED PER PERSON:

	2019	2020	2021
Management	2	6	40
Professional and engineering executives	74	15	25
Administrative, technical and clerical	3	7	16
Production	29	22	54

Grievance Management

GRIEVANCES RECEIVED IN 2021

A total of 240 grievances were received in the reporting period, of which 52 were associated with topics that have been tracked since we began our sustainability reporting, and include subcontracting and financial claims, challenges to disciplinary notices, dismissals and the application of the collective agreement.

The most significant difference from the previous period was the increase in grievances regarding the collective agreement, due to the fact that this was a major topic surrounding labour relations discussion during the year.

Of the total number of grievances, an additional 188 were filed in relation to COVID-19 measures, including mandatory testing requirements for non-vaccinated employees, air transportation (due to vaccination requirements for air travel imposed by Transport Canada during 2021), as well as mandatory mask wearing onsite, and the closure of several site recreational facilities for public health reasons, including the gymnasium. As most of the grievances were related to unusual circumstances linked to the pandemic and collective agreement negotiations, 2021 results are not directly comparable to previous years.

	2019	2020	2021
Subcontracting and financial complaints	13	10	13
Disciplinary notice appeal	5	14	10
Dismissal appeal	4	8	2
Interpretation of the collective agreement	N/A	9	27
Other	N/A	N/A	188
Total	22	41	240

PERFORMANCE INDICATORS: GRI 102-8, 103-1, 103-2, 103-3, 201-3, 202-1, 401-1, 403-6, 404-1, 405-1, 405-2, 407-1, MM04, SASB EM-MM-000.B, EM-MM-310A.1, EM-MM-310A.2








In 2021, Champion established the *Alliage au Féminin*, a mentoring program that supports women working at Champion to reach their full potential in a historically male-dominated industry. The program is aimed at all women employed at Champion, including employees of our Montréal head office and on rotation at the site, and includes all non-unionized and unionized employees. To achieve the objectives of the program, the participants were paired with an experienced mentor with whom they could learn more about managing and developing a career in the mining industry. We held several events to introduce the program prior to the nomination process, and potential candidates were then given the opportunity to submit their applications. An independent external firm was hired to select participants based on established criteria. While we expected approximately 10 entries, a total of 15 women were selected for the program. Following the program's completion, the participants revealed that the program provided an oppor-

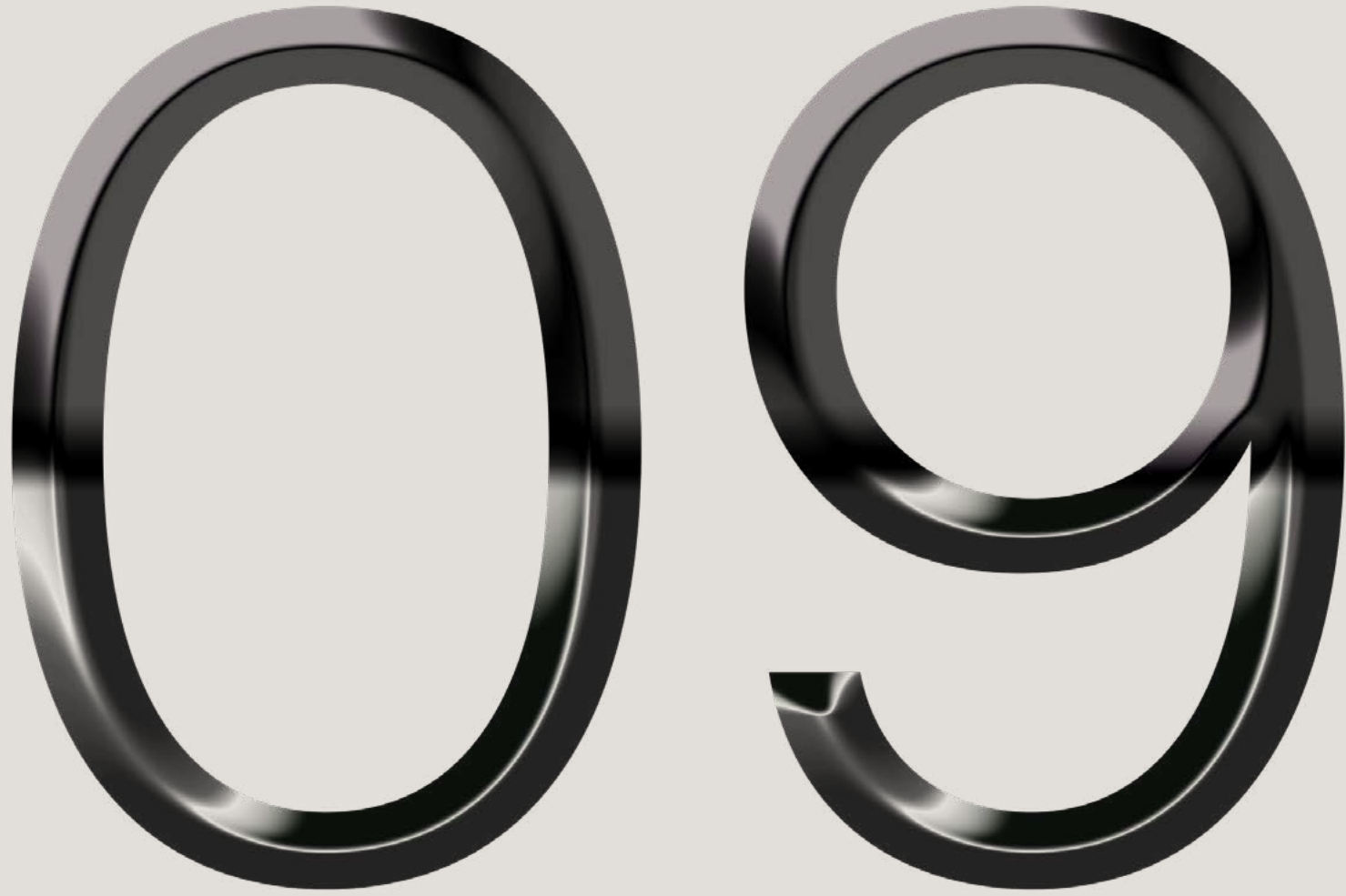
tunity to discuss the different realities for women in different positions and functions in the mining industry. Overall, the program was deemed to be a great success, and will be renewed in 2022. The program provides an important opportunity for women to meet experienced mentors and develop a support network, to share their experiences with other women in the Company, enabling them to further develop their potential as Champion employees.



During the reporting period, there were 68 events related to violations of our Code of Conduct, and zero dismissals for breaches of the Code of Conduct. The number of reported violations increased significantly from just 1 in 2020. The majority of these violations were considered 'minor breaches'. Violation categories included; attendance, disrespectfulness, alcohol/drug use, dishonesty, lockouts, and seatbelt policy infringement. During 2021, we implemented a seat belt awareness campaign. We also adopted a new Drug and Alcohol Policy, designed to promote and foster a safe working environment.

In 2022, we will continue our focus on enhancing our management practices, with a particular focus on improving our mechanisms for supporting Indigenous employees, as well as training and overall culture building, as we continue to grow as a company.

UN SDG		ICMM MP
		
3. Good Health and Well-being	4. Quality education	3. Human rights
		MAC TSM
5. Gender equality	8. Decent work and economic growth	PREVENTING CHILD AND FORCED LABOUR PROTOCOL
		CRISIS MANAGEMENT AND COMMUNICATION PLANNING PROTOCOL
10. Reduced inequalities	16. Peace, justice and strong institutions	



COMMUNITIES & INDIGENOUS PEOPLES

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Our Performance

Why this is important:

Champion views relationships of trust with local communities and Indigenous Peoples as key to the success and sustainability of its operations. The pandemic brought into focus the need for companies to support societal well-being and resilience, as well as prioritizing a local workforce, an opportunity that Champion values. It is through community relationships that we can successfully create lasting benefits, minimize negative social and environmental impacts in the areas where we operate, and advance our contributions towards sustainable development.

Who this impacts:

The relationships that we aim to establish with local communities and our Indigenous partners, as well as our involvement in community life, directly impact human rights, as well as the personal and collective interests of members of local communities. Our approach to managing these relationships also impacts our employees, contractors and suppliers who come from and work in these communities.

Embedded in our core values is our motivation to ensure that our operations make a positive contribution to local and Indigenous communities in the area. As we work towards a common objective

to create a positive impact, we are committed to developing inclusive trusting relationships with anyone impacted by our mining operations.

OUR APPROACH

We recognize that our operations have the potential to negatively impact the communities where we operate, and we strive to minimize any such adverse impacts from our business activities



Our goal is to ensure that we have accessible mechanisms in place for local and Indigenous communities to comfortably raise any concerns regarding any potentially negative impacts. Champion's dedication to developing strong relationships with local communities and Indigenous partners is built on three pillars, namely:

- 1) supporting human rights;
- 2) engaging with communities; and
- 3) contributing to local economic development through local hiring, sourcing and community investments.

Our Human Rights Policy establishes our commitment to supporting and protecting, subject to undue hardship, the rights of all persons, including our employees and subcontractors, as well as the communities in which we operate and those who may be affected by our activities. This policy applies to all Champion employees, and we actively encourage our partners and subcontractors to adopt a similar policy within their own companies.

Champion's engagement with Indigenous partners and local communities is central to our efforts to contribute to the long-term sustainable development of areas where we operate. The Bloom Lake site is located on the territory of 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. All of our proven and probable reserves are also located in or near Indigenous land. Champion is very proud of the Impact and Benefit Agreement ("IBA") in place with the community of Uashat mak Mani-Utenam since 2017, which also includes provisions providing benefits for the community of Matimekush-Lac John. This agreement is the foundation of the positive relationship we have built with our Indigenous partners, as we work together to contribute to the sustainable development of the region. We continuously maintain dialogue with local communities and our Indigenous partners, enabling us to hear and understand their concerns and priorities.

Embedded in our Responsible Procurement Policy is our commitment to foster local economic development through local hiring, sourcing and community investments. Our commitments towards respecting human rights and engaging with local communities are also included in our approach to procurement. Community investment is another key area of activity, through which we fund both short term and long-term initiatives that are valued by our partners and neighbours.

OUR OBJECTIVES

Over the short term, our key objective in this area is to engage with our Indigenous partners and communities to gauge their interests, concerns and perceptions of the impact and opportunities stemming from our activities. More broadly, we want to develop inter-cultural programs to increase our intercultural competency as a company and to better understand our Indigenous partners in the region, including their customs, so that we can develop and maintain respectful relationships.

We work continuously to develop processes for monitoring and promoting the employment of local and Indigenous individuals. Over the medium term, we aim to further support our Indigenous partners and their communities towards achieving their own socio-economic development goals, while also supporting local initiatives

that aim to generate innovation, trade and social development in the region. In the long term, we hope to leverage positive community relationships to aid in the creation of lasting sustainable value, lasting sustainable value—including long-term social and economic benefits—that will extend well beyond the life of the mine.



OBJECTIVES

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.

Revisit employability activities with Indigenous and culturally diverse groups.

Develop parameters to monitor local and Indigenous employment and supply to establish baselines and stimulate progress.

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.

Deploy necessary leadership to establish partnerships and create business opportunities with local stakeholders based on a more sustainable management approach.

Develop partnerships with Indigenous communities and groups aimed at creating sustainable value, including long-term social and economic benefits. We 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 respect to their development and prosperity.

2021 UPDATE/PROGRESS

Progress is ongoing. We established committees with local and Indigenous participants, providing a platform for discussion and consultation. This includes a Coordination Committee and three sub-committees (covering the environment, employment generation and business opportunities).

Progress is ongoing. We introduced Indigenous cultural sensitivity training for management, which over 50% of managers have now completed.

Progress is ongoing. We are working to establish an Innu Committee that will offer our Indigenous employees specific tools and recourse for difficulties they may face in the workplace.

Progress is ongoing. We provide monthly reports to Indigenous and local community representatives, including information on the value of new contracts awarded.

Progress is ongoing.

Progress is ongoing.

Progress is ongoing. In 2021 we began discussions with the town of Fermont and a regional iron ore producer on developing a joint local site for waste management. This site would include organic waste management (providing compost for revegetation efforts), and reduce hauling distances for both companies.

Planned objective.

Short Term
(2021-2022)

Medium Term
(2024)

Long Term
(2030)

OUR PERFORMANCE

Respecting Rights

Our 2017 IBA continues to guide our current practices and engagement with Indigenous partners. No significant new investment agreements were undertaken in 2021. We improved our IBA implementation monitoring approach during the year, creating a more detailed monitoring plan that actively involves a range of department heads to establish key performance indicators, timeliness, and responsibilities for implementation, fostering company-wide ownership of our commitments.

Significantly, we enhanced our community grievance mechanism during the year to strengthen our human rights management approach, which now includes access via our Company website. This allows members of host communities to easily lodge complaints remotely and share concerns with our management team, including the option of doing so anonymously. A dedicated email address for this purpose is consistently monitored, and a responsible manager is charged with monitoring each complaint until a resolution is achieved.

Over the course of 2021, Champion did not receive any reports related to potential or actual violations of human rights, customary rights, or land use related to Indigenous or other local communities. Additionally, there were no significant disputes or litigation involving Indigenous and other local

communities in 2021, and no technical delays or stoppages arising from community unrest.

During the reporting year, we expanded our community relations team, and engaged external relations support for the Kami project which was acquired in April 2021. We also introduced an Indigenous cultural sensitivity training program for management, which over 50% of our managers have now completed. We are continuing to roll out this training program. With the support of executive leadership, during the past year we have enhanced our approach to relationship-building and engagement with the Innu communities. We have committed to ensuring that, in addition to the cultural sensitivity training already underway, anyone working for Champion will receive specific Innu cultural training, a program being developed in 2022 with educational programming partners and experts.

In commemoration of the First Nations' tragic and painful history, Champion declared that September 30, the National Day for Truth and Reconciliation, will be treated as a statutory holiday for all its employees. We continue to align our objectives and actions with the recommendations in the Truth and Reconciliation Commission's "Call to Action # 92".



Community Engagement

Throughout 2021, despite the challenges posed by the COVID-19 pandemic, our efforts to engage with local communities continued. Our social monitoring program with our Indigenous partners and the local municipality is designed to ensure that we listen to the needs and concerns of local communities and understand how they are impacted by our operations, in order to help us work to maximize long-term benefits for the region.



A platform for discussion and consultation is in place, in the form of committees with local and Indigenous participants, including a Coordination Committee and three sub-committees that cover environment, employment generation and business opportunities. These committees ensure a regular and continuous cycle of communication and exchange of ideas. They allow us to stimulate the development of multi-partner initiatives, as well as share the results of our environmental, social and operational monitoring. And they play an important role in our continuous improvement efforts by enabling us to adjust and align our corporate objectives as needed.

While the goal for these committees is to meet three to four times per year, the COVID-19 pandemic made the achievement of that goal difficult. Though no official in-person meetings could be held, virtual meetings have been ongoing, as have informal engagements throughout the year.

During the reporting period, an important achievement involved the formalizing of an enhanced engagement documentation management procedure that includes a register and meeting minutes. This tool has helped us facilitate a

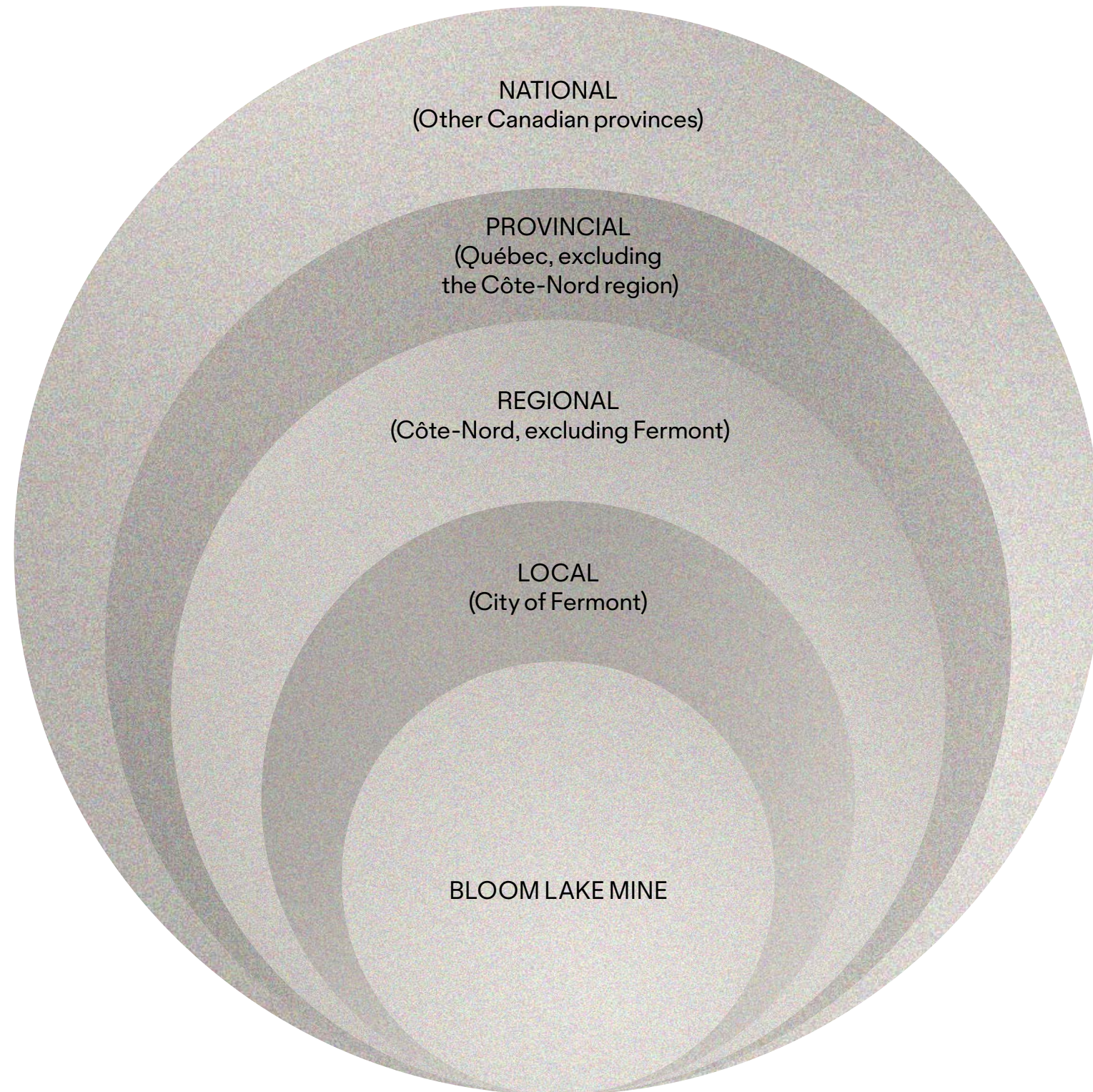
company-wide collaborative and strategic approach to external engagement at all levels, by including both site and corporate-level personnel.

In the community of Uashat mak Mani-Utenam, we undertook several engagement initiatives during the year, as well as participating in their National Truth and Reconciliation Day event. We also expanded our engagement with the Innu community of Matimekush-Lac-John who actively participated in the development of one of our biodiversity compensation projects aimed at improving fish stocks, with the community taking on the task of carrying out the project on their territory. Further details on such community collaboration can be found in the Biodiversity section of this report.

Our work with local municipalities within the region also continued during the reporting year, allowing us to better understand stakeholder concerns, including those of local businesses, some of whom are worried about their ability to recruit local talent given the presence of numerous large mining companies in the region.

Economic Benefits

DEFINITION OF "LOCAL"



The economic benefits for local communities and our Indigenous partners that arise from our operations include those stemming from our local sourcing and hiring practices, which prioritize local content whenever possible.

We define local across several geographic areas and we track our hiring and procurement spending within these definitions. This practice is also applied to prioritize Indigenous content.

Another key area of contribution within local communities is through investments and our charitable engagement with local community organizations. Our community investments, which are consistent with our IBA commitments, enable local communities to manage projects and programs that enhance socio-economic development and create benefits and lasting value that will continue even after the mine closes. Our IBA-related community investment spending totaled \$5.2 million in 2021.

LOCAL ECONOMIC BENEFITS⁸

	2019	2020	2021
Local and Indigenous jobs ⁹	42	37	58
Local sourcing from suppliers not including Indigenous suppliers (millions of dollars)	30	13	17
Regional sourcing from suppliers not including Indigenous suppliers (millions of dollars) ¹⁰	204 ¹¹	219 ¹²	376
Sourcing from Indigenous suppliers (millions of dollars) ¹³	27.4 ¹⁴	27.7 ¹⁵	47.1
IBA-related Community Investments (millions of dollars)	5	5.2	5.2

According to the most recent demographic census data (2016), the population of the town of Fermont is nearly 2,500. The Indigenous communities of Uashat mak Mani-Utenam and Matimekush-Lac John represent approximately 3,000 and 600 inhabitants, respectively. We work with these communities to develop and hire as many of their members as possible. Additionally, we offer training for a variety of mining-related jobs to encourage local employment, as we know that providing local employment is one of the most significant ways in which we can contribute to the region's sustainable economic development.

Hiring and retaining members of Indigenous communities in particular is one of Champion's priorities. The Company hired a total of 4 additional permanent Indigenous employees during 2021, and as of December 2021, 23 local Indigenous employees working onsite. No interns were employed over the previous

year due to the ongoing presence of Covid-19. Champion is the largest mining employer of Indigenous people in the Labrador Trough. Champion's operations also contribute to many indirect jobs in Indigenous communities through our partnerships with Indigenous businesses, including Shetush Électrique, Sodexo, Beluga and Sanitation Pashkui.

QIO's labour needs also necessitate the hiring of workers at regional and national levels, with workers commuting on a rotating work schedule of 14 or 7 days on the mine site, housed at QIO facilities in the local community, followed by 14 or 7 days off at home. In 2021, the number of local employees represented 4% of our operational workforce, while regional and provincial commuting employees represented 96%. A total of 100% of the management at the mining site (general managers and directors) are permanent residents of the province of Québec.

⁸ All financial data covers FY 20-21-22.

⁹ Includes all Indigenous workers (including those working in our Montréal office), and non-Indigenous local (Fermont) employees.

¹⁰ Not including local (Fermont). Please note that the 2019 and 2020 Sustainability reports labeled this category as 'local' suppliers.

¹¹ This figure was incorrectly reported in the 2019 and 2020 Sustainability Reports as 196.

¹² This figure was incorrectly reported in the 2020 Sustainability report as 204.

¹³ Indigenous businesses or businesses that are Indigenous partners. This figure includes Phase I and Phase II spending.

¹⁴ This figure was incorrectly reported in the 2019 and 2020 Sustainability Reports as 3.5.

¹⁵ The figure was reported in the 2020 Sustainability Report as \$23.7 million. That figure reflected only our procurement for Phase I of our operations.

LOCAL EMPLOYMENT ¹⁶
AS OF DECEMBER 31, 2021
(IN ABSOLUTE NUMBERS)

INDIGENOUS EMPLOYMENT
AS OF DECEMBER 31, 2021
(IN ABSOLUTE NUMBERS)

		Number of Employees	Proportion of Employees (%)
COMMUTING	Local (city of Fermont)	33	4
	Regional (Côte-Nord region, excluding Fermont)	75	9
	Provincial (Province of Québec, excluding the Côte-Nord region)	693	86
	National (Other Canadian provinces)	10	1
	Total	811	100

		Number of Employees	Proportion of Employees (%)
COMMUTING	Local (city of Fermont)	0	0
	Regional (Côte-Nord region, excluding Fermont)	19	76
	Provincial (Province of Québec, excluding the Côte-Nord region)	4	16
	National (Other Canadian provinces)	2	8
	Total	25	100

¹⁶ Includes Indigenous employment.

Where possible, we support local suppliers of goods and services, especially Indigenous businesses or those that are associated with them or support their interests. We also work with local Chambers of Commerce to help build the capacity of local businesses to work with the mine. During the period, \$880 million in contracts were awarded to companies with business units solely in the province

of Québec, which represents 87% of all contracts awarded by QIO. A total of 39% of the contracts, worth \$393 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 contracts to the value of approximately \$47.1 million to Indigenous suppliers or partners.

LOCAL AND REGIONAL SOURCING: VALUE OF CONTRACTS AWARDED BY CHAMPION TO SUPPLIERS IN THE CÔTE-NORD REGION (FY 22)

	Value (in millions of dollars)	Percent
Sept-Îles	319	81
Baie-Comeau	30	8
Fermont	17	4
Others	27	7
Total	393	100

PROVINCIAL AND NATIONAL SOURCING: VALUE OF CONTRACTS AWARDED BY CHAMPION TO CANADIAN SUPPLIERS (FY 22)

	Value (in millions of dollars)	Percent
Québec	880	87
Newfoundland and Labrador	57	6
Others	75	7
Total Canadian Provinces	1,012	100

Despite the challenges posed by the ongoing COVID-19 pandemic, we continued our support for local communities, beyond the requirements of our IBA agreements.



Thanks to the generosity of our employees, our suppliers and our partners, QIO donated a record amount of \$110,000 to Cancer Fermont this year. After 4 years of collaboration, we are proud to have become a major partner of this charitable organization improving the quality of life for local residents fighting cancer. Additionally, in support of the International Day for the Elimination of Violence against Women, we also sponsored "Autour d'elles," a shelter for local women who are victims of domestic violence, as well as the "Maison des Hommes Sept-Îles," a help centre that offers activity programs to provide mental health support for local men, both Indigenous and non-Indigenous, facing personal challenges. We also provided support to the community of Maliotenam to upgrade their sports equipment.

Our community commitments also include supporting infrastructure investments. Working together with the town of Fermont and a regional iron ore producer, we are involved in the development of a compost collection network and a joint local site for waste management.

We financed several exploratory studies and have participated in ongoing discussions with town representatives and other stakeholders involved in the project. Other programs included providing support for local nurses within the Côte-Nord vaccination centre, and a \$60,000 investment to improve the playground of Fermont's local school, École Des Découvertes.

Recognizing that recreation and leisure are a core part of community well-being, we have also supported efforts of the local ATV Club, Club de VTT du Grand Nord, the Sept-Iles football team, the Menihek Nordic Ski Club, Hockey Côte-Nord and a local youth hockey school, École de Hockey Jourdain-André-Pinette.

During the reporting period, we focused on aligning our operations with MAC TSM's Indigenous and Community Relationships Protocol, which focuses on processes to identify communities of interest and establish meaningful partnerships, including decision-making, as well as processes for mitigating adverse community impacts and processes for responding to community concerns, feedback or incidents.

PERFORMANCE SPOTLIGHT

Since the beginning of our operations at Bloom Lake, we have been privileged to work with our Indigenous partners to promote socio-economic development in the surrounding region.

Within the framework of our IBA signed in 2017, we have put an emphasis on employment generation and relationships with businesses in our local communities. Awareness of the painful past of residential schools in Canada prompted us to go a step further. In 2021, we proudly announced that the Company recognizes the National Day of Truth and Reconciliation on September 30th as a statutory holiday of remembrance for all our employees.

The announcement was the result of months of engagement with our Indigenous partners to recognize the importance of this symbolic day, which has now been reserved as a day of meditation and awareness. It was hailed by the head of Uashat mak Mani-Utenam, Mike McKenzie, who recognized the Company's initiative to raise awareness of Indigenous history and the reconciliation process. The announcement was also warmly supported by Bloom Lake Steelworkers Local 9996, who

participated in these discussions. The recognition of a statutory holiday will provide our employees with a collective moment to learn more about the history of our Indigenous partners and to honour the memory of their ancestors. On the first National Day of Truth and Reconciliation, our senior management team, including our CEO and COO and SVP HR, accepted the invitation of our Innu partners to participate in the commemoration events held on Nitassinan ancestral territory.

UNSDG



4. Quality education



5. Gender equality



8. Decent work and economic growth



10. Reduced inequalities



11. Sustainable cities and communities



16. Peace, justice and strong institutions



17. Partnerships for the goals

ICMM MP



2. Decision making



3. Human rights



9. Social performance



10. Stakeholder engagement

MAC TSM

PREVENTING CHILD AND FORCED LABOUR PROTOCOL

CRISIS MANAGEMENT AND COMMUNICATION PLANNING PROTOCOL

10

ENERGY & CLIMATE CHANGE

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Why this is important:

Being efficient with our energy consumption is key to mitigating our impact on climate change, in addition to making good business sense. Understanding, mitigating and adapting to the risks that climate change poses is a core part of ensuring safe and responsible operations. This approach is fundamental to respecting our relationships with local communities and our Indigenous partners, and to meeting the expectations of other stakeholders.

Who this impacts:

With energy-use as a significant input throughout the mining value chain, the industry has a responsibility and opportunity to support the transition to a low-carbon future. The risks of climate change that can impact our operations can also impact the people and environment where we operate. These impacts, which could be significant in the future, can be environmental, social and economic. Champion understands that focusing on our climate resilience also helps protect all stakeholders with respect to risks related to climate change.

Despite our continuous efforts to minimize our environmental impact, our mining operations have a direct and an indirect impact on the environment, including climate change. The consequences of climate change are being increasingly felt, globally. Our stakeholders expect us to reduce the impact of our activities, through reducing our GHG emissions, and through ensuring that our operations and supply chains are prepared to deal with the threats

arising from climate change. Climate change is taken into account, like every other financial and non-financial material issue, when the Company plans any new construction projects. In particular, climate change scenarios have been considered since the Company restarted the Bloom Lake mine complex, in its planning and development of infrastructure, especially related to [Tailings Management](#) and [Water Stewardship](#).

OUR APPROACH

We are actively working to improve energy efficiency, to reduce our operational GHG emissions, and to reduce our overall carbon footprint.

We support the United Nations Framework Convention on Climate Change ("UNFCCC") and Canada's commitments to the Paris Agreement, which aim to reduce Canada's emissions by 30% by 2030, compared to 2005 levels. Based on this commitment it is the Company's decision to begin aligning our reporting

on climate change with the recommendations of the TCFD. Details on how we are aligning our efforts with the four areas of TCFD - governance, strategy, risk management, and metrics and targets - are provided at the end of this section, as well as in the report's content index.

2

PILLARS

40%

REDUCING OUR EMISSIONS

15

NAMEPLATE CAPACITY (MTPA)

2050

AIM TO BE CARBON NEUTRAL

Our overall objectives and strategy rest on two pillars: optimizing the energy used throughout our operations, and positioning QIO to adapt to the physical impacts of climate change, in order to reduce those impacts and any associated financial costs.

Over the short term, we aim to improve our energy efficiency by continuously finding innovative ways to reduce our energy consumption. We are also in the process of finalizing goals for the reduction of our GHG emissions over the medium and long term and are committed to reducing our emissions by 40% based on the 2014 emission intensity and the mine's nameplate capacity of 15 Mtpa. We also aim to be carbon neutral by 2050. Over the medium term, we will seek to

improve our management practices and advance innovation, including through partnerships with our suppliers, to find new ways to reduce our emissions. We will also revisit and review our emissions targets to reflect emerging economic, social, and political developments. And over the long term, we aim to engage in collaborations with our economic partners and other stakeholders to promote the transition to a low-carbon economy.

OBJECTIVES

2021 UPDATE/PROGRESS

Short Term
(2021-2022)

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

Progress is ongoing. Our overall energy efficiency has decreased during the reporting year given our reliance on diesel haul trucks, which were necessary to use intensely during the construction activities of the Phase II expansion. We continue to promote energy efficiency across our operations.

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

Progress is ongoing. We are committed to reducing our emissions by 40% based on 2014 emission intensity and the mine's nameplate capacity of 15 Mtpa. We also aim to be carbon neutral by 2050.

Medium Term
(2024)

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.

Progress is ongoing. In 2021 we engaged with our partners to implement artificial intelligence based autonomous Advanced Drilling Technologies and a Drill-to-Mill technology solution.

Review long-term goals based on emerging political, scientific and technological developments.

Progress is ongoing.

Long Term
(2030)

Collaborate on far-reaching initiatives on a national or international scale, promoting the transition to a low-carbon global economy.

Planned objective.

Actively encourage nongovernmental organizations or other bodies aiming to support, encourage or facilitate the transition to green economies.

Planned objective.

OUR PERFORMANCE

We calculate and provide disclosures of our Scope 1 and Scope 2 emissions, and plan to work towards disclosing our Scope 3 emissions in the near to medium term. Further greenhouse gas emissions details can be found in the [Air Quality](#) section of this report.

Our GHG emissions rate, which stands at 10.7 kg of CO₂ per tonne of iron concentrate produced, rates very favourably when compared to our peers in other jurisdictions. In 2021, our operations consumed a total of 2,403 TJ of energy, an increase of 18% from the previous year, attributable to our operational expansion activities, in particular our increased strip ratio and decreased grade during the period.

A total of 53% (1,275 TJ) of the energy consumed in 2021 came from renewable hydroelectric power, while 47% (1,128 TJ) came from fuel combustion. Energy consumed per tonne of iron concentrate produced stood at 304 MJ. Champion expects to better understand and predict its steady-state energy consumption in 2023, following the completion of the Phase 2 expansion, and with a full year of operations. Our total energy consumption, and the intensity of consumption, are listed below.

AN OVERVIEW OF OUR ENERGY CONSUMPTION AND EMISSIONS

	201	2020	2021
Total energy consumed (TJ)	2,092 ¹⁷	2,029 ¹⁸	2,403
Total GHG emissions (tonne CO ₂ e) ¹⁹	64,769 ²⁰	56,087	83,918
Energy consumed per tonne of iron concentrate produced (MJ)	272	254	304
Direct GHG emitted per tonne of iron concentrate produced (kg CO ₂ e)	8.6	7.3	10.7

¹⁷ This figure was incorrectly reported in the 2019 Sustainability Report as 2060.

¹⁸ This figure was incorrectly reported in the 2020 Sustainability Report as 1942.

¹⁹ This figure was incorrectly labeled in the 2019 and 2020 Sustainability Reports as "Total Direct GHG Emissions." The figure in fact refers to Scope 1 (direct) and Scope 2 (indirect) emissions.

²⁰ This figure was incorrectly reported in the 2020 Sustainability Report as 65,769. The figure of 64,769 was correctly reported in 2019.

TOTAL ENERGY CONSUMPTION (IN TJ)

	2019	2020	2021
Diesel	769	636	975
Gas	25.6	31	0
Propane	32.9 ²¹	87.4 ²²	102
Light Oil Fuel ²³	45.9	31.7	51
Hydroelectricity	1,219	1,243	1,275
TOTAL	2,092	2,029	2,403

INTENSITY OF ENERGY CONSUMPTION
(MJ/TONNE OF IRON CONCENTRATE
PRODUCED)

	2019	2020	2021
Diesel	101.5	83	123.5
Gas	3.4	4	0
Propane	4.2 ²⁴	10.9 ²⁵	12.9
Light Oil Fuel	6	4	6.4
Hydroelectricity	160.8	163	161.3

²¹ This figure was incorrectly reported in the 2019 Sustainability Report as 0.05.
²² This figure was incorrectly reported in the 2020 Sustainability Report as 0.002.
²³ In previous reports, light oil fuel was classified as 'Oil.'

²⁴ This figure was incorrectly reported in the 2019 Sustainability Report as 0.01.
²⁵ This figure was incorrectly reported in the 2020 Sustainability Report as 0.002.

Our GHG emissions calculations are based on the Greenhouse Gas Protocol ("GHG Protocol") Accounting and Reporting standards. In 2021, a total of 83,918 tonnes of CO₂e (99,4%) were emitted from Scope 1 direct sources while 531 tonnes of CO₂e originated from Scope 2 indirect hydroelectricity sources (0,6%). Approximately 15%

of our emissions fall under Québec regulations and the cap-and-trade system for greenhouse gas emission, with approximately 85% of our emissions are linked to our fuel purchases, which are declared by our suppliers. Our emissions, in absolute and intensity-related terms, are listed below.

GHG EMISSIONS
(TONNES OF CO₂e)

	2019	2020	2021
Material transportation (Scope 1)	54,815	47,262	73,185
Stationary and portable combustion (Scope 1)	6,336	3,888	5,814.7
Explosives (Scope 1)	2,421	2,885	3,371.3
Generators (Scope 1)	945	1,413	1,481.5
Refrigerants (Scope 1)	252	53	65.2
Hydroelectricity (Scope 2) ²⁶	440	587	531

INTENSITY OF GHG EMISSIONS
(KG CO₂e / TONNE OF IRON CONCENTRATE PRODUCED)

	2019	2020	2021
Material transportation (Scope 1)	7.23	6.18	9.26
Stationary and portable combustion (Scope 1)	0.88	0.51	0.74
Explosives (Scope 1)	0.32	0.38	0.43
Generators (Scope 1)	0.13	0.19	0.19
Refrigerants (Scope 1)	0.03	0.01	0.01
Hydroelectricity (Scope 2)	0.02	0.08	0.07

²⁶ Emission factor of 1.5 g of CO₂e / kWh based on the NATIONAL INVENTORY REPORT 1990–2019: GREENHOUSE GAS SOURCES AND SINKS IN CANADA - Canada's submissions to

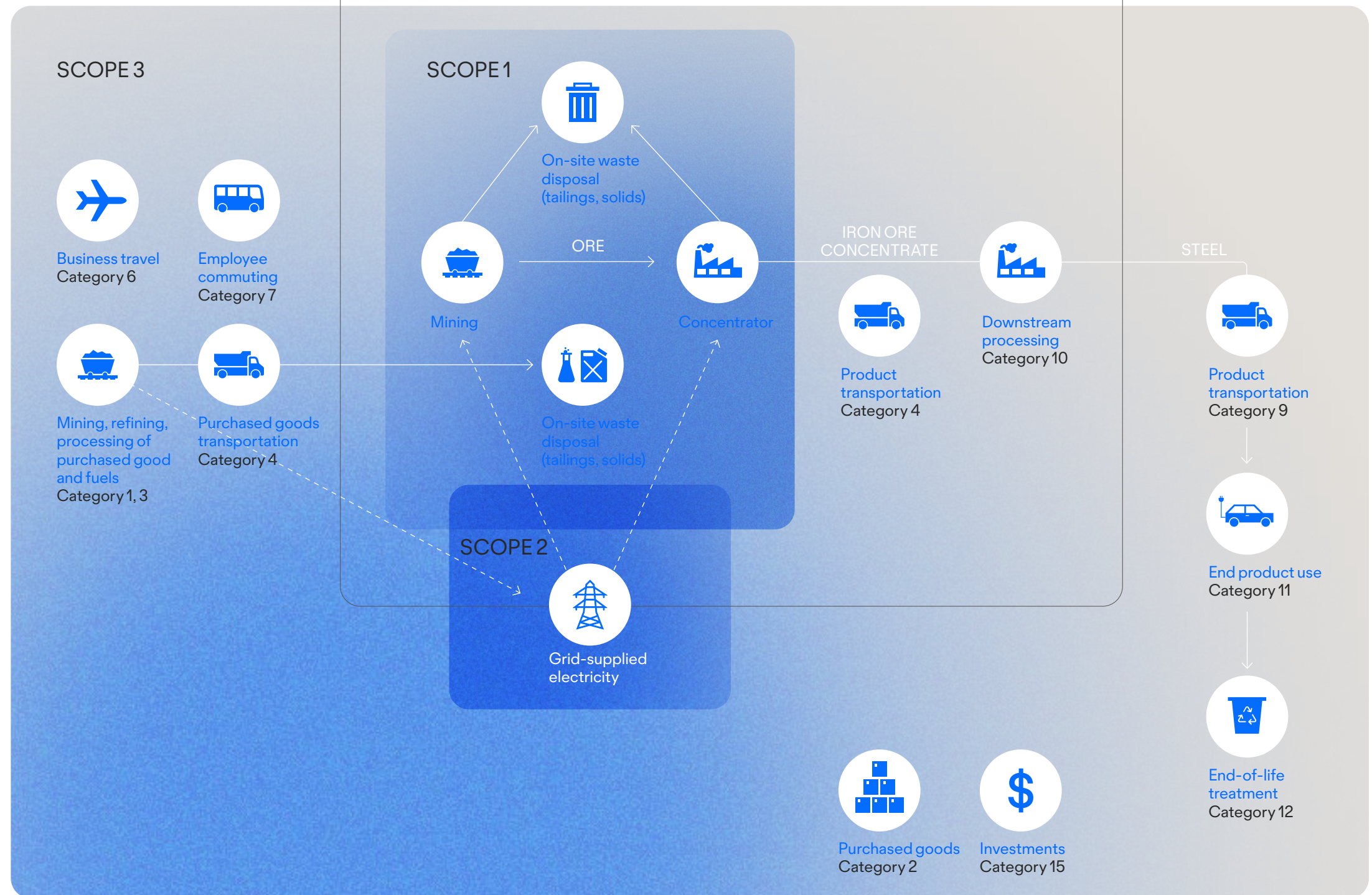
the United Nations framework convention on climate change, PART 3, Environment and climate change Canada, 2021.

Since the start of operations at Bloom Lake, we have undertaken numerous projects to reduce the intensity of our emissions related to ore extraction, processing, and transport.

This includes efforts to optimize our hauling practices including better management with our dispatch system. In 2022, we are undertaking a Hauling Optimization study to reduce GHG emissions related to hauling, focused on identifying possible solutions to optimize material transport and thereby reduce GHG emissions. During the reporting period, we undertook a detailed GHG Emissions Study to support future business planning given our ongoing project expansion and prospects for further growth. This included Scope 3 downstream emission factor analysis, such as rail and shipping transport, as well as focusing on downstream steelmaking (including both Direct Reduced Iron (“DRI”) in Electric Arc Furnace (“EAF”) steelmaking and Blast Furnace (“BF”) Basic Oxygen Furnace (“BOF”) steelmaking).

The study included a current (2020) emissions scenario, an expansion scenario with 100% Standard QIO Concentrate, an expansion scenario with 50% Standard QIO Concentrate, and 50% SKK Concentrate at 67.5% Fe, and an expansion scenario with 50% Standard QIO Concentrate, and 50% direct reduction pellet feed (“DRPF”) Concentrate. Scenario variations did not differ substantially for Scope 1 and 2, given the low grid emission factor at Bloom Lake, but demonstrated the significant positive impact of our high purity products on Scope 3 emissions.

Current Champion GHG Calculation Boundary



We are also continuing to improve our equipment and standard operating procedures to address risks arising from climate change. We upgraded our meteorological equipment and adopted new operating procedures to ensure better preparedness for such events in the future (for more details, [see the section on Water Stewardship](#)). We also undertook an emergency back-up battery study during the reporting period, related to our expansion activities, which included a dynamic simulation analysis, which will be revised with further details in 2022.

In our efforts to improve our energy management processes, we are implementing the ISO 50001 Energy Management standard, and have begun providing training courses on ISO 50001 for employees involved in the development, implementation, and management of our energy management systems. The dedication to continuously improve our emissions performance is anchored in QIO's culture.



Accordingly, our employees are dedicated to constantly finding innovative ways to reduce GHG emissions across our operations. In 2021, we implemented a worker-driven initiative focused on reducing the idling times of our vehicles. Under this initiative, we installed a device that automatically stops the engines of our trucks and then starts them again in cold weather, reducing idling times. To measure the impact of the initiative, we calculated the GHG and cost savings over a 50-day period starting November 1, 2021 and ending December 20th, 2021. The conclusion of this exercise allows the Company to potentially reduce its emissions by 10.8 tCO₂e per year. Such employee-led initiatives are at the heart of our efforts to continuously improve our environmental performance.

Announce a net-zero goal by 2050 in May 2022, reflecting our long-term desire to achieve a state where we add no incremental GHGs to the atmosphere. Our climate action strategy also includes a new short-term goal to reduce our emissions by 40% by 2030 from 2014 levels, based on 2014 emission intensity and assuming the Phase II project's expected nameplate capacity of 15 Mtpa, together with a commitment to achieve net zero emissions by 2050. During the reporting period, we also focused on aligning our operations with MAC TSM's Climate Change Protocol, which focuses on mitigation and adaptation strategies to help support mining companies manage climate-related risks and opportunities, as well as the Crisis Management and Communications Planning Protocol.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) FRAMEWORK ALIGNMENT



This 2021 report marks our first reporting under the TCFD for all climate change-related topics. Champion has reported its progress and our planned future actions under the four key TCFD topic areas of governance, strategy, risk management, and metrics and targets, shown in the following section.

GOVERNANCE	Our governance around climate-related risk and opportunities	RISK MANAGEMENT GOVERNANCE	The processes we use to identify, assess and manage climate-related risks
STRATEGY	The actual and potential impacts of climate-related risk and opportunities on our business, strategy and financial planning	METRICS & TARGETS	The metrics and targets used to assess and manage relevant climate-related risks and opportunities

Governance

The economic benefits that arise from our operations for local communities and our Indigenous partners include those stemming from our local sourcing and hiring practices, which prioritize local content whenever possible. We define “local” across several geographic areas, and we track our hiring and procurement spending within those definitions. This practice is also applied to prioritize Indigenous content.

The Board of Directors, supported by the ESG Committee, is the ultimate body responsible for monitoring and acting on climate change-related risks, opportunities and strategies. It is also responsible for approving the public disclosure of climate-related information on a timely basis. Reporting to the Board of Directors, the ESG Committee is accountable for all Champion’s sustainability and climate change areas, including risk assessments, management performance, corporate strategy approval, metrics and KPI-setting, and monitoring. The ESG Committee meets at least quarterly, to ensure Champion’s management and executive team can address climate change-related issues and actions in a timely manner.

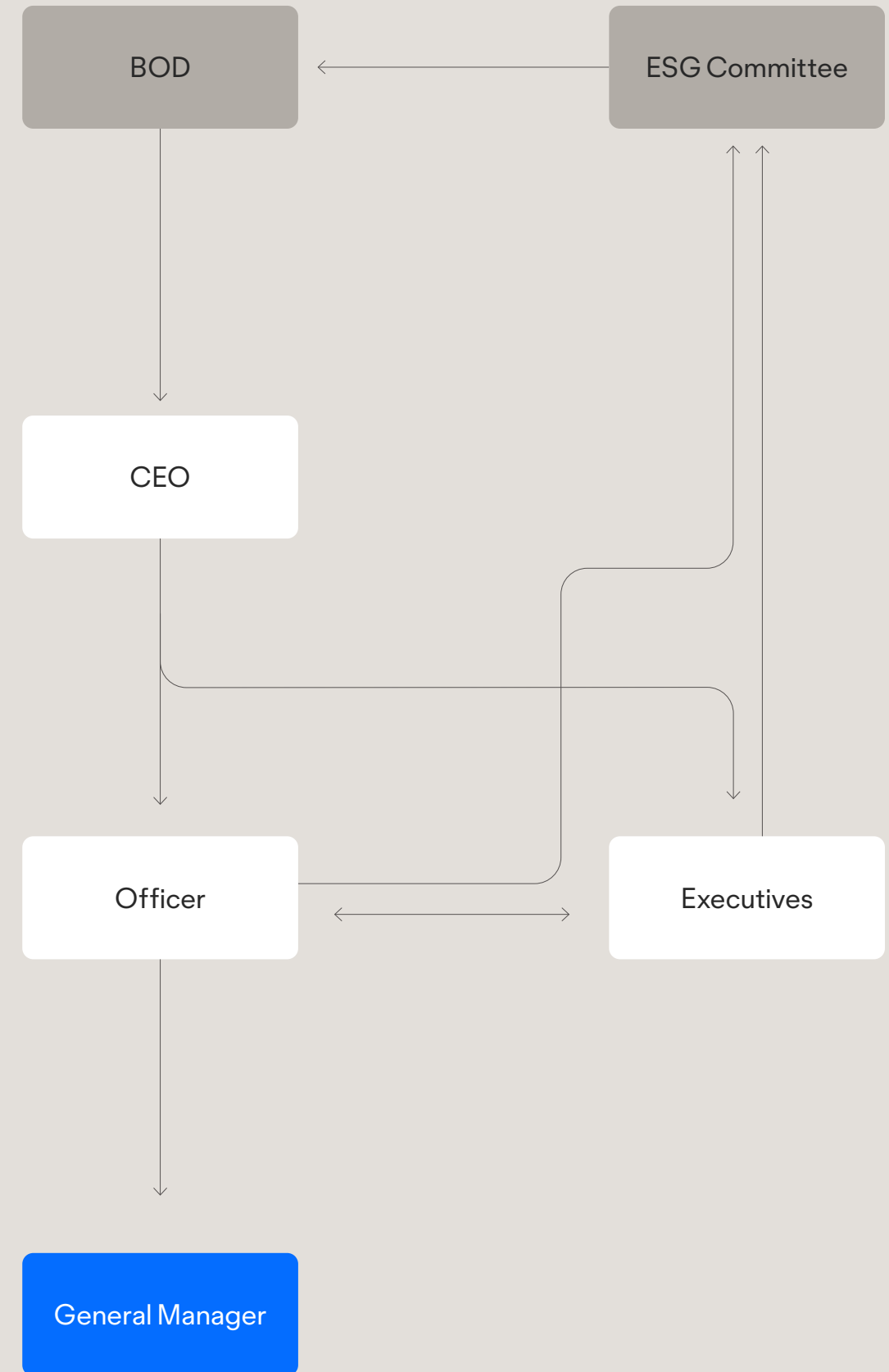
The Chief Operating Officer (“COO”) and the energy group, supported by external experts, are responsible for the Company’s management,

measuring, monitoring and reporting of its GHG emissions and their trajectory over the short-, medium-, and long-term, to meet set reduction goals. The COO, together with other management executives, reports material climate change-related topics to the ESG Committee on a regular basis, as part of the formal reporting lines and to maintain accountability around Champion’s climate change performance and actions.

Should climate-related issues emerge from our operations they are to be promptly brought to the attention of management, with site superintendents informing the General Manager (“GM”). The GM would then communicate the relevant concerns to the COO, including how they are being addressed and managed. The Board of Directors is kept apprised of environmental and safety considerations through scheduled

quarterly updates on operations, though any issues deemed significant by the Executive team are brought directly to the Board’s attention.

Climate-related policies, strategies and information are subject to the same governance processes and controls as financial information. The ESG Committee, which consists of three non-executive Board members, is awarded the same importance as other executive committees, and reports their findings and recommendations to the Board of Directors, and also assist management in setting climate change policies. Further detail can be found in the Governance section of this report. Currently, no management nor executive remuneration is tied to the Company’s performance on climate change-related KPIs, however, In the future, Champion plans to consider this as an element of our sustainability performance metrics.



Strategy

Champion understands that both physical and transition risks will have an impact on our Company. The climate-related risks and opportunities impacting the Company include potential physical impacts on our operations due to increased extreme weather and temperatures. In particular, these relate to hydroelectric energy supply, forest fires, and employee health and safety.

With changes occurring, and predicted to continue to occur in relation to national or regional low carbon economy legislation, we are taking the opportunity to minimize our transition risks in relation to our GHG emissions, and have begun to implement an organizational-level GHG emission reduction strategy.

Our organizational strategic plan is divided into three periods: short term (2022), medium term (2022-24) and long term (2025-30). In assessing climate change risks, specifically related to our tailings facilities, we consider the impact of our operations beyond the life of the mine (20 year) period.

Identified short-term physical risks relate to worker health and safety arising from increased heat waves, forest fires, or extreme precipitation resulting in flood events. Medium term risks include the potential damage to infrastructure from forest fires also, while long term risks include potential dike failure from

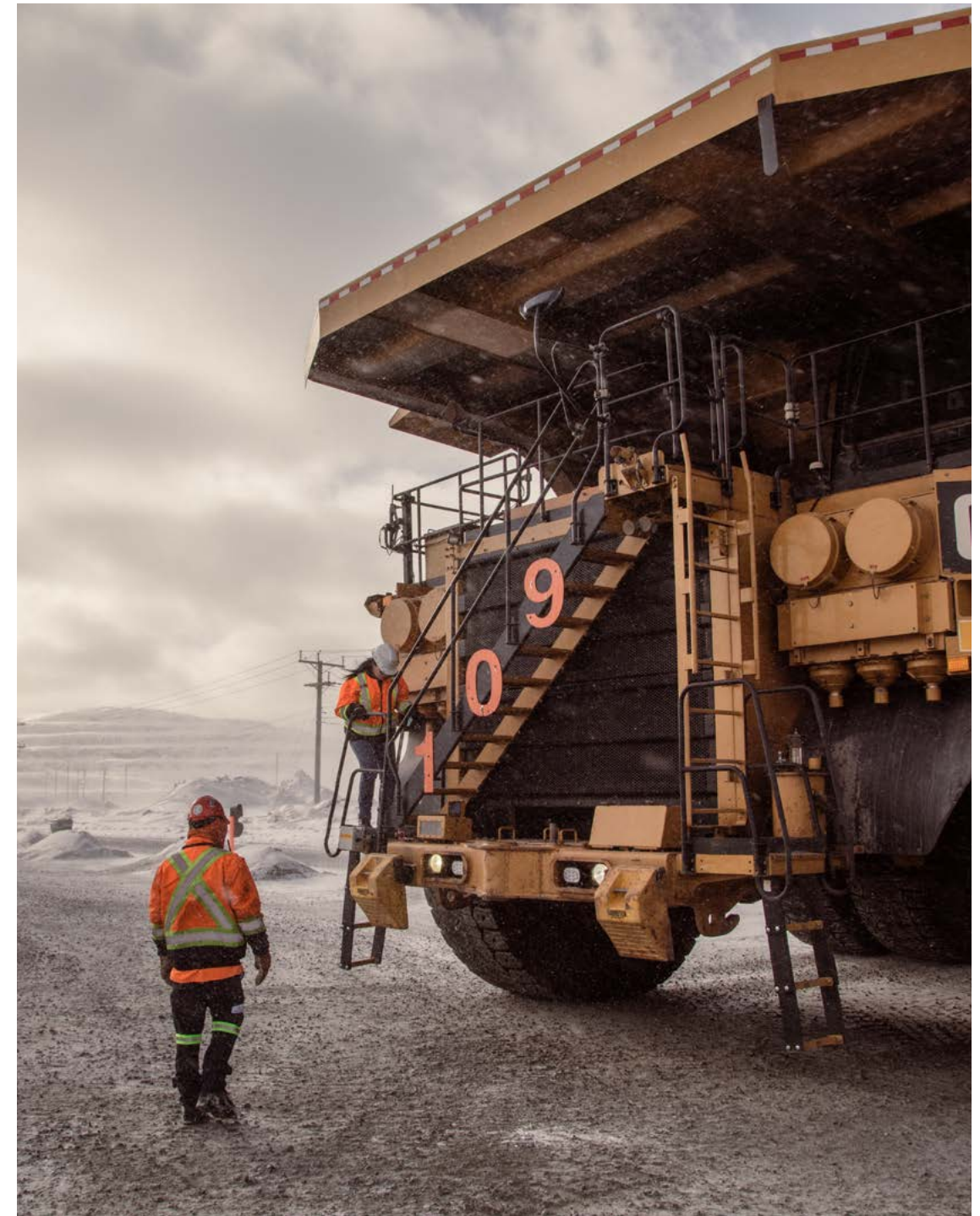
extreme and inconsistent precipitation events that could release tailings into the environment.

We also identified climate change-related opportunities created from the same conditions, which will arise from potentially longer summers thus extending our operating season. Under these conditions, Champion would expect energy savings from the reduced need for winter heating (short and medium term), and the acceleration of natural vegetation restoration during the reclamation process linked to the longer summer season (long term).

Champion is actively identifying how the Company can contribute in the transition to a low-carbon economy. The global and national shift provides opportunities since the Company already produces high-purity iron ore that allows our steelmaking customers to use less energy in their production process. This strategically positions Champion to anticipate and meet future

customer and investor demands concerning improvements to operational and supply chain emissions efficiency. This also reduces our medium-, and long-term transition risks within our value chain as we are one of the lowest emissions-intensity producers of high-purity iron ore globally. We continuously work to improve the purity of our iron ore concentrate to further reduce emissions in the steelmaking process downstream. We also recently retained the services of external consultants to detail and measure the precise performance of our products in supporting GHG reduction within the steel-making process.

We predict that we will be able to meet any potential further increases in Canada's Nationally Determined Contribution ("NDC") under the United Nations Intergovernmental Panel on Climate Change ("IPCC") that flow through to the private sector, in a timely manner.





As part of Champion's climate risk management strategy, Champion engaged WSP Global to conduct a climate risk study in 2019, including scenario analyses specific to the resilience of the tailings infrastructure, and in consideration of our expansion planning for existing operations. This scenario analysis was based on the IPCC RCP4.5 and RCP8.5 scenarios.

The RCP8.5 scenario corresponds to the status quo, if no climate action is taken (2°C increase by 2065 and 3.7°C by 2100). The RCP4.5 scenario corresponds to moderate mitigation (1.4°C increase by 2065 and 1.8°C by 2100). This scenario analysis was based on the IPCC RCP4.5 and RCP8.5 scenarios. The RCP8.5 scenario corresponds to the status quo, if no climate action is taken (2°C increase by 2065 and 3.7°C by 2100). The RCP4.5 scenario corresponds to moderate mitigation (1.4°C increase by 2065 and 1.8°C by 2100).

The conclusions from the study over the short term (2021-2050) and long term (2051-2080) indicate that the most significant risks requiring mitigation and adaptation controls are wildfires, heat waves and extreme precipitation. The study revealed that our most significant ongoing climate-related physical risks are linked to the possibility of increased forest fires at our Bloom Lake Mine. In response to this, during this reporting period, we significantly expanded our fire protection team to mitigate this identified threat.

The study also concluded that many of our primary climate-related risks have already been taken into account in the operational design of our facilities. Accordingly, such climate-related risks are significantly reduced by the measures already incorporated since restarting operations. In particular, the Company considered the province-wide 2014 Québec Ministry of Transport recommendations, focused on heavy precipitation infrastructure risks. Given that significant climate change related risks in the mining industry are dike breaches or water discharge events arising from extreme weather, we continue to update our operating procedures to reduce the

possibility of any irregular effluent discharges. In the long term, risks related to soil drought and heat waves are reduced by optimal design of dams, ponds, weirs and spillways, and by the fact that our tailings and waste rock discharges are free of chemical products, as well as by our progressive revegetation efforts.

Champion relies on hydroelectric power to run the majority of its operations, and the Company has an ongoing contract with Hydro-Québec. It has been identified that the possible increased variability of precipitation with climate change could impact the ability of Hydro-Québec to provide contracted power outputs. In such an instance, Champion would need to increase reliance on fossil fuels or invest in other forms of renewable power.

In assessing the impact of climate-related physical and transitional risks and opportunities, Champion has not conducted a full scenario analysis and financial impact assessment as defined under the TCFD guidelines. However, the Company has analyzed the risks to its physical infrastructure. Champion intends to expand its scenario analysis of climate change-related risks and opportunities across its value chain in future reporting periods. We are also currently reviewing how we could factor climate related risks into our financial planning processes.

We are currently focused on increasing our staff and capacity with respect to climate-related risk management, to ensure that climate risks are adequately considered in our operations and governance in the future. Going forward, we will begin to consider more closely how we can prepare for the post-operational phase, which will take place under climatic conditions different from those currently prevailing at the site.

Risk Management

Champion's risk management framework is guided by the Equator Principles, a number of International Organization for Standardization ("ISO") standards, and our internal governance structure. This supports us in identifying, assessing, managing and mitigating the environmental and social risks throughout our operations and value chain. Further details can be found in the "Our Approach to Sustainability" section of this report.

The management team regularly monitors all business risks, including climate-related risks, and updates the Board on a quarterly basis. As we continue to develop our GHG reduction strategy, we are cognisant of the likely future national and global regulatory and fiscal changes which will require an expansion to our existing GHG emissions reduction strategy, including decarbonisation into Scope 3 and offset strategies.

Within the Company's governance structure, climate-related risks, such as floods, fires, regulatory changes,

and energy security are incorporated into the Company's overall business risk management. Our energy group, which is supported by external consultants and experts, monitors the Company's climate-related risks. The energy group reports to the COO, who collaborates with the executive management team and reports to the ESG Committee and the Board of Directors. Risks are prioritized by management according to their probability, materiality and potential impact on our operations, including the time period in which the risks may occur (short, medium, or long term). The materiality of potential risks is regularly evaluated by the management team, and is part of a periodic materiality assessment process. Internal monitoring processes ensure that any relevant risks are identified and brought to the attention of the responsible managers, with senior management providing oversight of the entire risk management process.



Metrics and Targets



PERFORMANCE INDICATORS: GRI 102-48, 103-1, 103-2, 103-3, 201-2, 302-1, 302-3, 305-1, 305-2, 305-4, 305-5, SASB EM-MM-110A.1, EM-MM-110A.2, EM-MM-130A.1

Champion currently monitors direct (Scope 1) and indirect (Scope 2) emissions. While indirect emissions are not yet estimated within the Company's value chain (Scope 3), third-party methodologies are used to estimate the reduction potential of Champion's iron ore products. The Company plans to calculate Scope 3 emissions in future reporting periods.

During the current reporting period Champion monitors a range of climate-relevant metrics as disclosed in this section of the report, as well as the [Air Quality](#), [Closure and Reclamation](#), [Biodiversity](#) and [Water Stewardship](#) sections. Details can be found in the TCFD Content Index.

We monitor both the total energy consumed (including the percentage derived from renewable sources) and the intensity of our consumption. We are currently updating our overall Energy Analysis (last updated in 2019) to improve the level of precision of previous results, following the revision of our simulation file and according to the most recent reference data. Data on revegetated land, mining wastewater and any effluent events in this report are reported in absolute terms.

Our GHG reduction targets currently reflect historical trends. As per the TCFD guidelines, Champion will start to use forward-looking metrics and targets in future periods as we better understand our climate change risks and opportunities.

Since the recommissioning process of Bloom Lake in 2018, we have invested heavily in technologies and infrastructure, achieving an emissions reduction of 36,000 tonnes of CO₂ per annum, representing a reduction of 36% in GHG emissions at the time compared to the previous operator's performance of the Bloom Lake mine. We are also in the process of finalizing goals for the reduction of our GHG emissions over the medium and long term and are committed to reducing our emissions by 40% by 2030, based on 2014 emission intensity and assuming the Phase II project's expected nameplate capacity of 15 Mtpa. We also aim to be carbon neutral by 2050. This work has included undertaking various studies and strategic workshopping, to ensure that we are well positioned to achieve the targets we adopt.

Our chosen metrics also support our ongoing scenario analysis and strategic planning processes. We are currently undertaking an Energy Analysis to support our strategic planning regarding the electricity limitations at Bloom Lake, and to take into account new energy efficiency measures.

In 2021, we focused on increasing the efficiency of our materials movement processes on site, modified existing ramps, and engineering short-term ones to optimize truck cycle time.

For example, at Triangle Lake, our deposit plan was modified to dump from a lower elevation, reducing cycle time by 3.2 minutes. At Bloom West, a temporary ramp for six months was established in a blast zone that successfully reduced truck travel time by 2.40 minutes per cycle. Modifications made to the main ramp reduced the travel distance of trucks by 500 meters, shortening the waste haul cycle time by 1.90 minutes. Together, these temporary ramps and modifications to existing ramps reduced truck travel time by 4,600 hours.

This in turn reduced our GHG emissions from what they would have been by 2,200 tonnes of CO₂e, which is the equivalent of removing 480 vehicles off the road annually. We also modified a "5 Stop" intersection on the site to reduce cycle times. Over the next two years, this modification is expected to allow us to save 967 truck hours, and to reduce our GHG emissions by 468 tonnes, the equivalent of annually removing 100 vehicles from the road.



UN SDG



7. Affordable and clean energy



12. Responsible consumption and production



13. Climate action

ICMM MP



2. Decision-making



6. Environmental performance

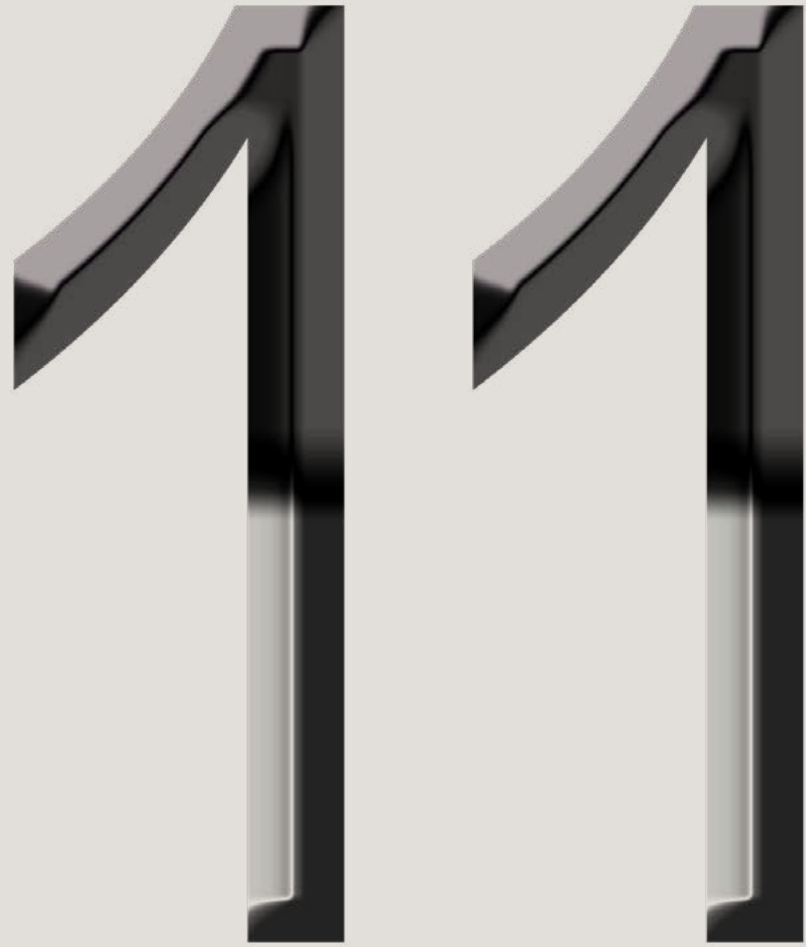


8. Responsible production

MAC TSM

CLIMATE CHANGE PROTOCOL

CRISIS MANAGEMENT AND COMMUNICATIONS PLANNING PROTOCOL



TAILINGS MANAGEMENT

101	Our Approach
103	Our Objectives
105	Our Performance

Why this is important:

Champion understands the importance of applying the highest safety standards to our tailings management and storage activities. The effective management of this mining by-product is a core part of responsible mining, and it is a subject of significant public concern for its potential environmental, social and human rights risks when not properly managed. Champion's Tailings Management program aims to ensure the safety and stability of our tailings storage facilities.

Who this impacts:

Given the complex risks that come with improper tailings storage management, highlighted by recent incidents in the industry, we recognize that high standards for tailings management are paramount to the safety of our stakeholders, the protection of surrounding environment, and ensuring responsible operational continuity

In order to be responsible environmental stewards, Champion prioritizes the safe and stable storage of its mine tailings, and the waste that is generated by the iron ore concentration process. Our iron ore recovery process to produce concentrate uses primarily gravimetric systems. Accordingly, the residual material from our mining operations deposited in our tailings facility does

not include chemicals, but includes mainly sterile ore from our mining activities. One of our most important tasks is to consistently monitor, anticipate and address potential risk factors associated with tailings management, to ensure we are mitigating possible negative environmental impacts and continuously working to improve our tailings management performance.

OUR APPROACH

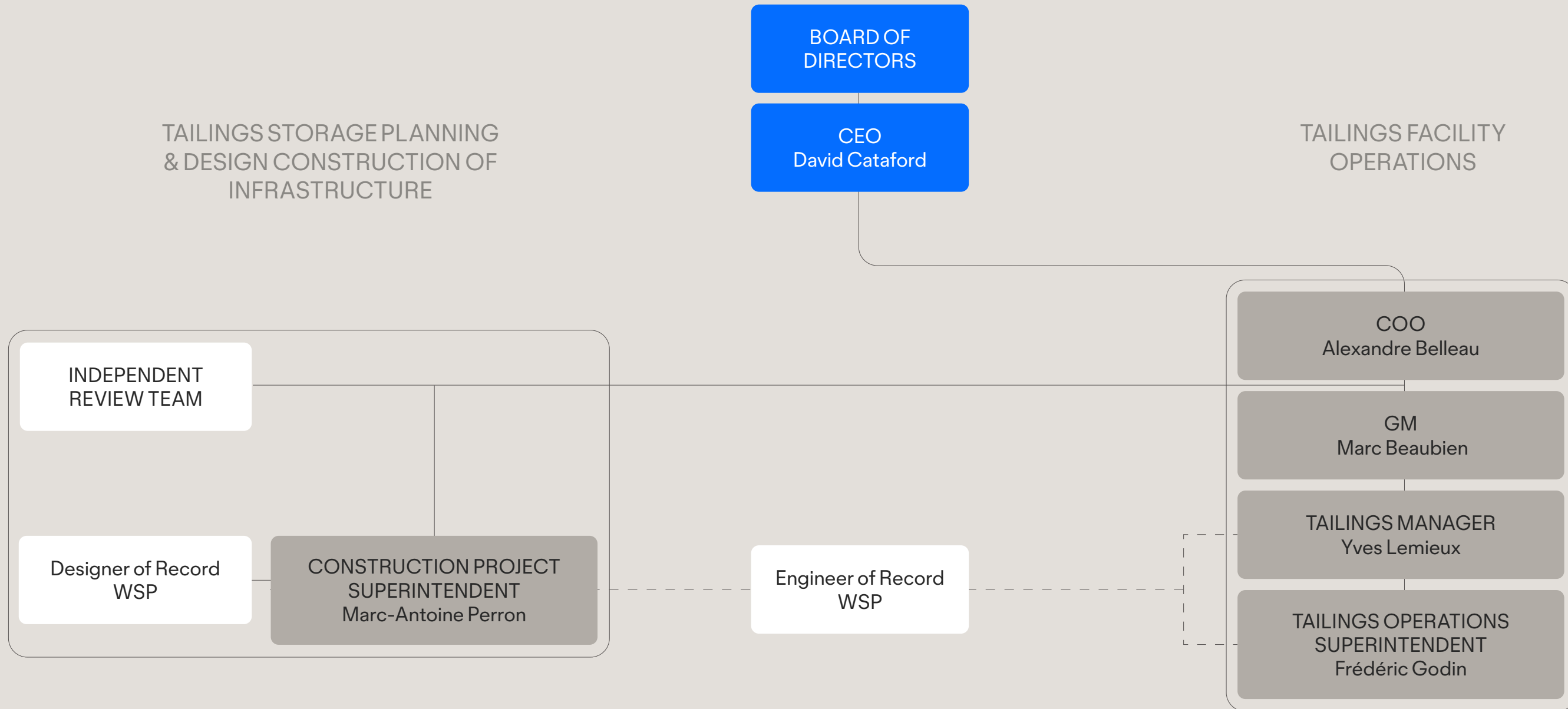
In alignment with the importance that our stakeholders place on the management of tailings produced by our operations, our approach places safety first. Our tailings management strategy is based on four pillars: safe infrastructure, strict design criteria, proactive risk management through monitoring, and a sustainable post-closure approach.

In line with this, we have implemented an innovative process which consists of separating mine tailings into fine tailings (silt-clay) and coarse tailings (sand), which each retain water and settle differently over time, and which are each subject to tailored management approaches.

Located in the Canadian Shield, the Bloom Lake mining facility is situated in one of the most geologically stable regions globally. Accordingly, QIO has benefitted from building our tailings management facilities on a particularly

solid and stable foundation. Our safe tailings management approach uses an upstream tailings dam for the storage of our coarse tailings, built up progressively by incorporating tailings materials into the dam for support, through controlled deposition of tailings. For the storage of fine tailings, we use downstream dam construction (raised progressively “downstream” of the starter dam) and centerline construction (raised progressively while maintaining the original centreline of the starter dam).





In order to ensure the safe operation of our tailings infrastructure, all retaining structures are subject to systematic visual inspections throughout the year, and are guided by a robust risk management process cycle. Our staff carry out weekly routine inspections on major infrastructure, while an expert specialist engineer performs detailed monthly

assessments of critical components (dikes, ditches, weirs, culverts, pipes, etc.). External statutory assessments are carried out annually; specific inspections are performed as needed to monitor any irregularities or emerging risks noted during detailed or statutory inspections. Instruments are installed in specific areas of the tailings structures to monitor

and analyze behaviour continuously and remotely through a tele-communications system. Monitoring makes it possible to identify potential risks that require action to improve safety and prevent incidents. Our site-level emergency planning and response plan also includes a dedicated section on managing the unlikely event of a failure of a tailings pond

containment structure. Our approach to managing 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 relevant stakeholders.

OUR OBJECTIVES

Our approach to the management of tailings extends throughout the mining lifecycle, whereby our current mine plan projects a 20-year life of mine period. Over the short to medium term, our goal is to continue to enhance our management approach as industry standards evolve, aligning or complying with best practice wherever possible, and always in consideration of any emerging information or new risks in our operating environment. This includes progressively aligning with the Global Industry Standard for Tailings Management and finalizing a life-of-mine tailings plan.

With the ongoing expansion of our operations, which are expected to double the volume of tailings produced annually, the Company is continuing to invest in our safe tailings storage strategy. Over the long term, we plan to progressively work with the public and local communities to ensure we have an integrated emergency management and preparedness approach.



OBJECTIVES

2021 UPDATE/PROGRESS

Short Term
(2021-2022)

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 would be adjusted to consider any new information and knowledge acquired since the operations were restarted in 2018.

Progress is ongoing. During the reporting year, we continued our improvement efforts following the update to our Tailings Management Risk Assessment. We also invested \$27 million in preventive and corrective interventions to correct discrepancies on specific dikes from their original designs compared to work completed by the asset's previous owner.

Medium Term
(2024)

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

Progress is ongoing.

Long Term
(2030)

Work with local economic and public partners 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.

Planned objective.

OUR PERFORMANCE

Our Phase II expansion activities are expected to double our tailings volume, as the iron ore production capacity of the Bloom Lake is expected to double.

Hence, our major tailings management focus during the reporting period has been in support of the infrastructure expansion required to accommodate Phase II. Additionally, during the reporting year, we were focused on continuous improvement efforts, following the update to our Tailings Management Risk Assessment. Efforts included further formalizing a number of tailings management procedures, as part of the development and implementation of our operation, maintenance, and surveillance ("OMS") manual, and Triggered Action Response Plan ("TARP"). There was also a special focus on a more comprehensive inclusion of tailings risks and impacts within our broader environmental and social management system.

An Engineer of Record was engaged during 2021 to monitor our tailings management performance, with a mandate established in accordance

with industry guidance and good practice including from the Geoprofessional Business Association ("GBA"), the Canadian Dam Association ("CDA"), the Mining Association of Canada and the International Council on Mining and Metals.

In 2021, the Company advanced the permitting process with respect to its tailings facilities expansion project at Bloom Lake. Local community stakeholders and first nation communities expressed their support for the Project. In early 2022, our Company obtained provincial government approval to expand its tailings and waste management facilities to accommodate the full life of mine plan proposed by the Phase II expansion project. Our Company awaits final federal government authorizations.

The reporting year saw our most significant hydraulic deposition construction since 2018 as we prepared for the

commissioning of Phase II in 2022. We also invested \$27 million in preventive and corrective interventions within our existing tailings system and performed stabilization work on two dikes, all in line with our objective to maintain the structural integrity and strong performance of the tailings management system onsite. We also conducted a number of tests, including soil densification tests, and we continue to monitor water pressure to ensure the success of our upgrades.

An annual statutory dam safety inspection was carried out mid-year 2021, as was the annual review and update of our Tailings Management Plan. In 2021, we achieved 100% compliance with the tailings retaining structure monitoring program. The table below summarizes our tailings management performance for 2021. We also recycled in construction 17% of our mine tailings, compared to 7% in the previous reporting period. We also

managed to increase our processing water re-use and efficiency from 86% to 93%, over the past year.

Assessments conducted in 2020 indicated that one of our basins (A basin) was considered a high hazard potential. Hence, we invested in additional infrastructure to reduce risks associated with the A basin in 2021. Since the completion of the corrective measures, none of our basins are considered to have a significant or high hazard potential.

We perform chemical analyses and leaching tests on representative samples of fine and coarse mine tailings from the Bloom Lake site every year, to determine their acid-generating potential and the leachability of metals from tailings. A review of the results from 2021 confirmed 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.

During this report period QIO also established its Independent Tailings Review Board (“ITRB”), charged with assessing our tailings management risks. The ITRB issues four observation reports per year. In accordance with MAC TSM requirements, we have internally designated an Accountable Executive Officer, our Chief Operating Officer, as well as a Responsible Person for tailings management. We have focused our efforts during the reporting year on aligning our operations with MAC TSM’s

Tailings Management Protocol, Water Stewardship Protocol, and Crisis Management and Communications Planning Protocol. In addition to assigning accountability and responsibility, our efforts have included aligning our policies, strategies, manuals, management systems and review procedures with MAC TSM requirements to ensure that we always employ a safe tailings management approach. We have also undertaken a third party ICMM gap analysis alongside our MAC TSM alignment efforts.

PERFORMANCE INDICATORS:

GRI 103-1, 103-2, 103-3, 307-1, 413-2, MM03 SASB EM-MM-150A.5, EM-MM-540A.2, EM-MM-540A.3

PERFORMANCE

	2019	2020	2021
Tonnes of mine tailings produced (millions)	12.6	12.2	13.6
Tonnes of mine tailings securely stored (millions)	8.2	11.3	11.3
Tonnes of mine tailings recycled (millions)	4.4	0.9	2.3

During 2021, we significantly expanded our Tailings Management team, enabling us to better ensure safe and sustainable tailings management in anticipation of our ongoing Phase II expansion, which takes into consideration the impact of our operations on the environment.

In 2017, when the Tailings Management department was first assembled, it included two external engineers, two supervisors and a team of 20 workers. As we entered 2022, our operational capacity has dramatically grown. We have two teams - our Project team and our Operations team - that together employ 20 staff and 56 additional workers.

The scope of the team's operations has also increased. In addition to tailings management, the team is responsible for plant feeding (A-frame) and reclamation support. These investments to expand our team will ensure that we are ready to continue to improve our safe tailings management approach and practices even as we expand the scope of our operations, which will ensure the security of our operations for our people and for the communities where we operate.



UN SDG



6. Clean water and sanitation



11. Sustainable cities and communities



12. Responsible consumption and production



15. Terrestrial life

MACTSM

TAILINGS MANAGEMENT PROTOCOL

WATER STEWARDSHIP PROTOCOL

CRISIS MANAGEMENT AND COMMUNICATIONS PLANNING PROTOCOL

ICMM MP



6. Environmental performance

12

WASTE MANAGEMENT

110	Our Approach
111	Our Objectives
113	Our Performance

Why this is important:

Our mining recovery process does not require chemicals and our tailings mine waste consists primarily of rejected sterile minerals. However, non-tailings mine waste is generated by the mining process, including both industrial hazardous and non-hazardous waste. When not recycled or disposed of responsibly, such waste can pose risks to the environment and the well-being of local communities. Managing waste generation in our business is a key part of responsible mining.

Who this impacts:

The quality of our waste management activities has a direct impact on the surrounding environment, including biodiversity and water bodies, as well as local communities and Indigenous Peoples. We have a responsibility to ensure our approach to managing waste is thorough and effective, in order to uphold our commitments as a responsible operator. Stakeholders expect Champion to make efforts to reduce waste at the source and manage all waste responsibly.

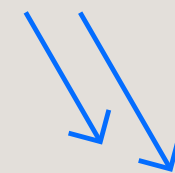
In addition to tailings, the main sources of waste generated by our mining activities include waste rock as well as industrial and domestic waste generated at our mine site. In line with our dedication to continuous improvement, we continuously seek

to minimize our waste generation, keep products in use, recycle where possible and optimize our transportation and storage processes to reduce the environmental footprint associated with our waste.

OUR APPROACH

Our commitment to reducing waste and decreasing the energy used to dispose of waste is operationalized through the application of the four “Rs” principles throughout our operations. These efforts enable us to minimize our resource consumption, and to safeguard the surrounding environment and people at Bloom Lake, and in the region. In the event that industrial and domestic waste cannot be recovered or recycled, we aim to dispose of it offsite in a responsible and compliant manner. Such disposal is done by adopting operational controls including controlled storage whenever this may be needed. We also prioritize depositing our non-hazardous waste rock in a stable configuration in support of eventual mine closure.

The ultimate goal of our waste management approach is to minimize our footprint, reduce the production of waste at source and control its interaction with the natural environment.



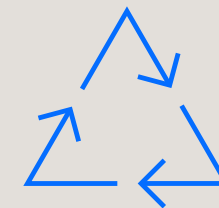
REDUCE

consumption of materials at the source.



REUSE

goods as much as possible, to give them a longer life.



RECYCLE

waste to give it new life.



RECOVER

additional uses from waste instead of destruction.

OUR OBJECTIVES



Over the short term, our primary objectives are to continue improving our waste management systems, reuse as much of our waste rock as possible and reduce waste rock transportation distance through proper planning. As such, we encourage optimization across our operations to support our overarching goal of minimizing our footprint and reducing waste generation and associated emissions.

In the medium term, our goal is to encourage technological innovation to minimize GHG emissions caused by combustion. Additionally, we aim to create partnerships with local communities and other companies to develop waste management mechanisms that can positively impact sustainable development for the region.

OBJECTIVES

2021 UPDATE/PROGRESS

Short Term
(2021-2022)

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

Progress is ongoing to improve waste management processes and the communication of required actions by employees to improve performance. The objective is to encourage employees to constantly think about finding more sustainable solutions. Additionally, we improved recycling processes on site, including segregating waste and recycling, thereby reducing the volume of our waste and transportation required to haul it offsite.

Medium Term
(2024)

Deploy necessary leadership to establish partnerships and create business opportunities with local stakeholders based on a more sustainable management approach.

Progress is ongoing. In 2021 we began discussions with the town of Vermont and a regional iron ore producer to develop a joint local site for waste management. This site would include organic waste management (providing compost for revegetation efforts), and reduce the distance both companies haul waste off-site.

Long Term
(2030)

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

Planned objective.

OUR PERFORMANCE

The main types of waste other than tailings that are generated from the Bloom Lake mining complex include waste rock and a variety of hazardous and non-hazardous industrial and domestic waste. Our non-hazardous waste mostly includes scrap metal, contaminated soil, sludge, inert industrial waste and wood. Our hazardous waste mostly includes oily water, waste oil, and rags soiled with hydrocarbons. In 2021, we recorded an increase in waste generation as our expansion activities continued. The total waste produced, aside from tailings and waste rock, was 8,745 tonnes. Further details on tailings, including produced and recycled volumes, can be found in the [Tailings Management section](#).

Bloom Lake mining operations require the removal of waste rock from the pits to allow safe access to iron ore. This rock, with minimal or no mineable iron content, is stored in containment areas on site that are designed to minimize environmental impacts. A total of 19.2 million tonnes of waste rock were excavated at the Bloom Lake Mine site in 2021. Of this, 2.3 million tonnes were reused as aggregate for the construction of access roads and other infrastructure, and another 17.3 million tonnes were stored within our dump storage facilities on-site, during the reporting period.

TOTAL WASTE ROCK EXCAVATED (IN MILLION TONNES)

	2019	2020	2021
Waste rock reused (Mt)	1.6	1.4	2.3
Waste rock stored (Mt)	12.4	13.5	17.3
Total waste rock excavated (Mt)	14	14.	19.2 ²⁷

²⁷ The discrepancy in data (the amount of waste rock excavated is lower than the sum of waste rock stored and reused) is due to the fact that some of the waste rock was produced during the 2020 reporting year but was not counted until this reporting period.

During 2021, we invested in further developing and optimizing the storage areas where waste rock is stored. Additionally, we are increasing the space available in the storage areas closest to the mining pits in order to minimize the amount of waste that must be transported. Our estimates suggest that these optimization efforts, which will reduce haulage distances, could reduce our emissions by approximately 75,000 tonnes of CO₂ during the life of mine. We also initiated a stability report to verify the mechanical and chemical stability of our dump sites. The report should be completed in the coming reporting period.

Regarding industrial and domestic non-hazardous waste generated during the period, both the total amount and the proportion of waste per tonne of iron concentrate produced were higher than the previous year. This was partially linked to our Phase II expansion, which entailed various construction activities materials including wood and metal. The higher number is related to operational necessities created by the COVID-19 pandemic. For example, some of the waste generated in 2020 could not be moved due to pandemic restrictions, and was instead later moved in 2021, resulting in a higher figure for the calendar year. A total of 65% of this waste was recycled or reused in 2021 (compared to 40% in 2020).

All recycling and disposal are done offsite (we do not bury or incinerate any waste on site). During 2021, we improved our onsite sorting processes. This enabled us to optimize our segregation of waste and materials that can be recycled or reused, which could ultimately reduce the number of trucks required to haul waste off-site and reduce our fuel consumption and GHG emissions. Inert industrial waste as well as sludge and contaminated soil are responsibly disposed of offsite in accordance with regulatory requirements. Industrial waste includes all domestic and industrial waste that is not recyclable, recoverable or contaminated, and does not include waste rock or mine tailings. There were no issues of legal or regulatory non-compliance in 2021.

WASTE GENERATED PER TONNE OF IRON CONCENTRATE PRODUCED (EXCLUDING WASTE ROCK AND TAILINGS)

PERFORMANCE	2019	2020	2021
Non-hazardous waste generated per tonne of iron concentrate produced (kg) ²⁸	12.6	0.53	1.04 ²⁹
Hazardous waste generated per tonne of iron concentrate produced (kg)	0.11	0.13	0.10
Total non-mineral waste generated per tonne of iron concentrate produced (kg)	0.60	0.66	1.14

²⁸ This figure does not include waste rock or hazardous waste.
²⁹ This is the first time we are reporting biomedical waste.

NON-HAZARDOUS WASTE
GENERATED IN TONNES IN 2021
(EXCLUDING WASTE ROCK
AND TAILINGS)

		2019	2020	2021
Reused/upgraded offsite (in tonnes)	Scrap metal	975	1,120	2,227
	Rubber	137	176	132
	Tires	98	96	351
Recycled offsite (in tonnes)	Paper and cardboard	35	34	55
	Wood	477	109	2,055
	Mixed non-hazardous waste	NA	96	133
Responsible offsite waste disposal (in tonnes)	Contaminated Soil ³⁰	144	1,000	1,385
	Inert industrial waste	644	543	1,009
	Sludge	973	876	328
	Biomedical waste	NA	NA	334 ³¹
TOTAL		3,483	4,050	8,007 ³²

³⁰ In previous reports, contaminated soil was classified as 'Soil.'

³¹ Biomedical waste was not accounted for in previous reports.

³² Because of rounding, the figures listed in this table add up to 8,009 tonnes. The correct total for non-hazardous waste is 8,007.4 tonnes.

The main hazardous waste generated by our operations 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 738 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 transported

safely to be recycled or reused/upcycled offsite. In 2021, a total of 32% of these materials were reused/upcycled (compared to 26% in 2020).

HAZARDOUS WASTE GENERATED IN 2021

		2019	2020	2021
Recycled or upgraded offsite (in tonnes)	Waste oils	216	217	198
	Used oil filters	16	11	15
	Aerosols	1	1,48 ³³	2
	Batteries	19	8	7
	Antifreeze	5	7	12
	Contaminated empty containers	2	2	1
Responsible offsite disposal (in tonnes)	Oily water	388	584	338
	Rags soiled with hydrocarbons	109	107	133
	Contaminated water	53	25	4
	Contaminated sludge	11	5	3
	Used grease	6	5	7
	Contaminated fuel	4	5	5
	Mercury waste	NA	2	0.3
Other		25	25	13
TOTAL		855	1,004³⁴	738

²⁸ This figure was incorrectly reported in the 2020 Sustainability Report as 12.

²⁹ This figure was incorrectly reported in the 2020 Sustainability Report as 1000.

QIO continues to investigate new technologies and programs to improve our efficiency and reduce our environmental footprint. One initiative in the reporting period introduced an on-site recycling program for single-use masks, a waste source that has grown substantially around the world since the onset of the global COVID-19 pandemic. We also began discussions with the town of Fermont and a regional iron ore producer to develop a local waste management site, including for organic waste, which can in turn support future reclamation efforts.

Additionally, we are implementing new technological innovation projects to improve the monitoring of ore movement during the blasting process. By enabling us to better identify post-blast ore location, we will be able to reduce overall trucking distances necessary, and in turn further reduce our emissions. With the onset of the COVID-19 pandemic, single-use masks became a significant waste source for many companies and communities. Single-use personal protective equipment such as these masks are hard to recycle in traditional recycling systems.

To address this waste stream challenge, during 2021, the Company partnered with an

innovative recycling company that has become a global leader in recycling hard-to-recycle materials. Through this partnership, we implemented their recycling service, which enables the recycling of non-woven disposable plastic-based masks, including 3-ply surgical, dust masks, KN95, and N95 masks. In addition to the masks, other biomedical waste can also be effectively managed to minimize disposal and maximize the life of the materials.

This includes sharps, swabs, COVID-19 tests, biomedical containers, dressings and strips. Engaging employees in this new waste stream management effort, we were able to

significantly reduce the footprint coming from single-use masks in particular. The contents of the Zero Waste Box™ is sent along with our other biomedical waste to the Fermont Integrated Health and Social Services Centre (CISSS). Our partner provides full management, including destruction, transportation and recovery channels of our biomedical waste, including recycling of the single use masks. Although we do not track our partner internal management data, in total, this partnership has enabled us to send over 334 tonnes of biomedical waste for processing and management that maximizes the life of the raw materials within the waste.

UN SDG



11. Sustainable cities and communities



12. Responsible consumption and production

ICMM MP



6. Environmental performance



8. Responsible Production

PERFORMANCE INDICATORS:

GRI 102-48, 103-1, 103-2, 103-3, 306-1, 306-2 (PARTIAL), 306-3, 306-4, 306-5, 307-1, 413-2 SASB EM-MM-150A.4, EM-MM-150A.6, EM-MM-150A.7, EM-MM-150A.8, EM-MM-150A.9, EM-MM-150A.10

13

WATER STEWARDSHIP

120	Our Approach
121	Our Objectives
123	Our Performance

Why this is important:

Water is a common public resource essential for local communities, flora and fauna, our employees, and our operational activities. How Champion approaches water stewardship is central to environmental stewardship and protecting the well-being of people on and off site. It is key to maintaining the strength of our relationships with local communities and Indigenous partners as well as to the success of our operations.

Who this impacts:

Protecting water resources for current and future generations is crucial for local communities, our Indigenous partners, our employees, and all our stakeholders. This is especially true in the context of climate change, which we know will include a range of impacts on the water cycle. Reliable access to water is also necessary for the continued success of our operations and the benefits they bring to a wide range of stakeholders.

QIO's operations rely on water, which is an essential input for our mining process, enabling us to produce iron ore concentrate. It is also necessary to meet the everyday needs of our employees on site and other water users in our watershed. Responsible water stewardship is thus crucial to

our success as a company. Our operations employ water-retaining structures that are proactively managed against extreme flooding or other precipitation events. We actively recycle water and use water treatment facilities for any surplus water that is released into the environment.

OUR APPROACH

Our water management approach is guided by our recognition that water is a common public resource which must be protected and maintained for the benefit of all, as well as for the preservation of the environment and local biodiversity. The watersheds in our operating area are key sources of water for the region, including for drinking, agriculture, industry and tourism, and they are central to the livelihoods of Indigenous communities.



QIO's water management approach is based on fair and sustainable use, including in terms of reasonable quantity usage for operations and minimizing any impact on water quality levels for other users. We involve a range of local stakeholders in the implementation of adequate water management measures that meet the Company's operational needs without compromising the water needs of other users in our watershed. We have organized our water management to direct our water to a single effluent point in Lake Mazaré, a subwatershed within the larger Caniapiscau River watershed, which flows into the larger James Bay/Hudson Bay watershed.

We continuously work to increase our use of recycled water so that we can reduce our consumption of raw fresh water. We also proactively work to understand water-related risks and we regularly collect data to establish and understand the water balance of our operations. We share this information with our stakeholders, including local communities, so that we can understand their priorities and collaborate with them to develop solutions that minimize any negative impacts and mitigate the risks associated with our collective water use.

OUR OBJECTIVES

QIO's current water stewardship objectives focus on improving our existing water management practices to increase efficiency and reduce our raw water consumption by reusing and recycling water. We also work to improve the quality and treatment of any water that is not reused before it is compliantly returned into the environment. Furthermore, we strive to foster innovation to improve our water monitoring infrastructure. In the future, our objective is to further assess water risks to the Company, host

communities and surrounding ecosystems, as well as better understand our business' impact on other water users. We also plan to focus on better understanding how climate and social change may affect these risks over our expected life of the mine. Over the long term, we will work to collaborate and develop partnerships with local communities, the public sector, and other private companies to mitigate risks shared by all water users and to promote more sustainable collective water management.

OBJECTIVES

2021 UPDATE/PROGRESS

Short Term (2021-2022)

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 water returned into the environment.

Progress is ongoing. During the reporting year, we improved our main reservoirs, allowing us to increase our usage of recycled water from 86% in 2020 to 93% in 2021.

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 water returned into the environment.

Progress is ongoing. We upgraded our meteorological equipment in 2021 and updated standard operating procedures to enable us to better predict and manage irregular heavy rain and/or rapid snow melt events.

Medium Term (2024)

Assess water risks to the Company, host communities and surrounding ecosystems throughout the watershed.

Progress is ongoing.

Assess the impact of our business on water users.

Progress is ongoing.

Assess how climate and social change may affect these risks over our expected life of the mine.

Progress is ongoing.

Long Term (2030)

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.

Planned objective.

OUR PERFORMANCE

With nearly 700 bodies of water and nearly 1,000 streams and rivers, the area surrounding the Bloom Lake mine is teeming with natural water resources. Understanding our water use and the impact of our operations on the local watersheds is central to our sustainability efforts.

A close focus on our operational water balance is essential to improving the effectiveness and efficiency of our water management practices. Our operational water balance over the last three years is presented below. The data presented in this section covers the 12-month period of October 1, 2020 to September 30, 2021. This is consistent with the reporting period used for water stewardship data in past reports.³⁵

WATER CONSUMPTION (IN MILLION CUBIC METERS)

	2019	2020	2021
Water input (Mm³)			
Groundwater dewatering	7.2	7	2.8
Precipitation on site	15.1	19.1	19.2
Reused or recycled water (Mm³)	11.7	9.7	9.8
Concentrator (change in stored water) (Mm³)	2.3	1.3	0.3
Water output (Mm³)			
Hydrological losses	5.2	6.2	5.5
Water used in the process	2.9	5.3	5.7
Treated water returned (Mm³)	11.9	13.3	13.5

³⁵ This discrepancy between the reporting period for water stewardship and other material topics was not disclosed in the 2019 and 2020 Sustainability Reports.

During the reporting year, structural improvements to our water processing reservoirs enabled us to increase our usage of reused and recycled process water from 86% to 93% year over year. As a result of these improvements, we reduced the amount of raw water taken from natural sources from 207 litres per tonne of iron concentrate produced (2020) to 111 litres per tonne.

PERFORMANCE

	2019	2020	2021
Percent of reused or recycled mining water (%)	95	86	93
Litres of water taken from natural sources per tonne of iron concentrate produced	82	207	111
Number of significant incidents associated with water ³⁶	0	0	0

In addition to the management of water that goes into our operations, QIO’s treatment of mining water is central to our overall water stewardship efforts.

There is generally an excess of natural water at the Bloom Lake site. 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. These ditches are connected to 39 transit water basins and 12 water retention basins that can safely contain and manage a 1 in100-year to a 1 in 1,000-year storm or flood. Any surplus water not used at the mine site is treated at our water processing unit. Water monitoring before evacuation includes physicochemical characterization and biological testing to determine if there are any

suspended materials in the water. A total of 13.5 Mm3 of water was returned into natural surface water in 2021 with 100% compliance with the physicochemical quality criteria to be met. Treated water is returned into Mazaré Lake, which is home to several species, none of which has special status or is a threatened or vulnerable species. Neither the Mazaré Lake nor the nearby downstream bodies of water and their associated habitats are designated as protected areas either nationally or internationally.

In 2021, there were no significant incidents of non-compliance associated with water quality permits, standards, and regulations, nor any incidents that could have a serious environmental impact or any medium or long-term effects on water resources.

³⁶ An event having a serious environmental impact involving medium- or long-term effects on the water resource and requiring rehabilitation.

During the reporting year, we upgraded our meteorological and weather station equipment to strengthen our on-site weather forecasting and water level prediction, and also improved a number of standard operating procedures, in line with our dedication to continuous improvement, particularly regarding climate-related risk management. This included a new preventive action procedure for warm-weather events, featuring a reviewed list of equipment that can be used to respond to warm winter event situations, as well as a new warm weather forecast communications procedure. We also provided new training across all departments to better prepare employees to deal with risks associated with spring-time and other rapid snowmelt events.



During the reporting period, we also focused on aligning our operations with MAC TSM's Water Stewardship Protocol, which is concerned with water governance, operational water management, watershed-level planning and water performance planning at mine sites. We are also aligning with the Crisis Management and Communications Planning Protocol, which considers management tools to deal with crises caused by physical emergencies such as floods. Over the course of 2021, we made significant investments in water management through infrastructure upgrades. This included completing repair and upgrade work on our two main water processing reservoirs, which have now returned to normal operations. We also completed major repairs to Basin A, which likewise returned to operational levels.

These various investments enabled us to increase our usage of recycled water from 86% (2020) to 93% (2021). This number is still below the exceptional result of 95% recycled water usage we achieved in 2019, but has occurred in the context of operational expansion. Our 2019 result remains our baseline standard, and we will continue to focus our efforts towards achieving this result in the future. Our increased usage of recycled process water enabled us to reduce the amount of raw water used from natural sources, from 207 litres per tonne of iron ore concentrate produced (2020) to 111 litres per tonne, thereby significantly decreasing the impact of our operations on the natural water bodies around the Bloom Lake mine, representing a 46% reduction when compared to the previous reporting period.

UN SDG



6. Clean water and sanitation

ICMM MP



6. Environmental performance



8. Responsible Production

MAC TSM

WATER STEWARDSHIP PROTOCOL

CRISIS MANAGEMENT AND COMMUNICATIONS PLANNING PROTOCOL



BIODIVERSITY

128	Our Approach
129	Our Objectives
131	Our Performance

Why this is important:

Biodiversity loss and negative ecosystem impacts constitute a risk to all stakeholders. Accordingly, we believe that protecting, conserving and restoring natural systems is crucial. Champion recognizes the value of biodiversity and understands the potential negative impacts that industrial activity can directly and indirectly have on biodiversity and ecosystems when not well-managed. Champion seeks to avoid contributing to any irreparable harm to our surrounding ecosystems, to ensure that future generations can benefit from and enjoy the bio-diverse ecosystem within which our operations are located.

Who this impacts:

The loss of biodiversity negatively affects local ecosystems that sustain flora and fauna, and can thereby negatively influence the well-being and livelihoods of Indigenous and local communities who rely on those ecosystems. Our biodiversity management and conservation efforts aim to minimize the impact of our activities to benefit all local stakeholders and their future generations.

Our principal asset, the Bloom Lake mine, is located in the Canadian boreal forest, home to many species of plants and animals, as well as natural resources upon which many local communities and Indigenous Peoples depend. We

are committed to acting sustainably and responsibly, preserving biodiversity and supporting the capacity of surrounding ecosystems for future generations.

OUR APPROACH

As mentioned in the Water Stewardship section, none of the lakes around the Bloom Lake mine, including the Mazaré Lake into which we return treated water, are designated as protected areas either nationally or internationally. However there are five reserves within 50 km of the mine site that are designated protected areas including: the Paakumshumwaau-Maatuskaau biodiversity reserve, the Gensart Lake biodiversity reserve, the Moisie River aquatic reserve, the Lac Ménistouc biodiversity reserve and the Bright Sand Lake biodiversity reserve. Fundamental to our approach is the precautionary principle, leading us to always err on the side of protective action where there is any uncertainty about the impact of our activities on local ecosystems.



Our approach is based on understanding our dependence and impacts on natural systems, as well as the important species within them.

Our approach is based on understanding our dependencies and impacts on natural systems, as well as the important species within them. This requires us also to understand the special value that our Indigenous partners and local communities may place on various ecosystem resources of the region. This knowledge helps guide a strategy founded on the prevention of negative impacts in the first instance, and the reduction of the impact of our operations on biodiversity. If negative impacts on the environment cannot be fully avoided, we implement measures to reduce and mitigate through the use of innovative technologies, targeted

technical adjustments or appropriate nature-based solutions. If ever negative impacts persist and our operations cause biodiversity loss, we introduce measures to compensate for that loss. Our objective in such circumstances is to offset a proven loss with an ecological gain that must be equivalent to or greater than that loss. Throughout our biodiversity compensation and conservation planning process, we strive to include partners, community members and other stakeholders who have an interest in the long-term maintenance of biodiversity of the region, and to respond to any concerns.

OUR OBJECTIVES

Our biodiversity and ecosystem objectives seek to minimize the impact of our operations on wildlife, flora, soil, water and air in the region. We integrate the importance of critical wildlife and plant habitats into corporate planning and operations. Our short-term objectives include continuing to implement our biodiversity management system, including objectives and action plans, monitoring and follow-up, as well as awareness programs. In the medium term, we seek to contribute to biodiversity conservation offsite by working with host communities, Indigenous partners or other public or private organizations, as well as by championing biodiversity amongst our industry peers. In the long term, we will work to contribute to a better scientific understanding of how best to protect biodiversity for the benefit of all our stakeholders.



OBJECTIVES

2021 UPDATE/PROGRESS

Short Term
(2021-2022)

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.

Progress is ongoing. During 2021, we continued working on compensation plans for fish habitat. Revegetation efforts continued throughout the year. We have successfully implemented a biodiversity awareness campaign for our employees, their families, and community youth in Vermont.

Medium Term
(2024)

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

Progress is ongoing. Our Biodiversity Protection and Monitoring Action Plan is being implemented since 2021. Local communities and Indigenous partners have been key participants in our biodiversity efforts, particularly in the development of compensation plans for fish habitat.

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

Progress is ongoing.

Long Term
(2030)

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

Planned objective.

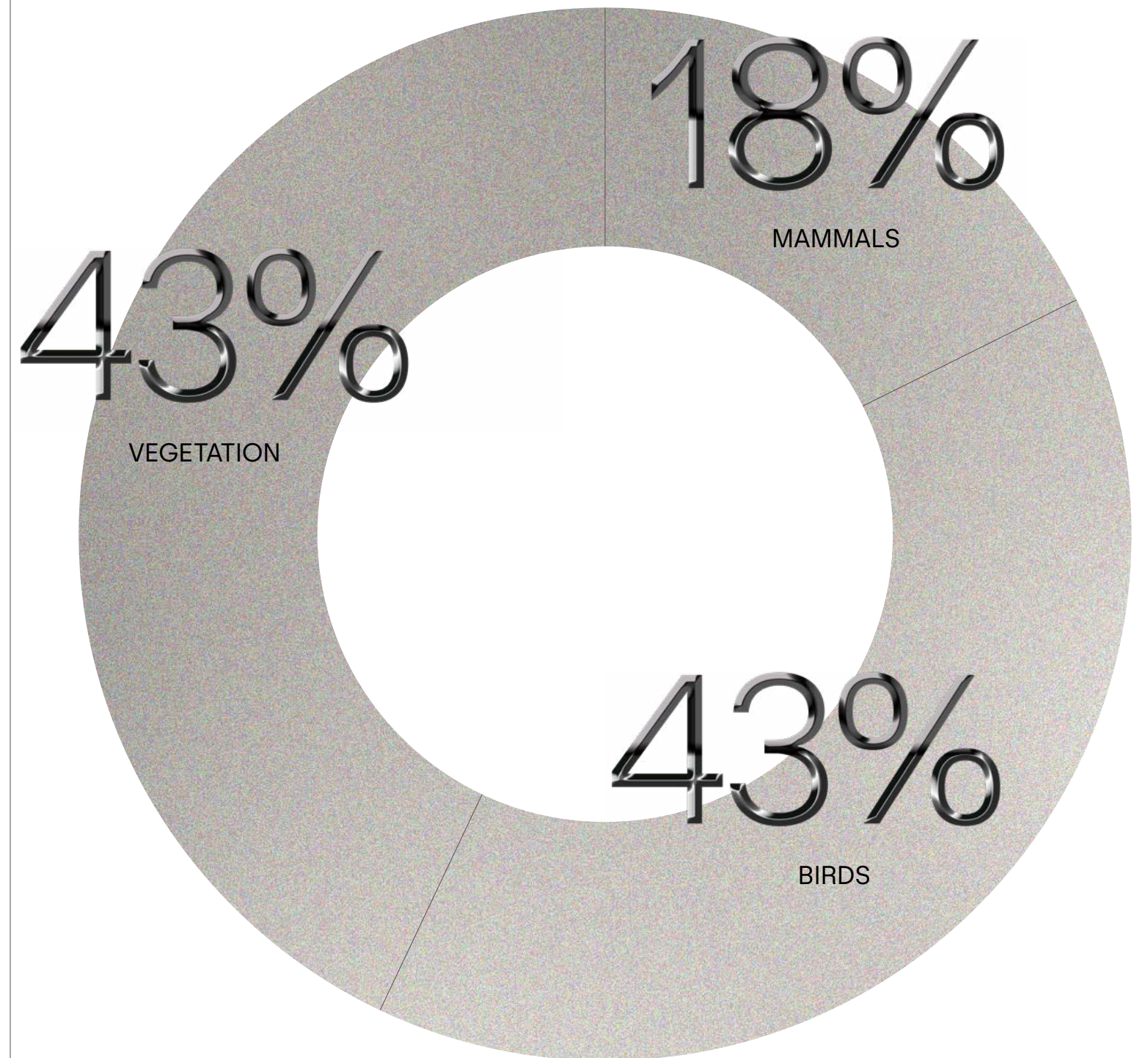
OUR PERFORMANCE

Our focus over the reporting period has been on implementing our existing Biodiversity Protection and Monitoring Action Plan, which covers the Bloom Lake Mine site area. Given the composition of the rock mass being mined at our site, our operations do not cause acid rock drainage that can negatively affect nearby ecosystems and waterways.

During 2021, we continued our work on compensation plans for fish habitat which seek to protect and support species of fish, as well as avian fauna and amphibians. The Bloom Lake site encroaches on several fish-bearing water bodies, creating an impact on local biodiversity. Though the plans are required by regulations, our efforts aim to meet or exceed legal obligations. During 2021, the planning of several projects was undertaken in close consultation with numerous Indigenous partners and stakeholders. One innovative compensation program emerged through collaboration with our Matimekush-Lac-John partners, who actively participated in all stages of the compensation project in the Schefferville area, and who carried

out the project in their territory. Another project focused on improving the Atlantic salmon run is also under study with the Indigenous community of Nutashkuan. The biodiversity portrait of the Bloom Lake mine area that we developed in 2020 showed us that vegetation is the main group contributing to local biodiversity, representing 40% of the total number of species, followed by invertebrates at 33% and birds at 20%. There are no areas officially designated as protected areas, or areas of high biodiversity, in or adjacent to our operations. In terms of species at risk, vegetation and birds are the two groups with the highest proportionate representation in the Bloom Lake Mine area at 43% each.

DISTRIBUTION OF SPECIES AT RISK



BIODIVERSITY³⁷ PORTRAIT
OF THE BLOOM LAKE MINE AREA

In our efforts to minimize our ecological footprint and protect local vegetation, we continuously seek to restore and revegetate areas affected by our operations during the mining life cycle. The table below shows our performance for the reporting period.

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

³⁷ This includes vegetation, invertebrates, birds, mammals, herpetofauna and fish.

Our Biodiversity Protection and Monitoring Action Plan covers the period 2021-2024. We are working with regional organizations, our Indigenous partners and groups and various levels of government to implement this action plan, which aims to reduce threats to biodiversity and to increase the resilience of ecosystems. The plan includes activities such as creating nesting habitats for the bank swallows, bat conservation and monitoring aquatic communities downstream of the mine site.

We are also undertaking two core projects with our Innu Takuaikan Uashat mak Mani-Utenam partners. One is to help us all better understand the Atlantic salmon habitat and populations in the Moisie River, in order to improve the management of salmon populations. The project features monitoring and related public awareness raising of the Atlantic salmon and their runs, as well as exploring the river’s salmon farming potential.

The second project is in collaboration with the Québec government, and focuses on mitigating the negative impact of human economic activity, including forestry and mining, on the habitat of the woodland caribou. Forest access roads disturb caribou habitat, as well as attract moose and the woodland caribou’s natural predator, the gray wolf. The project’s first objective is to reduce territorial access to sensitive sectors of caribou habitat, including through potential road closures, to decrease human disturbance.

The second objective is to use reforestation tools to make conditions more favourable to the caribou and less favourable to gray wolves.

During the reporting period, we continued our 2020 biodiversity communication campaign, designed to raise awareness among our employees and their families about the importance of biodiversity and its protection. The campaign included working with community youth in Fermont.

During the reporting year, we also focused on aligning our operations with MAC TSM’s Biodiversity Conservation Management Protocol, which seeks to confirm that mining companies make formal commitments and action plans for managing biodiversity, that these plans are implemented, and that reporting systems exist to inform decision-making and to communicate progress publicly.

AREAS REVEGETATED, DISTURBED AND RESTORED AREAS (IN HECTARES)

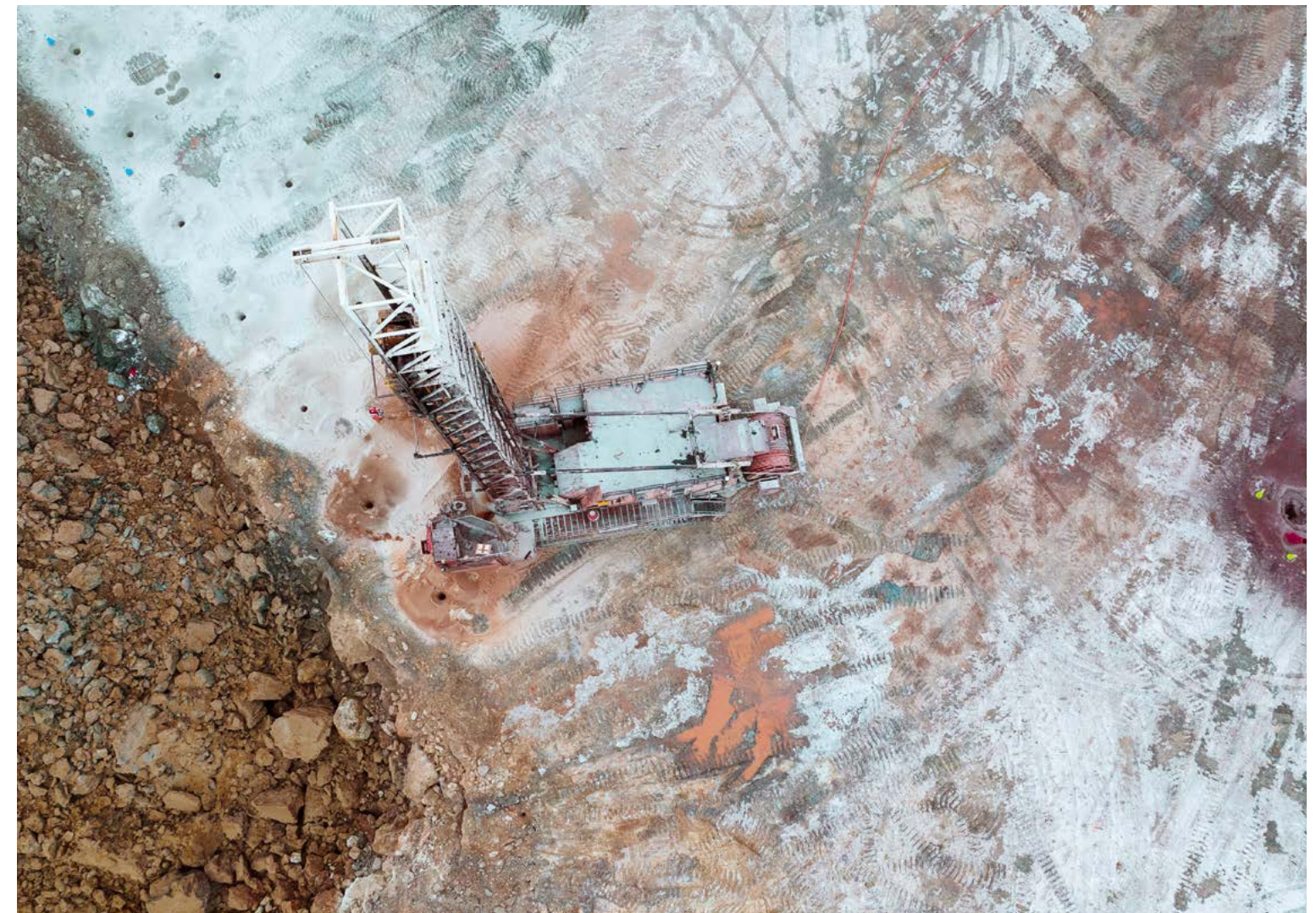
	2019	2020	2021
Revegetated Area	22	20	17
Area Previously Used and Unrestored	1,173	1,247	1,297
New Area Used	96	70	89
New Restored Area	22	20	17
Area Used and Not Restored at the End of the Year	1,247	1,297	1,369

PERFORMANCE INDICATORS: GRI 103-1, 103-2, 103-3, 304-1, 304-2, 304-3, 304-4, 413-2, MM01, MM02, SASB EM-MM-160A.1, EM-MM-160A.2, EM-MM-160A.3

We make every effort to contribute to biodiversity through our management practices and our awareness-raising efforts on biodiversity amongst our employees and local communities.

One of our projects during 2021 focused on clearing a passage clogged by rocks in the Mistassini River in order to promote the upstream migration of Atlantic salmon and to allow them access to their reproductive habitats. The project improved the salmon's breeding conditions leading to a population increase. Inspired by this success, we decided to further promote awareness about biodiversity and our practices through an information campaign in Fermont and Bloom Lake. We produced a booklet highlighting various species that

make up the rich diversity of species (mammals, plants, fish, and birds) in the area. It was given to our employees, and as part of the campaign we also initiated a drawing contest for our employees' children, inviting them to illustrate their vision of biodiversity. The successful initiative contributed to deepening the knowledge of a broad range of people living and working around the Bloom Lake mine complex, regarding the importance of biodiversity and how we impact the environment around us.



UN SDG



15. Terrestrial life

ICMM MP



7. Biodiversity conversation

MAC TSM

BIODIVERSITY CONSERVATION
PROTOCOL

15

AIR QUALITY

137	Our Approach
138	Our Objectives
140	Our Performance

Why this is important:

The mining process entails a range of air quality impacts. Our commitment to be responsible operators and environmental stewards extends to our objective to minimize these impacts, including GHG emissions as well as dust and gas emissions. With air pollution being an increasing topic of global concern, Champion is committed to identifying opportunities to continually reduce the emissions produced from our operational processes.

Who this impacts:

In addition to the impact on local flora and fauna, air emissions from our operations have a direct impact on the health of our employees, contractors and suppliers, local communities and our Indigenous partners. Certain emissions also augment the risks associated with climate change impacts, which affect local and global stakeholders.

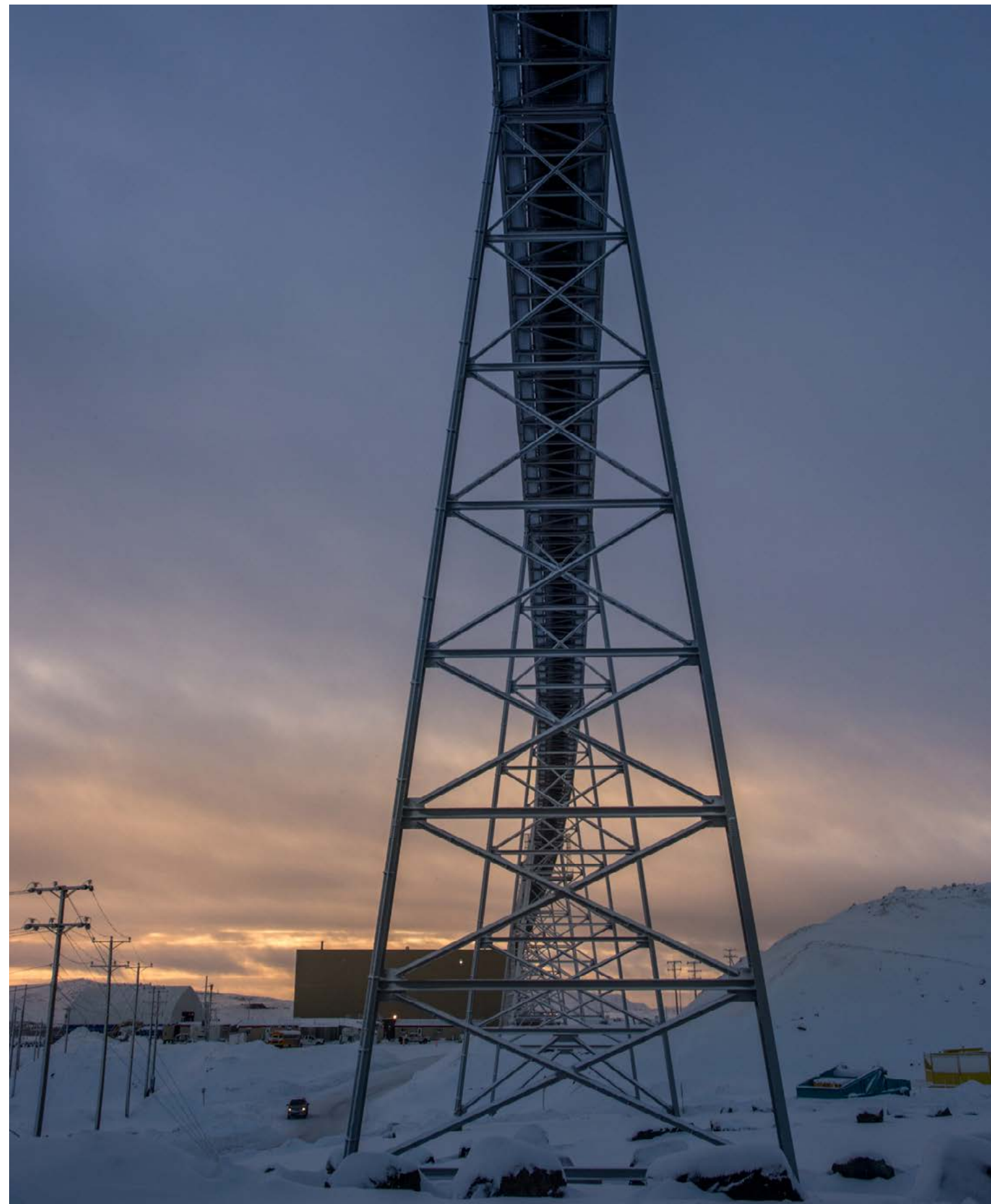
Mining generates air pollutants related to activities such as fuel combustion, blasting, hauling and the handling and storage of materials on the mine site. Iron concentrate production generate gases including carbon monoxide (CO), sulfur dioxide (SO₂) and nitrogen oxide (NO_x), as well as dust

particulate matter. To respect its commitment to protect the environment and minimize pollution, Champion aims to meet all legal requirements and to reduce at the source the production of atmospheric emissions by continuously retooling our operations.

OUR APPROACH

QIO advocates a preventive approach, seeking to reduce or control the production and emission of air pollutants into the environment.

We monitor our emissions and regularly look for ways to reduce them, implementing infrastructure improvements and experimenting with novel processes across our operations. In light of growing regulatory requirements and the interconnections between various environmental aspects, our work at improving air quality and reducing air emissions often occurs in conjunction with our efforts on energy, climate change and biodiversity. For example, in 2020 QIO revegetated surface areas around the Bloom Lake tailings storage facilities which helped minimize fugitive dust emissions caused by wind.



OUR OBJECTIVES



In the short term, we are continuously working to improve and optimize our systems to facilitate company-wide mobilization in improved air quality performance. In the medium term, we will work to establish more partnerships and create business opportunities with local stakeholders with the goal of minimizing air emissions. We also want to encourage technological initiatives designed to minimize air emissions caused by combustion.

Over the long term we intend to promote the creation of a local hub that brings expertise and equipment to the site to create synergies that could generate other collaborations and partnerships in areas where we operate.

OBJECTIVES

2021 UPDATE/PROGRESS

Short Term
(2021-2022)

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

Progress is ongoing. During 2021, we improved our recycling processes, which in turn has reduced the amount of waste we must transport by truck, reducing GHG emissions.

Medium Term
(2024)

Deploy necessary leadership to establish partnerships and create business opportunities with local stakeholders based on a more sustainable management approach.

Progress is ongoing. We are in negotiations with the town of Vermont and a regional iron ore producer to develop a local waste management site that would reduce distance for waste transportation, thereby reducing our GHG emissions.

Encourage technological initiatives and green energies to minimize air emissions caused by combustion.

Progress is ongoing. We are constantly finding innovative ways to reduce emissions across our operations. In 2021 we installed devices in our truck fleet that automatically turn engines off when idling, reducing GHG emissions.

Long Term
(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.

Planned objective.

OUR PERFORMANCE

Air emissions associated with mining include coarse dust particles (diameter of less than 10 microns [PM10]) and fine dust particles (diameter of less than 2.5 microns [PM2.5]), which are generated by sources such as vehicle traffic, unloading of materials, storage of mine tailings, blasting, and crushing. Our emissions also include gases generated by the combustion of fuels from mobile or stationary sources, including carbon monoxide (CO), sulfur dioxide (SO₂) and nitrogen oxide (NO_x). Our emissions do not include any ozone-depleting substances. During the reporting period, there was one instance where recorded emission slightly exceeded regulatory allowable levels. This slight exceeding is related to the installation of a new burner that was not properly calibrated at first. There was too much air entering the system, which contributed to increased NO_x emissions during combustion. We simply calibrated the system to allow it to operate properly.



During the reporting period, our emissions increased with the ongoing expansion of our operations. We nevertheless undertook several projects with the goal of reducing our air emissions, as part of our commitment to continuous improvement.

Working in collaboration with our explosives suppliers, we developed a new explosive recipe for our blasting activities. This change significantly reduced the NO_x produced from rock blasting fumes. Measuring on a 5-point scale, our average rate declined from 3.8 in 2017-2019, to 1.2 in 2021. However, because we increased our blasting activities, our overall emissions of NO_x and CO still increased, despite the new blasting recipe. We also implemented an additional element to our Continuous Emission Monitoring System ("CEMS") to monitor combustible gases emitted from our plant chimneys. We have installed systems that are triggered in the case

of malfunction of any equipment. This allows us to fix and adjust our equipment as needed to meet and respect allowable emission limits.

Given the ongoing expansion of our mining operations, we are working to reduce our dust emissions. Accordingly, we employed atmospheric modeling to plan mitigation measures for dealing with expansion of our mining activities. These measures include avoiding blasting when wind conditions make dust control difficult, reducing the size of blasts depending on the location in the pit, and wetting roads to control dust.

During the reporting period, we began an infrastructure improvement study of the ore storage facilities designed to reduce ore exposure to wind thereby contributing to a reduction of dust generation. This has been part of our ongoing efforts to investigate new dust suppression techniques and improve our practices wherever possible.

During the reporting year, we also focused on aligning our operations with MAC TSM’s Climate Change Protocol, which provides guidance on developing facility-level systems to manage GHG emissions.

	2019	2020	2021
Type of Air Emission			
Nitrogen oxide (NO _x) emissions per tonne of iron concentrate produced (kg)	0.0119	0.0101	0.0295
PM25 fine particle emissions per tonne of iron concentrate produced (kg)	0.012	0.0112	0.0336
Type of Air Emission (in tonnes)			
Carbon Monoxide (CO)	48	51.7 ³⁸	233
Nitrogen Oxide (NO _x)	90	76.5	145
Sulphur Dioxide (SO ₂)	9	6.3	9.6
Particles < 10 microns (PM10)	584	566 ³⁹	1,891
Particles < 2.5 microns (PM2.5)	91	85.5 ⁴⁰	265

³⁸ This figure was incorrectly reported in the 2020 Sustainability Report as 5.7 tonnes.
³⁹ This data is incorrect and will be corrected after the publication of the 2021 Sustainability Report. The correct data will be published in the 2022 Sustainability Report.

⁴⁰ This data is incorrect and will be corrected after the publication of the 2021 Sustainability Report. The correct data will be published in the 2022 Sustainability Report.

PERFORMANCE INDICATORS: GRI 103-1, 103-2, 103-3, 305-6, 305-7, 307-1, 413-2 SASB EM-MM-120A.1

As part of our dedication to continuously improve infrastructure designed to reduce our emissions, during the reporting period we added new features to increase the efficiency of our CEMS to monitor combustible gases emitted by our plant chimneys. Our plant emits combustible gases as part of our regular operations, and our emissions must meet certain regulatory standards.

Our new CEMS system ensures that we can go above and beyond meeting those standards. The system includes detectors and alarms that continuously monitor emissions. If the gases emitted reach a specified level, set below regulatory criteria, an alarm is raised allowing our employees to assess the situation promptly. This process ensures that we have ample time to investigate the cause of any increase, and to address it, greatly reducing the chance that our emissions will exceed regulatory criteria.



UN SDG



11. Sustainable cities and communities



12. Responsible consumption and production



13. Climate action

ICMM MP



6. Environmental performance



8. Responsible Production

MACTSM

CLIMATE CHANGE PROTOCOL

16

CLOSURE & RECLAMATION

145	Our Approach
146	Our Objectives
148	Our Performance

Why this is important:

Since iron ore deposits are finite, planning for eventual closure and mine site reclamation is central to operations over the long term, as well as to our contributions to sustainable development in the communities where we operate. Good closure planning starts before mining begins, keeping the eventual end of operations in mind to ensure that a responsible mining management approach continues throughout the full life cycle of a mine.

Who this impacts:

QIO's closure and reclamation efforts impact many of our stakeholders, especially our employees who rely on us for employment and the local communities and Indigenous partners inhabiting the region, who are affected by our operations.

Ensuring access to land required for our activities and maintaining our social license to operate both depend on responsible environmental, social and economic practices throughout the entire mining lifecycle. Hence, our role as responsible operators requires that we undertake a proactive approach

to closure planning that takes into account progressive reclamation and future post-mining land use, including strategies to mitigate any negative impacts on our stakeholders arising from mine closure.

OUR APPROACH

At the root of our approach to closure and reclamation is a dedication to early planning. Mine closure is the last step of mining operations, and we update closure and restoration planning as our operations continue to evolve as required by law. The goal is to ensure the long-term physical stability and chemical integrity of the mine site for the surrounding communities.



As per Canadian and Québec law, QIO was required to plan for closure before entering into production and to update this planning with any expansion activities. This planning also includes the provision of financial assurance to ensure that appropriate funding will be available for effective mine closure and reclamation. QIO is committed to working with its Indigenous partners, local communities, and a range of stakeholders to develop closure plans and strategies that have a positive socio-economic impact for host communities while minimizing the environmental footprint of mine closure.

OUR OBJECTIVES

Managing mine closure is an integral part of the commitments made under the MAC TSM Guiding Principles.

In line with best practice, our objective is to work with communities and our Indigenous partners in future closure planning. This strategic alignment aims to develop reclamation and remediation objectives reflecting stakeholder values and future needs, while mitigating negative environmental and socio-economic

impacts of mine closure and post-closure. We recognize that community engagement on end land use planning is crucial to building and maintaining long-term community support for our mining operations. QIO is to focus on this objective for the medium and long term.



OBJECTIVES

2021 UPDATE/PROGRESS

Short Term
(2021-2022)

Revise closure plan as we move through expansion activities of Phase II.

Completed. A revised Closure Plan was completed during 2021, submitted and approved by regulatory authorities.

Medium Term
(2024)

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

Progress is ongoing. The next update to our closure plan is scheduled for 2026.

Long Term
(2030)

Uphold our sustainable post-closure vision, and collaborate with stakeholders to establish a post-operation social and environmental plan in line with the expectations of communities and their future territory and land use.

Progress is ongoing. We continue to include members of local communities and Indigenous partners in the design of our operations, incorporating their concerns and minimizing the negative impacts of our activities on them, while maximizing potential benefits.

Develop a closure and restoration plan according to a concerted approach with the communities and using the latest available environmental technologies.

Progress is ongoing.

OUR PERFORMANCE



Expanding our production with the Phase II project required us to revise our mine closure planning. This was therefore a major focus area for the reporting period. During 2021, our efforts centered on updating our Mine Closure Plan, which increases the overall scale and scope of our planned closure and reclamation efforts. This update was necessary for permitting requirements. It was also an occasion to include new best practices for the closure of our site.

Our revised closure plan now includes consideration of the Bloom Lake Phase II project, as well as the additional waste rock storage areas and anticipated mine tailings facilities. The review also includes an update to our financial guarantees toward the government of Québec and an update of the anticipated costs for reclamation. The update was carried out in accordance with the Québec Mining Act and in accordance with the recommendations of the 2017 Québec Ministry of Energy and Natural Resources guide for preparing Québec mine site rehabilitation and restoration plans. The plan also

considers potential climate change scenario impacts, more details on which are provided in the Energy & Climate Change section.

We also continued our progressive revegetation efforts, which are ongoing every year. These activities are intended to restore and rehabilitate areas that we are no longer using. Accordingly, this year we revegetated an additional 17 hectares. For more details, see the [Biodiversity](#) section of this report.

During the reporting period, we continued to pursue alignment with MAC TSM's Mine Closure Framework.

In 2021, we updated our Mine Closure Plan to include our activities associated with the Phase II expansion project. The life-of-mine closure cost estimate has been updated to \$118,010,412 (in 2021 dollars), including engineering costs, monitoring costs, and a 15% contingency.



This includes approximately \$85.5 million in direct closure and reclamation costs, and \$17 million in indirect costs, such as engineering plans and monitoring during both closure and post-closure. Ultimately, a total of approximately \$15.3 million was included for contingencies. The update has been developed in consultation with various stakeholders, including the Québec provincial government. It is underpinned by our commitment to return the site to a visually acceptable state for local communities, and to rehabilitate the infrastructure site to a state that is compatible with future land use. Following a feedback and review process, the revised plan was approved by the provincial government for a period of 5 years.

The updated plan details important prevention, rehabilitation and restoration measures, including a focus on eliminating any potential unacceptable health risks and ensuring the safety of the residents of local communities. There are also provisions for offsetting, any unplanned temporary halt to mining activities and a dedicated emergency response plan for the closure phase.

Importantly, the plan was also informed by a climate risk identification and assessment exercise, detailing preliminary measures to help us understand the project’s resilience with respect to climate change and to plan for the management of future climate-related risks during closure.

UN SDG



15. Terrestrial life

ICMM MP



2. Decision-making

MACTSM

MINE CLOSURE FRAMEWORK

Performance Indicators:

GRI 103-1, 103-2, 103-3, 413-2, MM10



APPENDIX: GRI, SASB & TCFD CONTENT INDEX

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167	TCFD Content Index
171	Forward-Looking Statements

GLOBAL REPORTING INITIATIVE (GRI) CONTENT INDEX

	GRI STANDARD NUMBER	DISCLOSURE	REFERENCE	COMMENTARY
ORGANIZATIONAL PROFILE	GRI 102-01	Name of the organization	About Champion Iron	
	GRI 102-02	Activities, brands, products, and services	About Champion Iron ; About Champion Iron – Our Product	
	GRI 102-03	Location of headquarters	About Champion Iron	
	GRI 102-04	Location of operations	About Champion Iron	
	GRI 102-05	Ownership and legal form	About Champion Iron	
	GRI 102-06	Markets served	About Champion Iron – Our Product	
	GRI 102-07	Scale of the organization	About Champion Iron – Our Operations	
	GRI 102-08	Information on employees and other workers	About Champion Iron – Our Operations ; Our People – Our Performance	
	GRI 102-09	Supply chain	About Champion Iron – Our Value Chain	
	GRI 102-10	Significant changes to the organization and its supply chain	About Champion Iron – Our Value Chain	
	GRI 102-11	Precautionary principle or approach	Our Approach to Sustainability	
	GRI 102-12	External initiatives	Our Approach to Sustainability – Sustainability Guidance	
	GRI 102-13	Membership of associations	Our Approach to Sustainability – Sustainability Guidance	

	GRI STANDARD NUMBER	DISCLOSURE	REFERENCE	COMMENTARY
STRATEGY	GRI 102-14	Statement from senior decision-maker	A Word from Our Leadership	
	GRI 102-15	Key impacts, risks, and opportunities	Energy and Climate Change – Our Performance	Partial reporting. We provide this analysis with respect to climate impacts, risks and opportunities.
ETHICS AND INTEGRITY	GRI 102-16	Values, principles, standards, and norms of behavior	Governance – Business Conduct and Ethics	
	GRI 102-17	Mechanisms for advice and concerns about ethics	Governance – Business Conduct and Ethics	Partial reporting.
GOVERNANCE	GRI 102-18	Governance structure	Governance – Sustainability Governance Structure	
	GRI 102-20	Executive-level responsibility for economic, environmental, and social topics	Governance – Sustainability Governance Structure	
	GRI 102-21	Consulting stakeholders on economic, environmental, and social topics	About This Report – Sustainability Materiality Assessment	
	GRI 102-22	Composition of the highest governance body and its committees	Governance – Our Approach	
	GRI 102-26	Role of highest governance body in setting purpose, values, and strategy	Governance – Our Approach	
	GRI 102-27	Collective knowledge of the highest governance body	Governance – Our Approach	
	GRI 102-29	Identifying and managing economic, environmental, and social impacts	Governance – Our Approach	
	GRI 102-30	Effectiveness of risk management processes	Our Approach to Sustainability – Management Framework	
	GRI 102-32	Highest governance body’s role in sustainability reporting	Our Approach to Sustainability – Management Framework	
GRI 102-33	Communicating critical concerns	Governance – Business Conduct and Ethics		

GRI STANDARD NUMBER	DISCLOSURE	REFERENCE	COMMENTARY
GOVERNANCE	GRI 102-35	Remuneration policies	Partial reporting.
STAKEHOLDER ENGAGEMENT	GRI 102-40	Executive-level responsibility for economic, environmental, and social topics	
	GRI 102-41	Consulting stakeholders on economic, environmental, and social topics	
	GRI 102-42	Composition of the highest governance body and its committees	
	GRI 102-43	Approach to stakeholder engagement	
	GRI 102-44	Key topics and concerns raised	
REPORTING PRACTICE	GRI 102-45	Entities included in the consolidated financial statements	
	GRI 102-46	Defining report content and topic boundaries	
	GRI 102-47	List of material topics	
	GRI 102-48	Restatements of information	
	GRI 102-49	Changes in reporting	
	GRI 102-50	Reporting period	
	GRI 102-51	Date of most recent report	

GRI STANDARD NUMBER	DISCLOSURE	REFERENCE	COMMENTARY
REPORTING PRACTICE	GRI 102-52	Reporting cycle	About this Report – About our Reporting Practice
	GRI 102-53	Contact point for questions regarding the report	About this Report – About our Reporting Practice
	GRI 102-54	Claims of reporting in accordance with the GRI standards	About this Report – About our Reporting Practice
	GRI 102-55	GRI content index	GRI Index
	GRI 102-56	External assurance	GRI Index
MANAGEMENT APPROACH	GRI 103-1	Explanation of the material topic and its boundary	About this Report – Sustainability Materiality Assessment ; Individual material topics are covered within each chapter in the performance section.
	GRI 103-2	The management approach and its components	Our Approach to Sustainability – Management Framework ; Individual material topics are covered within each chapter in the performance section.
	GRI 103-3	Evaluation of the management approach	Our Approach to Sustainability – Management Framework ; Individual material topics are covered within each chapter in the performance section.
ECONOMIC INDICATORS	GRI 201-1	Direct economic value generated and distributed	About Champion Iron – Our Operations; Governance – Business Conduct and Ethics
	GRI 201-2	Financial implications and other risks and opportunities due to climate change	Energy and Climate Change – Our Performance
	GRI 201-3	Defined benefit plan obligations and other retirement plans	Our People – Our Performance

ECONOMIC INDICATORS	GRI STANDARD NUMBER	DISCLOSURE	REFERENCE	COMMENTARY
	GRI 201-4	Financial assistance received from government	GRI Index	Partial reporting. We received financial assistance from the government of the province of Québec.
	GRI 202-1	Ratios of standard entry level wage by gender compared to local minimum wage	<u>Our People – Our Performance</u>	Partial reporting. We do not distinguish by gender.
	GRI 202-2	Proportion of senior management hired from the local community	<u>Communities and Indigenous Peoples – Our Performance</u>	All of our senior managers are residents of the province of Québec. We do not collect data on how many managers come from the local municipality of Fermont.
	GRI 203-1	Infrastructure investments and services supported	<u>Communities and Indigenous Peoples – Our Performance</u>	
	GRI 203-2	Significant indirect economic impacts	<u>About Champion Iron – Our Value Chain; Our People – Our Performance; Communities and Indigenous Peoples – Our Performance</u>	
	GRI 204-1	Proportion of spending on local suppliers	<u>Communities and Indigenous Peoples – Our Performance</u>	
	GRI 205-1	Operations assessed for risks related to corruption	<u>Governance – Business Conduct and Ethics</u>	
	GRI 205-2	Communication and training about anti-corruption policies and procedures	<u>Governance – Business Conduct and Ethics</u>	
	GRI 205-3	Confirmed incidents of corruption and actions taken	<u>Governance – Business Conduct and Ethics</u>	
	GRI 206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	<u>Governance – Business Conduct and Ethics</u>	

ENVIRONMENTAL INDICATORS	GRI STANDARD NUMBER	DISCLOSURE	REFERENCE	COMMENTARY
	GRI 301-1	Materials used by weight or volume	About Champion Iron – Our Operations	The following materials are used: ore, waste rock, explosives, chemicals, lubricants, rubber. The amount of raw material used in 2021 was 44 million tonnes.
	GRI 301-2	Percentage of materials used that are recycled input materials	GRI Index	Recycled input materials: 10.5%.
	GRI 302-1	Energy consumption within the organization	Energy and Climate Change – Our Performance	
	GRI 302-3	Energy intensity	Energy and Climate Change – Our Performance	
	GRI 303-1 (2018)	Interactions with water as a shared resource	Water Stewardship – Our Performance	
	GRI 303-3 (2018)	Water withdrawal	Water Stewardship – Our Performance	
	GRI 303-4 (2018)	Water discharge	Water Stewardship – Our Performance	
	GRI 304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Biodiversity – Our Performance	
	GRI 304-2	Significant impacts of activities, products, and services on biodiversity	Biodiversity – Our Performance	
	GRI 304-3	Habitats protected or restored	Biodiversity – Our Performance	
	GRI 304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Biodiversity – Our Performance	
	GRI 305-1	Direct (Scope 1) GHG Emissions	Energy and Climate Change – Our Performance	
	GRI 305-2	Energy indirect (Scope 2) GHG emissions	Energy and Climate Change – Our Performance	

	GRI STANDARD NUMBER	DISCLOSURE	REFERENCE	COMMENTARY
ENVIRONMENTAL INDICATORS	GRI 305-4	GHG emissions intensity	Energy and Climate Change – Our Performance	
	GRI 305-5	Reduction of GHG Emissions	Energy and Climate Change – Our Performance	
	GRI 305-6	Emissions of ozone-depleting substances	Air Quality – Our Performance	
	GRI 305-7	Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	Air Quality – Our Performance	
	GRI 306-1 (2020)	Waste generation and significant waste related impacts	Waste Management – Our Performance	
	GRI 306-2 (2020)	Management of significant waste related impacts	Waste Management – Our Performance	Partial reporting.
	GRI 306-3 (2020)	Waste generated	Waste Management – Our Performance	
	GRI 306-4 (2020)	Waste diverted from disposal	Waste Management – Our Performance	
	GRI 306-5 (2020)	Waste directed to disposal	Waste Management – Our Performance	
	GRI 307-1	Non-compliance with environmental laws and regulations	Tailings Management – Our Performance ; Waste Management – Our Performance ; Water Stewardship – Our Performance ; Air Quality – Our Performance	
SOCIAL INDICATORS	GRI 308-1	New suppliers that were screened using environmental data	GRI Index	No new suppliers were selected using environmental data in 2021.
	GRI 401-01	New employee hires and employee turnover	Our People – Our Performance	
	GRI 402-01	Minimum notice periods regarding operational changes	GRI Index	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.

SOCIAL INDICATORS	GRI STANDARD NUMBER	DISCLOSURE	REFERENCE	COMMENTARY
	GRI 403-01 (2018)	Occupational health and safety management system	Health, Safety and Well-being – Our Performance	
	GRI 403-02 (2018)	Hazard identification, risk assessment, and incident investigation	Health, Safety and Well-being – Our Performance	
	GRI 403-03 (2018)	Occupational health services	Health, Safety and Well-being – Our Performance	
	GRI 403-04 (2018)	Worker participation, consultation, and communication on occupational health and safety	Health, Safety and Well-being – Our Performance	
	GRI 403-05 (2018)	Worker training on occupational health and safety	Health, Safety and Well-being – Our Performance	
	GRI 403-06 (2018)	Promotion of worker health	Health, Safety and Well-being – Our Performance	
	GRI 403-07 (2018)	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Health, Safety and Well-being – Our Performance	
	GRI 403-08 (2018)	Workers covered by an occupational health and safety management system	Health, Safety and Well-being – Our Performance	
	GRI 403-09 (2018)	Work-related injuries	Health, Safety and Well-being – Our Performance	
	GRI 403-10 (2018)	Work-related ill health	Health, Safety and Well-being – Our Performance	
	GRI 404-1	Average hours of training per year per employee	Our People – Our Performance	
	GRI 405-1	Diversity of governance bodies and employees	Our People – Our Performance	
	GRI 405-2	Ratio of basic salary and remuneration of women to men	Our People – Our Performance	

SOCIAL INDICATORS	GRI STANDARD NUMBER	DISCLOSURE	REFERENCE	COMMENTARY
	GRI 406-1	Incidents of discrimination and corrective actions taken	<u>Governance – Human Rights</u>	
	GRI 407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	<u>Governance – Human Rights</u>	
	GRI 408-1	Operations and suppliers at significant risk for incidents of child labor	<u>Governance – Human Rights</u>	
	GRI 409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	<u>Governance – Human Rights</u>	
	GRI 410-1	Security personnel trained in human rights policies or procedures	GRI Index	No human rights training was provided to security personnel in 2021. We are evaluating how we can provide such training in the future.
	GRI 411-1	Incidents of violations involving rights of Indigenous peoples	<u>Communities and Indigenous Peoples – Our Performance</u>	
	GRI 412-1	Operations that have been subject to human rights reviews or impact assessments	<u>Governance – Human Rights</u>	
	GRI 412-2	Employee training on human rights policies or procedures	<u>Governance – Human Rights</u>	
	GRI 412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	<u>Communities and Indigenous Peoples – Our Performance</u>	
	GRI 413-1	Operations with local community engagement, impact assessments, and development programs	<u>Communities and Indigenous Peoples – Our Performance</u>	

SOCIAL INDICATORS	GRI STANDARD NUMBER	DISCLOSURE	REFERENCE	COMMENTARY
SOCIAL INDICATORS	GRI 413-2	Operations with significant actual and potential negative impacts on local communities	Communities and Indigenous Peoples – Our Performance ; Tailings Management – Our Performance ; Waste Management – Our Performance ; Water Stewardship – Our Performance ; Biodiversity – Our Performance ; Air Quality – Our Performance ; Closure and Reclamation – Our Performance	
	GRI 414-1	Percentage of new suppliers that were screened using human rights criteria	GRI Index	No new suppliers were screened using human rights criteria in 2021.
	GRI 415-1	Political contributions	GRI Index	No political contributions were made in 2021.
	GRI 419-1	Non-compliance with laws and regulations in the social and economic area	Governance – Human Rights ; Our People – Our Performance ; Communities and Indigenous Peoples – Our Performance	
ADDITIONAL INDICATORS – GRI G4 MINING AND METALS SECTOR DISCLOSURES	GRI MM01	Amount of land disturbed or rehabilitated	Biodiversity – Our Performance	
	GRI MM02	Sites identified as requiring biodiversity management plans according to stated criteria, and sites with plans in place	Biodiversity – Our Performance	
	GRI MM03	Total amounts of overburden, rock, tailings and sludge, and their associated risks	Tailings Management – Our Performance	
	GRI MM04	Strikes and Lockouts	Our People – Our Performance	
	GRI MM05	Operations taking place in or near Indigenous territory	Energy and Climate Change – Our Performance ; Communities and Indigenous Peoples	
	GRI MM06	Disputes relating to land use, customary rights or local communities and indigenous peoples	Energy and Climate Change – Our Performance ; Communities and Indigenous Peoples	

GRI STANDARD NUMBER

DISCLOSURE

REFERENCE

COMMENTARY

ADDITIONAL INDICATORS – GRI G4 MINING AND METALS SECTOR DISCLOSURES

GRI MM07

Use of grievance mechanisms & outcomes

Governance – Business Conduct and Ethics; Energy and Climate Change – Our Performance; Communities and Indigenous Peoples – Our Performance; Our People – Our Performance

GRI MM08

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

GRI Index

GRI MM09

Sites where resettlement took place, the number of households resettled in each, and how their livelihoods were affected in the process

GRI Index

GRI MM010

Number and percentage of operations with a closure plan

Closure and Reclamation – Our Performance

Our operations are not located in or near areas where artisanal or small-scale mining takes place, and our operations did not require the resettlement of any communities near our operations. None of our operations or reserves are in located in areas of active conflict.

In 2021 there were no resettlements.

Champion has one operation and its closure plan was revised in 2021

SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) 2021 CONTENT INDEX

Sustainability Disclosure Topics & Accounting Metrics

	SASB METALS & MINING STANDARD CODE	ACCOUNTING METRIC	UNIT OF MEASURE	REFERENCE	COMMENTARY
GREENHOUSE GAS EMISSIONS	EM-MM-110a.1	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations.	Metric tons CO-e	<u>Energy and Climate Change – Our Performance</u>	
	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	<u>Energy and Climate Change – Our Performance</u>	
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 (PM10), (5) mercury (Hg), (6) lead (Pb), and (7) volatile organic compounds (VOCs)	Metric tons (t)	<u>Air Quality – Our Performance;</u> <u>Waste Management – Our Approach</u>	1) CO: 233.4 tonnes; 2) NO _x : 144.8 tonnes; 3) SO _x : 9.6 tonnes; 4) PM10: 1891; 5) Mercury: 0.0000587 tonnes; 6) Lead: 0.01467 tonnes; 7) COV: 7.8 tonnes.
ENERGY MANAGEMENT	EM-MM-130a.1	(1) Total energy consumed, (2) percentage grid, (3) percentage renewable	1) Gigajoules; 2) Percentage	<u>Energy and Climate Change – Our Performance</u>	1) 2,403,000 GJ; 2) 53%; 3) 53%.

	SASB METALS & MINING STANDARD CODE	ACCOUNTING METRIC	UNIT OF MEASURE	REFERENCE	COMMENTARY
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	1) Thousand cubic meters; 2) Percentage	Water Stewardship – Our Performance	(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
	EM-MM-140a.2	Number of incidents of non-compliance associated with permits, standards, and regulations	Number.	Water Stewardship – Our Performance	
WASTE AND HAZARDOUS MATERIALS MANAGEMENT	EM-MM-150a.4	Total weight of non-mineral waste generated	Metric tons (t)	Waste Management – Our Approach	
	EM-MM-150a.5	Total weight of tailings produced	Metric tons (t)	Tailings Management – Our Approach	
	EM-MM-150a.6	Total weight of waste rock generated	Metric tons (t)	Waste Management – Our Approach	
	EM-MM-150a.7	Total weight of hazardous waste generated	Metric tons (t)	Waste Management – Our Approach	
	EM-MM-150a.8	Total weight of hazardous waste recycled	Metric tons (t)	Waste Management – Our Approach	
	EM-MM-150a.9	Number of significant incidents associated with hazardous materials and waste management	Number.	Waste Management – Our Approach	
	EM-MM-150a.10	Description of waste and hazardous materials management policies and procedures for active and inactive operations	N/A	Waste Management – Our Approach	

	SASB METALS & MINING STANDARD CODE	ACCOUNTING METRIC	UNIT OF MEASURE	REFERENCE	COMMENTARY
BIODIVERSITY IMPACTS	EM-MM-160a.1	Description of environmental management policies and practices for active sites	N/A	Biodiversity – Our Performance	
	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	Biodiversity – Our Performance	
	EM-MM-160a.3	Percentage of (1) proved and (2) probable reserves in or near sites with protected conservation status or endangered species habitat	Percentage	Biodiversity – Our Performance	Proven: 100% Probable: 100%
SECURITY, HUMAN RIGHTS & RIGHTS OF INDIGENOUS PEOPLES	EM-MM-210a.1	Percentage of (1) proved and (2) probable reserves in or near areas of conflict	Percentage	SASB Index	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	Communities and Indigenous Peoples – Our Performance	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	Communities and Indigenous Peoples – Our Performance	
COMMUNITY RELATIONS	EM-MM-210b.1	Discussion of process to manage risks and opportunities associated with community rights and interests	Metric tons (t)	Waste Management – Our Approach	
	EM-MM-210b.2	Number and duration (# of days) of non-technical production delays	Metric tons (t)	Waste Management – Our Approach	
LABOUR RELATIONS	SASB EM-MM-310a.1	Percentage of active workforce covered under collective bargaining agreements, broken down by U.S. and foreign employees.	Percentage	Our People – Our Performance	
	EM-MM-310a.2	Number and duration of strikes and lockouts	Number, Days	Our People – Our Performance	

	SASB METALS & MINING STANDARD CODE	ACCOUNTING METRIC	UNIT OF MEASURE	REFERENCE	COMMENTARY
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	<u>Health, Safety & Well-being – Our Performance</u>	Partial disclosure - does not include training hours received by contract employees.
BUSINESS ETHICS & TRANSPARENCY	SASB EM-MM-510a.1	Description of the management system for prevention of corruption and bribery throughout the value chain	N/A	<u>Governance – Business Conduct and Ethics</u>	
	SASB EM-MM-510a.2	Production in countries that have the 20 lowest rankings in Transparency International’s Corruption Perception Index	Metric tons (t) saleable	SASB Content Index	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.
TAILINGS STORAGE FACILITIES MANAGEMENT	EM-MM-540a.1	Tailings storage facility inventory table: (1) facility name, (2) location, (3) ownership status, (4) operational status, (5) construction method, (6) maximum permitted storage capacity, (7) current amount of tailings stored, (8) consequence classification, (9) date of most recent independent technical review, (10) material findings, (11) mitigation measures, (12) site-specific EPRP	Various	SASB Content Index	Partial. Champion does not presently provide tailing storage facility data in this format. We are working to fulfill this disclosure requirement in future reporting.
	EM-MM-540a.2	Summary of tailings management systems and governance structure used to monitor and maintain stability of tailings storage facilities	N/A	<u>Tailings Management – Our Performance</u>	
	EM-MM-540a.3	Approach to development of Emergency Preparedness and Response Plans (EPRPs) for tailings storage facilities	N/A	<u>Tailings Management – Our Performance</u>	

Activity Metrics

SASB METALS & MINING STANDARD CODE

ACTIVITY METRIC

UNIT OF MEASURE

SECTION

COMMENTARY

SASB EM-MM-000.A

Production of (1) metal ores and (2) finished metal products

Metric tons (t) saleable

About Champion Iron – Our Operations

SASB EM-MM-000.B

Total number of employees, percentage of contractors

Number, Percentage

Our People – Our Performance

Our total number of employees is 811. Of that, 32 workers (4%) are on non-permanent contracts.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) FRAMEWORK 2021 CONTENT INDEX

Champion Iron has reported the information cited in this content index for the period from April 1, 2021 to March 31st, 2022, in accordance with the GRI Standards (2016).

Governance (TCFD-G)

DISCLOSURE

A. Describe the Board’s oversight of climate-related risks and opportunities.

CIA RESPONSE

The Board of Directors, supported by the ESG Committee, is the ultimate body responsible for monitoring and acting on climate change-related risks, opportunities and strategies. It is also responsible for approving the public release of climate-related information. Reporting to the Board of Directors, the ESG Committee is accountable for all of Champion’s sustainability and climate change areas, including: risk assessments, management performance, corporate strategy approval, metrics and KPI setting, and monitoring. The ESG Committee meets at least once quarterly. Climate-related policies, strategies and information are subject to the same governance processes and controls as financial information. In regards to these topics, the ESG Committee, which is formed by non-executive Board members, is awarded the same importance as other executive committees. Currently, no management nor executive remuneration is tied to the company’s performance on climate change-related KPIs.

DISCLOSURE LOCATION

2021 Sustainability Report - Energy and Climate Change: Task Force on Climate-Related Financial Disclosures Framework (TCFD) Alignment - Governance

B. Describe management’s role in assessing and managing climate-related risks and opportunities.

The Chief Operating Office (“COO”) and the energy group are responsible for the company’s management, measuring, monitoring and reporting of its GHG emissions and their trajectory over the short-, medium-, and long-term. The COO, together with other management executives, reports material climate change-related topics to the ESG Committee on a regular basis. Any climate-related issues that may emerge within our operations are promptly brought to the attention of management, with site superintendents informing the General Manager (“GM”). The GM then communicates the relevant concerns to the COO, including how they are being addressed and managed. The Board of Directors is kept apprised of environmental and safety considerations through scheduled quarterly updates on operations, though any issues deemed significant by the Executive team are brought directly to the Board’s attention.

2021 Sustainability Report - Energy and Climate Change: TCFD Alignment - Governance

Strategy (TCFD-S)

DISCLOSURE

A. Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.

B. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.

C. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

CIA RESPONSE

Our organizational strategic plan is divided into three periods: short term (2022), medium term (2022-24) and long term (2025-30). In assessing climate change risks, specifically related to our tailings facilities, we consider the impact of our operations beyond the life of the mine (20 year) period. Identified short-term physical risks relate to worker health and safety arising from increased heat waves, forest fires, or extreme precipitation resulting in flood events. Medium term risks include the potential damage to infrastructure from forest fires. Long term risks include potential dike failure from extreme and inconsistent precipitation events that could release acidic tailings into the environment. We expect climate change-related opportunities to arise from the same conditions, including potentially longer summers that will extend our operating season and reduce the need for winter heating (resulting in energy savings).

Our primary climate-related risks have already been taken into account in the operational design of our facilities. Nevertheless, we continue to work on addressing possible climate change risks, including those arising from forest fires. During the reporting period, we significantly expanded our fire protection team to mitigate this identified threat. We are also currently reviewing how we could factor climate related risks into our financial planning processes. In terms of opportunities, Champion is actively identifying how we can contribute in the transition to a low-carbon economy. The global and national shift provides opportunities since we already produce high-purity iron ore that allows our steelmaking customers to use less energy in their production process. This also reduces medium- and long-term transition risks within our value chain as we are one of the lowest emissions-intensity producers of iron ore globally.

In 2019, Champion engaged WSP Global to conduct a climate risk study, including scenario analysis specific to the resilience of the tailings infrastructure, and in consideration of our expansion planning for existing operations. This scenario analysis was based on the IPCC RCP4.5 and RCP8.5 scenarios. The RCP8.5 scenario corresponds to the status quo, if no climate action is taken (2°C increase by 2065 and 3.7°C by 2100). The RCP4.5 scenario corresponds to moderate mitigation (1.4°C increase by 2065 and 1.8°C by 2100). The conclusions from the study over the short term (2021-2050) and long term (2051-2080) indicate that the most significant risks requiring mitigation and adaptation controls are wildfires at the Bloom Lake mine, heat waves and extreme precipitation. The study also concluded that many of our primary climate-related risks have already been taken into account in the operational design of our facilities. In assessing the impact of climate-related physical and transitional risks as well as opportunities, Champion has not conducted a full scenario analysis and financial impact assessment as defined under the TCFD guidelines. However, the company has analyzed the risks to its physical infrastructure. Champion intends to expand its scenario analysis of climate change-related risks and opportunities across its value chain in future reporting periods.

DISCLOSURE LOCATION

2021 Sustainability Report – Energy and Climate Change: TCFD Alignment – Strategy

2021 Sustainability Report – Energy and Climate Change: TCFD Alignment – Strategy

2021 Sustainability Report – Energy and Climate Change: TCFD Alignment – Strategy

Risk Management (TCFD-R)

DISCLOSURE

A. Describe the organisation’s processes for identifying and assessing climate-related risks.

B. Describe the organisation’s processes for managing climate-related risks.

C. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation’s overall risk management.

CIA RESPONSE

Champion’s risk management framework is guided by the Equator Principles, a number of International Organization for Standardization (“ISO”) standards, and our internal governance structure. This supports us in identifying, assessing, managing and mitigating the environmental and social risks throughout our operations and value chain.

Internal monitoring processes ensure that any relevant risks are identified and brought to the attention of the responsible managers, with senior management providing oversight of the entire risk management process. Senior management updates the Board on a quarterly basis.

Within the company’s governance structure, climate-related risks, such as floods, fires, regulatory changes, and energy security are incorporated into the company’s overall business risk management. Our energy group monitors the company’s climate-related risks. The energy group reports to the COO, who collaborates with the executive management team and reports to the ESG Committee and the Board of Directors. Risks are prioritized by management according to their probability, materiality and potential impact on operations, including the time period in which the risks may occur (short-, medium, or long-term). The materiality of potential risks is regularly evaluated by the management team, and is part of a periodic materiality assessment process.

DISCLOSURE LOCATION

2021 Sustainability Report – Energy and Climate Change: TCFD Alignment – Risk Management; Tailings Management; Water Stewardship; Closure and Reclamation

2021 Sustainability Report – Energy and Climate Change: TCFD Alignment – Risk Management; Tailings Management; Water Stewardship; Closure and Reclamation

2021 Sustainability Report – Energy and Climate Change: TCFD Alignment – Risk Management

Metrics and Targets (TCFD-M)

DISCLOSURE

A. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.

B. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks.

C. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.

CIA RESPONSE

Champion currently monitors direct (Scope 1) and indirect (Scope 2) emissions. We do not yet directly estimate indirect emissions within our value chain (Scope 3); however, Champion uses third party methodology to estimate the reduction potential of our iron ore products. The Company plans to calculate Scope 3 emissions in future reporting periods. We monitor both the total energy consumed (including the percentage derived from renewable sources) and the intensity of our consumption. We also monitor a range of climate-relevant metrics as disclosed in sections of our Sustainability Report on Air Quality, Closure and Reclamation, Biodiversity and Water Stewardship. Data on revegetated land, mining water returned into the environment, and any effluent events provided in our Sustainability Report are measured in absolute terms.

Scope 1 emissions: 83,918 tonnes of CO₂e
 Scope 2 emissions: 531 tonnes of CO₂e
 The company does not disclose Scope 3 emissions at this time.

Our GHG reduction targets currently reflect historical trends. As per the TCFD guidelines, Champion will start to use forward-looking metrics and targets in future periods as we better understand our climate change risks and opportunities. Since the recommissioning process of Bloom Lake in 2018, we have heavily invested in technologies and infrastructure, achieving an emissions reduction of 36,000 tonnes of CO₂ per annum. We are finalizing goals for the reduction of our GHG emissions over the medium and long term and are committed to reducing our emissions by 40% by 2030, based on 2014 emission intensity. We also aim to be carbon neutral by 2050.

DISCLOSURE LOCATION

2021 Sustainability Report - Energy and Climate Change: TCFD Alignment - Metrics and Targets; Tailings Management; Water Stewardship; Biodiversity; Air Quality

2021 Sustainability Report - Energy and Climate Change: Our Performance
 Energy and Climate Change: TCFD Alignment - Metrics and Targets

2021 Sustainability Report - Energy and Climate Change: TCFD Alignment - Metrics and Targets

FORWARD-LOOKING STATEMENTS

This Sustainability Report (the "Report") contains certain information and statements, which may be deemed "forward-looking information" within the meaning of applicable securities laws (collectively referred to herein as "forward-looking statements"). Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates", "aims" "targets", or "believes", or variations of, or the negatives of, such words and phrases or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company's ability to predict or control. All statements in this Report, other than statements of historical fact, that address future events, developments or performance that Champion expects to occur are forward-looking statements.

DEEMED FORWARD-LOOKING STATEMENTS

Statements relating to "reserves" or "resources" are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves and resources described exist in the quantities predicted or estimated and that the reserves can be profitably mined in the future. Actual reserves and resources may be greater or less than the estimates provided herein.

RISKS

Although Champion believes the expectations expected in such forward-looking statements are based on reasonable assumptions, such forward-looking statements involve known and unknown risks, uncertainties and other factors, most of which are beyond the control of the Company, which may cause the Company's actual results, performance or achievements to differ materially from those expressed or implied by such forward-looking statements. Factors that could cause the actual results to differ materially from those in forward-looking statements include, without limitation: the results of feasibility studies; changes in the assumptions used to prepare feasibility studies; project delays; continued availability of capital and financing and general economic, market or business conditions; general economic, competitive, political and social uncertainties; future prices of iron ore; failure of plant, equipment or processes to operate as anticipated; delays in obtaining governmental approvals, necessary permitting or in the completion of development or construction activities; impact of COVID-19 on the global economy, the iron ore market and Champion's operations; as well as those factors discussed in the section entitled "Risk Factors" of the Company's 2022 Annual Information Form and the risks and uncertainties discussed in the Company's management's discussion and analysis for the fiscal year ended March 31, 2022, all of which are available on SEDAR at www.sedar.com, the ASX at www.asx.com.au and the Company's website at www.championiron.com. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such forward-looking information. Accordingly, readers should not place undue reliance on forward-looking information.

ADDITIONAL UPDATES

The forward-looking statements in this Report are based on assumptions management believes to be reasonable and speak only as of the date of this Report or as of the date or dates specified in such statements. The forward-looking statements contained herein are made as of the date hereof, or such other date or dates specified in such statements. Champion undertakes no obligation to update publicly or otherwise revise any forward-looking statements contained herein whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements. Champion cautions that the foregoing list of risks and uncertainties is not exhaustive. Investors and others should carefully consider the above factors as well as the uncertainties they represent and the risk they entail.



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