

2020 ESG REPORT



**GREEN BATTERY
MATERIALS TO
POWER THE ENERGY
REVOLUTION**



About the report

Cover: Kevin Ducharme, Environmental Coordinator, takes a water sample in a stream nearby our Matawinie mining project.

Content: Information in this report relates to Nouveau Monde Graphite Inc.'s activities in relation to the Matawinie mining project, the Bécancour battery material plant, and corporate development. As the Company's inaugural ESG report, the outlined content includes activities from the Company's inception and discloses data reported for the 2020 period. Where applicable, additional information has been included to share our most recent activities (up to August 31, 2021).

All monetary amounts included in this report are expressed in Canadian dollars ("CAD"), the Company's reporting and functional currency.

Publishing date: October 13, 2021

Questions and feedback on the report and Nouveau Monde's sustainability efforts are most welcomed. You may communicate with Julie Paquet, our Vice President, Communications & ESG Strategy, at jpaquet@nmg.com

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

All statements, other than statements of historical fact, contained in this report including, but not limited to, those relating to (i) the Company's corporate objectives and business strategy including, without limitation, the "Corporate Overview" paragraph, (ii) the Company's aspirations and goals, (iii) the completion and deployment of the Sustainability Action Plan and the Climate Action Plan, (iv) the nature of relationships with stakeholders such as local communities, including the Atikamekw First Nation, employees, suppliers and service providers, business partners, governments and regulatory authorities, (v) the direct and indirect economic impact of the Matawinie graphite mine project and the Bécancour battery material plant, including the creation of job opportunities for local communities, (vi) the Company's planned environmental initiatives, (vii) the Company's intention to participate in a circular economy, (viii) the footprint of the Matawinie graphite mine project, (ix) the Company's electrification strategy and its intended results, (x) the Company's intended carbon-neutrality and its GHG estimate of commercial operations, (xi) the development plans, timeline and anticipated output of the Matawinie graphite mine project and the Bécancour battery material plant, (xii) graphite demand growth, (xiii) any information as to the future plans and outlook for the Company, constitute "forward-looking information" or "forward-looking statements" within the meaning of applicable securities legislation, and are based on expectations, estimates and projections as of the time of this report. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company as of the time of such statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. These estimates and assumptions may prove to be incorrect. Moreover, these forward-looking statements are based upon various underlying factors and assumptions,

including current technological trends, the business relationship between the Company and its stakeholders, the ability to operate in a safe and effective manner, the timely delivery and installation of the equipment supporting the production, the Company's business prospects and opportunities and estimates of the operational performance of the equipment, and such statements are not guarantees of future performance.

The words "plan", "expected", "intend", "guide", "initiative", "potential", "projected", "strategy", "study", "targets", "strive", "aspire", "facilitate", "committed", "continue", "seek", "aim" or "believes", or variations of or similar such words and phrases or statements that certain actions, events or results "may", "will", "could", "would", or "should", "might", or "making progress", "progressing towards", "once completed" or "working towards" and similar expressions identify forward-looking statements.

Forward-looking information and statements are subject to known or unknown risks and uncertainties that may cause actual results to differ materially from those anticipated or implied in the forward-looking information and statements. Risk factors that could cause actual results or events to differ materially from current expectations include, among others, delays in the scheduled delivery times of the equipment, the ability of the Company to successfully implement its strategic initiatives and whether such strategic initiatives will yield the expected benefits, the availability of financing or financing on favorable terms for the Company, the dependence on commodity prices, the impact of inflation on costs, the risks of obtaining the necessary permits, the operating performance of the Company's assets and businesses, competitive factors in the graphite mining and production industry, changes in laws and regulations affecting the Company's businesses, political and social acceptability risk, environmental regulation risk, currency and exchange rate risk, technological developments, the impacts of the global COVID-19 pandemic and the governments'

responses thereto, and general economic conditions, as well as earnings, capital expenditure, cash flow and capital structure risks and general business risks. Unpredictable or unknown factors not discussed in this cautionary statement could also have material adverse effects on forward-looking statements.

The above list is non-exhaustive and non-exclusive. Many of these uncertainties and contingencies can directly or indirectly affect, and could cause, actual results to differ materially from those expressed or implied in any forward-looking statements. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Forward-looking statements are provided for the purpose of providing information about management's expectations and plans relating to the future. Readers are cautioned not to place undue reliance on these forward-looking statements as a number of important risk factors and future events could cause the actual outcomes to differ materially from the beliefs, plans, objectives, expectations, anticipations, estimates, assumptions and intentions expressed in such forward-looking statements. Readers are further cautioned to review the full description of risks, uncertainties and management's assumptions in Nouveau Monde's most recent Annual Information Form available on SEDAR at www.sedar.com and on EDGAR at www.sec.gov.

The Company disclaims any intention or obligation to update or revise any forward-looking statements or to explain any material difference between subsequent actual events and such forward-looking statements, except to the extent required by applicable law.



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FROM OUR LEADERSHIP

- Message from the Chair
- Message from the CEO

- » The Mining Association of Canada's Towards Sustainable Mining initiative, a globally recognized performance system that assists companies in evaluating and managing their environmental and social responsibilities. Nouveau Monde adheres to its guiding principles, including performance indicators that demonstrate leadership through committing to health and safety, engaging with communities, and driving world-leading environmental practices.
- » The Global Reporting Initiative ("GRI") and the SASB Standards on disclosure of material sustainability information. We have aligned our ESG reporting with these internationally adopted frameworks to leverage complementary approaches, GRI's broad focus on our activities' economic, environmental, and social impacts, and SASB's attention to industry-specific risks and opportunities most likely to affect our financial performance.
- » The Canada-U.S. Joint Action Plan on Critical Minerals Collaboration and the Québec Plan for the Development of Critical and Strategic Minerals to advance the development of supply chains for key minerals and associated commercial corridors.

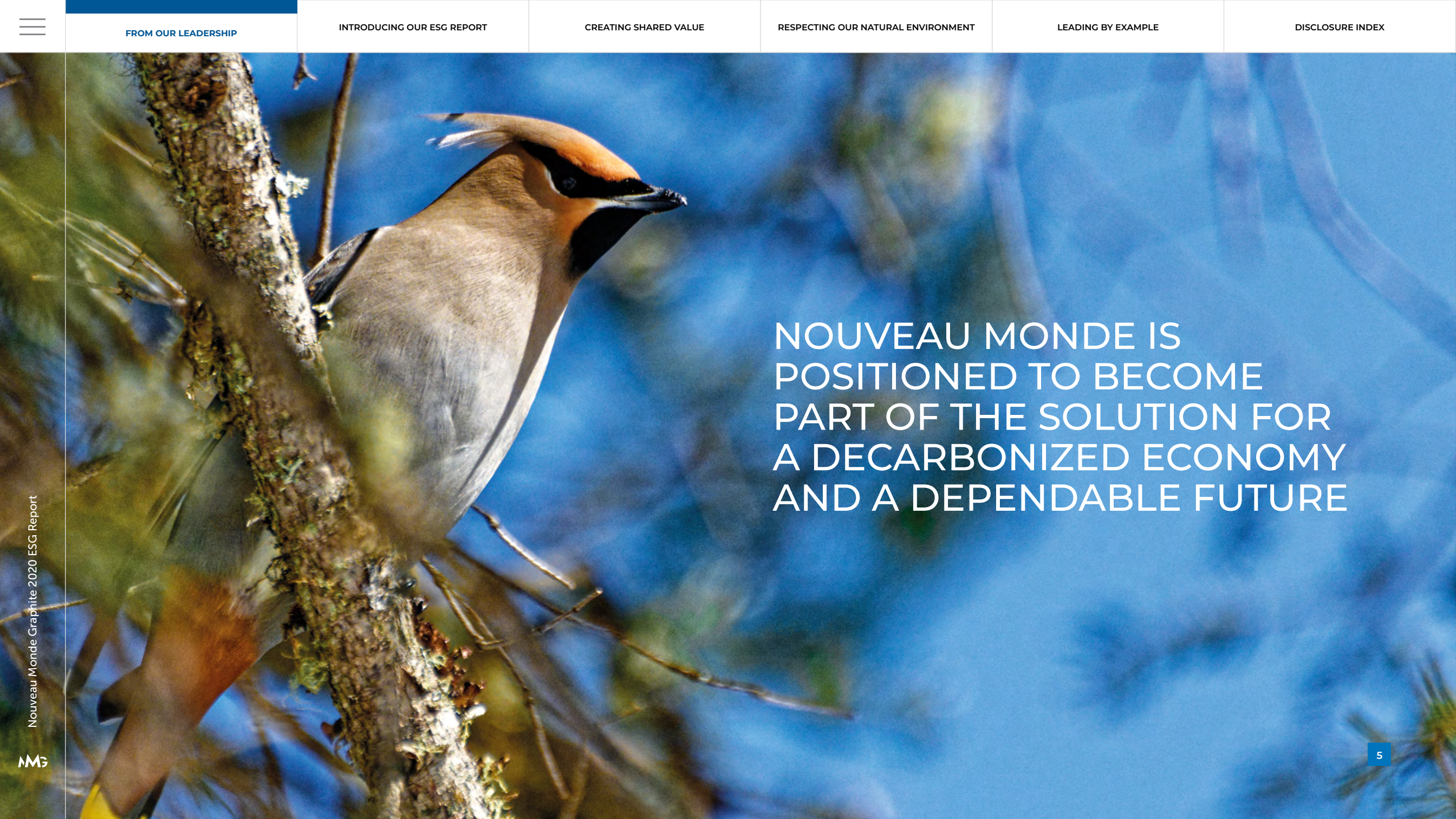
Nouveau Monde is well-placed to become a near-term, large-scale supplier of sustainable graphite materials, a key component in electric vehicles, energy storage systems, and electronic devices.

Please join us on this important journey towards decarbonization and securing a cleaner future for the generations to come.

Kind regards,

Arne H Frandsen
Chair





NOUVEAU MONDE IS
POSITIONED TO BECOME
PART OF THE SOLUTION FOR
A DECARBONIZED ECONOMY
AND A DEPENDABLE FUTURE

+ MESSAGE FROM THE CEO

At Nouveau Monde, sustainability is embedded in our mineralogical signature.

It has transpired our philosophy, activities, and culture from the inception of the Company and grown over time to weave a foundation across every aspect of our business. Today, we are bringing to light our achievements in this regard and setting the tone for our development in the years to come.

May we create shared value along the way.

May we power a cleaner future.

May we accelerate the wheel of change.

While we have reached significant milestones in the past 18 months, we recognize that there is still much to accomplish to bring our Matawinie mining project and Bécancour battery material plant to full commercial-scale production. Accelerating market trends and eagerness to attain profitability cannot derail us from our core vision to drive the transition to a green future through sustainable Zero-Carbon Solutions™.

We are committed to executing our business plan responsibly to deliver on our commitments to stakeholders, shareholders, and customers. With this in mind, we focus our efforts on delivering the most significant positive contributions while minimizing negative impacts to power, for individuals and the planet, a sustainable and resilient world.

Our team is rallied behind these values and empowered to act today. ESG principles act as a compass and an enabler in managing our business strategy, stakeholder engagement, day-to-day operations, product development, partnerships, and growth.

***Sustainability knows no boundaries.
We are inviting peers, competitors,
and leaders from every sector of society
to join our efforts. Through collaboration
and innovation, we could multiply the
impact of our actions.***

I thank our employees, shareholders, communities, customers, business collaborators, and governmental partners for their contribution to our journey thus far and their confidence in the next steps to come.

Onwards,

En route vers un avenir durable,

Wapita nikanik,

Eric Desaulniers
Founder, President & CEO





INTRODUCING OUR ESG REPORT

- Corporate Overview
- Our ESG History So Far
- Key ESG Topics

Nouveau Monde Graphite 2020 ESG Report

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+ OUR ESG HISTORY SO FAR

Founded in 2012, exploration first led Nouveau Monde to the Upper Matawinie region in 2014 where the Matawinie graphite deposit was discovered the following year. Our team understands the responsibility and unique privilege of developing this large-scale mineral resource. In partnership with the community and key stakeholders, we have worked to re-imagine the traditional practices of the mining sector and the technologies underpinning battery material manufacturing.

We are committed to a holistic approach to managing our business strategy, operations, and relationships. We have incorporated this vision and feedback from various stakeholders into developing our Sustainability Action Plan and Climate Action Plan to guide the Company's future performance and growth.

Our recent ESG milestones attest to our responsible development commitment.

2020

January 2020

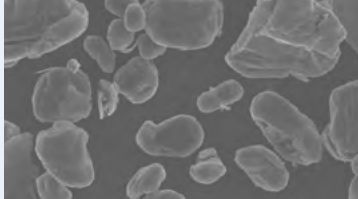
- » Nouveau Monde signed a collaboration and benefit-sharing agreement – one of the most progressive of its kind in Québec's history – with the municipality of Saint-Michel-des-Saints.



- » Nouveau Monde's technical team participated in the public examination of the Matawinie mining project led by the *Bureau d'audiences publiques sur l'environnement* ("BAPE"), an independent commission mandated by the Québec government to review the environmental, social, and economic parameters of the project.

February 2020

- » The Company successfully commissioned our phase-1 micronization and spheronization line and confirmed that graphite sourced at the Matawinie deposit performs to the high-quality standards required for lithium-ion battery usage.



March 2020

- » The World Health Organization declared the COVID-19 outbreak a global pandemic; fragile supply chains for battery materials were directly impacted. In the face of COVID-19, the Company rapidly deployed exceptional measures to protect its workforce and community, and weather this period of economic instability.

April 2020

- » In line with our electrification plans, Nouveau Monde mandated Hydro-Québec for the development, installation, and operation of a 120-kV power line to supply the Matawinie mine site and help the Company meet our carbon-neutrality targets.

June 2020

- » A professional training program to support re-skilling of the local workforce – developed and implemented by Nouveau Monde – launched its first cohort.



- » In its report, the independent BAPE Commission recognized the economic justification, environmental innovations, integration measures, and social benefits associated with Nouveau Monde's Matawinie mining project development plans.

October 2020

- » Nouveau Monde signed an agreement with Olin Corporation ("Olin") for commercial space, chemical supply, and site services to support the commercialization of the Company's proprietary thermochemical purification technology.



November 2020

- » As a partner to the Québec and Canadian governments, Nouveau Monde joined a collaborative endeavor bringing together research and industry leaders to develop electric systems and rapid recharging infrastructure for heavy vehicles adapted to open-pit mining.



- » Nouveau Monde was selected as the sole and strategic battery material partner of a pilot project on battery material traceability to inform the development of the Global Battery Alliance's ("GBA") Battery Passport principles.
- » The Company's proprietary coating process outperformed industry-leading Asian peers, establishing Nouveau Monde as a future producer of advanced and premium battery anode materials.
- » Nouveau Monde advanced its commitment to all-electric mining equipment by launching an international call for pre-qualification for the fleet and charging infrastructure for our Matawinie project.

2021

February 2021

- » The Québec Government issued a ministerial decree authorizing the Matawinie mining project.



April 2021

- » Nouveau Monde confirmed its commitment to achieving past, present, and future carbon neutrality by compensating its entire historical emissions.



June 2021

- » Nouveau Monde signed a collaboration agreement with Lithion Recycling for the recovery and value-added transformation of recycled graphite to be re-used as anode material for lithium-ion batteries.



- » Nouveau Monde signed a collaboration agreement with Caterpillar for the development, testing, and procurement of an all-electric fleet for our Matawinie project, a world first for an open-pit mine.

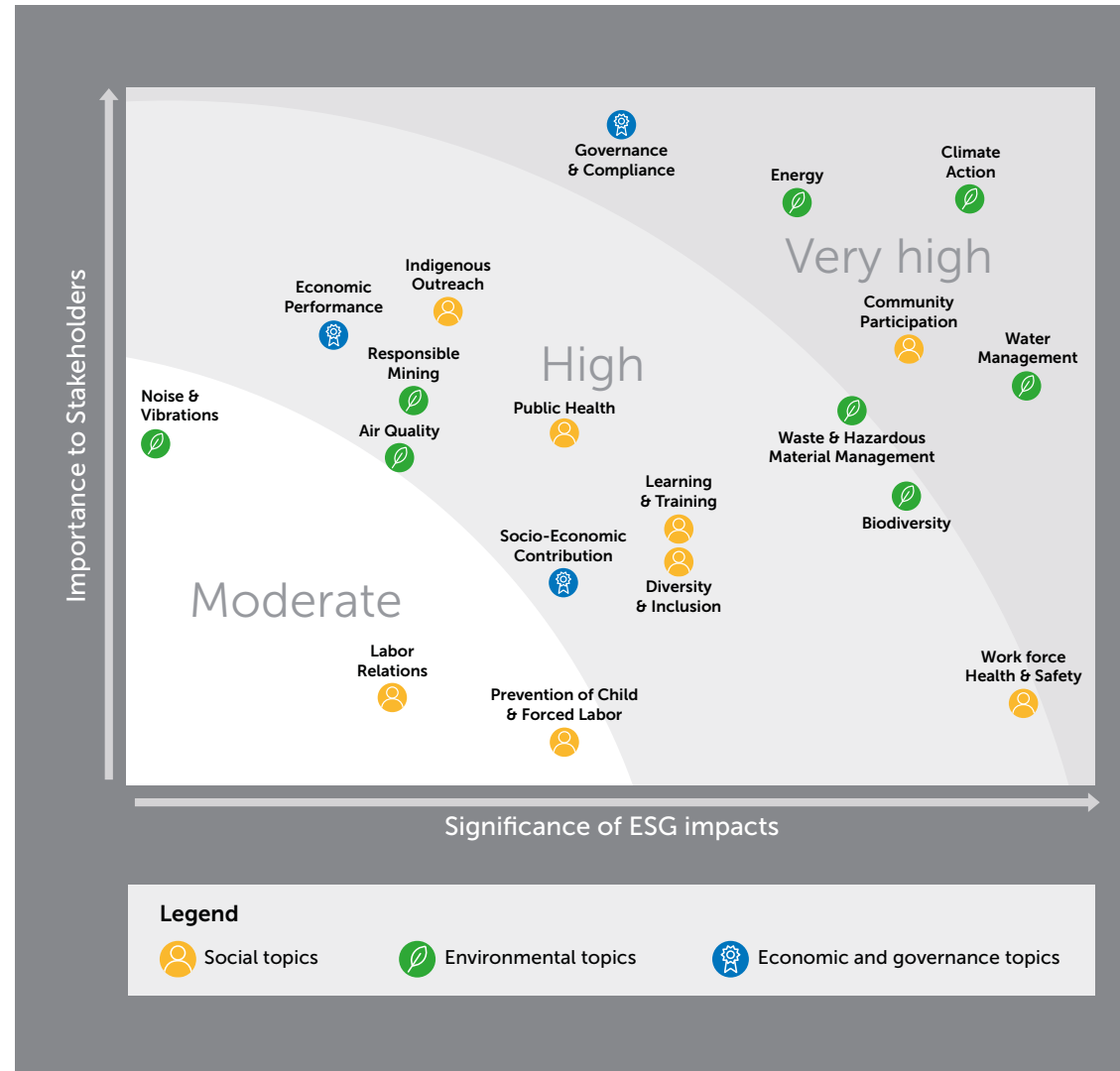
August 2021

- » Nouveau Monde submitted a patent application for our proprietary thermochemical purification technology.
- » Nouveau Monde joined GBA, a World Economic Forum's initiative dedicated to helping establish a sustainable battery value chain.

+ KEY ESG TOPICS

Through the development of our projects and ongoing engagement with our stakeholders, Nouveau Monde has gathered valuable insight into our community, business, industry, and market.

The Company hired a third party to conduct an initial assessment to identify our stakeholders' most important ESG topics. The assessment used various sources, including documented feedback from extensive stakeholder consultations, interviews with members from Nouveau Monde's senior management team, third-party analysis of our projects, and community initiatives, in addition to a benchmarking exercise and a review of main disclosure frameworks. The key ESG topics identified are outlined in this matrix.



Our ESG topics assessment will help guide Nouveau Monde's sustainability efforts by:

- » Ensuring key topics are addressed; and
- » Providing transparency via relevant disclosure and information-sharing.

We intend to continue collecting feedback from stakeholders to further refine our key ESG topics in the future. As Nouveau Monde continues to grow, we plan to evaluate our processes to ensure they address topics that are of the highest priority.

Addressing key ESG topics aligns with our goal to establish a first-class approach to ESG and transparent disclosure.





WE STRIVE TO BE A MODEL
TO DRIVE GREATER SUSTAINABILITY
INTO OUR SECTOR AND
THE INDUSTRIES WE SERVE



CREATING SHARED VALUE

- Our Community Outreach
- Indigenous Engagement
- A Mutually Beneficial Future
- Our Greatest Assets

+ OUR COMMUNITY OUTREACH

Since the Matawinie graphite deposit discovery in 2015, Nouveau Monde has been guided by its environmental and ethical development goals to align our projects with the realities, concerns, and values of the local communities.

Our stakeholder outreach efforts have thus far been focused on our Matawinie mining project. We developed an extensive community engagement plan, recognizing that the interests and concerns of stakeholders are essential to the success of our projects and the creation of shared value.

Over 75 information events, including public sessions, consultations, and open-house events, were held to establish a transparent and constructive dialogue with local organizations, residents, cottage owners, and members of the First Nations. Additional local outreach initiatives were launched to promote awareness of the mining sector, Nouveau Monde's environmental practices, and collaboration opportunities.

In addition, an Accompanying Committee made up of local citizens, First Nation members, business representatives, and local organizations was formed in 2017. This committee has and continues to assist Nouveau Monde in the development of the Matawinie project by ensuring that the project respects the milieu, minimizes environmental impacts, and integrates the community's concerns

and expectations. As the project transitions to commercial operations, we intend this committee to adopt a monitoring role (in adherence with Québec's *Mining Act*) to help the Company identify and understand our impacts within the community. In 2020 we held:

- **6 meetings, with minutes being publicly released; and**
- **3 sub-committee working sessions.**



Our dedication towards transparency and community outreach was further evidenced by Nouveau Monde's decision to initiate, under new provisions of Québec's *Environment Quality Act*, a proactive examination of the project by the BAPE Commission. This resulted in Nouveau Monde presenting the Matawinie project at public hearings to engage in open, transparent, and independent



consultations with all stakeholders. Further to our community outreach initiatives outlined above, the BAPE Commission oversaw an additional, robust stakeholder engagement process which included 10 public hearings and analysis of extensive technical documents and stakeholder feedback. In June 2020, the BAPE Commission released its report which recognized the economic justification, environmental innovation, and social benefits associated with the mining project. Following this exercise and its own internal rigorous environmental review, the Québec Government authorized the Matawinie project by issuing a ministerial decree in January 2021.

As we develop the Matawinie project, we remain committed to our stakeholder engagement via our community office, public communication platforms, our Accompanying Committee, and social responsibility program to ensure local communities are consulted early and often throughout the development process. The exchange of local knowledge and feedback allows us to validate our independent experts' designs and enhance our development plans for the region's economic, social, and environmental benefit.



We Call Québec Home

Natural resources have been at the heart of Québec's development. In the Upper Matawinie region, forests have held vital importance from attracting tourism and recreational activities to providing hundreds of jobs in forestry, harvesting, sawmilling, and wood transformation, in addition to thousands more in indirect services.

In 2008, the cyclical nature of the forest industry combined with the global economic downturn heavily impacted the Upper Matawinie region. A wood-particle plant closed in Saint-Michel-des-Saints and resulted in a series of closures and bankruptcies within the community. As a result, families moved away from the region in search of jobs, which further impacted the remaining Matawinie citizens and businesses.

From our earliest days of exploration to today, Nouveau Monde places the community at the heart of the Matawinie project's development. Stakeholder consultation was initiated prior to the start of exploration and has remained – even augmented – throughout the years in line with the project's development. We have done so through extensive community outreach, including group meetings, public sessions, open houses, third-party local polls, and site visits. We also established a community office opened to the public. Isabelle Levasseur, a proud resident of the Upper Matawinie region and experienced consultation manager, leads the Company's community relations efforts.

"Because mining was an unknown industry in the region, we focused on explaining the ins and outs of the project, listening to concerns, demystifying environmental misconceptions, and continually improving our design and operational parameters. This helped calm communal apprehensions; citizens would tell me: 'The more we understand, the less we are worried!'."

Through our open dialogue with the community, we identified avenues for better integration and discovered a strong interest in training, employment, and business opportunities. Nouveau Monde has responded to – and continues to – these interests through proactive initiatives and ongoing community outreach.

A 2019 survey conducted by Léger confirmed favorable reception to the project in Upper Matawinie, with 82% of respondents calling the project positive or very positive, with a stable rate of support (83% in 2018) and optimistic viewpoints regarding economic benefits (89%) and community integration with respect to quality of life (76%) and the environment (70%).

“Our greatest achievement has been to be transparent, go out to meet the people, whether at local events or impromptu kitchen assemblies, and invite the community to see for themselves at public open houses, industrial visits, and information sessions.”



Our commitment to open and proactive engagement also extends to our Bécancour battery material plant where we are making progress in terms of project development and preparing community outreach activities. The proud industrial heritage of this region, robust infrastructure, and established partnerships should facilitate Nouveau Monde’s arrival and integration within the community.

Our community outreach demonstrates that Nouveau Monde is acting on its goal to responsibly execute its business plan and deliver on its commitments to stakeholders, shareholders, and customers.



+ INDIGENOUS ENGAGEMENT

Nouveau Monde is committed to maintaining and enhancing our understanding of Indigenous perspectives, traditions, and knowledge while developing constructive and mutually beneficial mechanisms for collaboration.



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Respect for the rights, culture, aspirations, and interests of Indigenous peoples guides the development of our sustainable business practices, and a partnership with Indigenous peoples is essential to this approach.

In relation to our Matawinie project

The Matawinie graphite mine project is located on the municipal territory of Saint-Michel-des-Saints, situated in the large traditional Atikamekw Indigenous region, the Nitaskinan. The mine project is located 85 km from the Manawan First Nation community.

Nouveau Monde has consulted and continues to engage with the Atikamekw First Nation in the Manawan community and with the Band Council through the Conseil de la Nation Atikamekw, to understand their history, traditions, perspectives, and priorities.

The Company engaged in open and transparent dialogue before and during the exploration phases, as well as throughout the development phase to introduce the mining project, gather comments on proposed plans, address questions, enhance the design to reflect concerns and input, and share information about training, employment, and business opportunities. Nouveau Monde documented certain cultural resources and areas of archeological potential through the [Environmental and Social Impact Assessment](#) ("ESIA").

The Atikamekw First Nation was also consulted as part of the Québec Government environmental assessment procedure for the Matawinie mining project. As part of this consultation process, the Atikamekw First Nation identified the following as main concerns:

- **Environmental quality and water conservation;**
- **Socio-Economic development;**
- **Community relations.**

Nouveau Monde has incorporated the feedback received from the Atikamekw First Nation by reflecting these topics within our [key ESG topics](#) assessment (see page 12). As expressed throughout this report, Nouveau Monde is dedicated to working with Indigenous communities to address concerns and maximize social, economic, and environmental opportunities.



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Nitaskinan: “Our Land”

Kwei! Manawan ni octin. Hello, I come from Manawan!

In the vast Saint-Maurice River Valley, Atikamekw is spoken; the Indigenous language of the Atikamekw First Nation is part of the larger Algonquin cultural family. The natural oral transmission from one generation to the next has never been interrupted, making it the most vibrant Aboriginal language in Canada and a rich cultural heritage within the Nation.



1968, Indian reserves, settlements and population centres in Quebec

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The Atikamekw People see themselves as belonging to a territory rather than owners of the land. Nitaskinan, meaning “Our Land,” represents their ancestral territory. Historically, it was divided into areas where each family evolved to subsist and live through the six seasons that transform space and time.

This First Nation’s culture, traditions, and way of life are intimately linked to nature and its seasonal changes. Hunting, gathering, fishing, and trapping are a core part of this people’s identity and have long governed their activities and movements in the territory.

Well before the reserve was recognized, Metapeckeka – now known as Manawan – was the main meeting site for the community because of its proximity to hunting grounds.

The balance between the Nation and nature was upset in the 17th century by Europeans’ yearning for the territory’s resources, including its furs and forests.

Over the centuries, this First Nation has experienced significant social and cultural upheavals due to epidemics, the violent Iroquois wars, colonial practices, and assimilation policies.

In 1906, the Canadian Government agreed to the demands of the Manawan Atikamekw after years of letters, multiple canoe trips to Ottawa, and long negotiations. Recognition of the protected territory, however, was not enough to keep the Nation’s natural and cultural heritage intact. The construction of a railway, hydrographic changes from dams,



© Alamy Banque D'Images

forestry activities, sedentarization, and the residential school system all disturbed the Nation’s balance within their society and with nature.

Despite these disruptions and the hardships associated with adapting to changes, the Atikamekw People still use their wisdom to act as stewards of Nitaskinan. Today, 85% of the 7,600 Atikamekws live in the Indigenous communities of Manawan, Wemotaci, and Obedjiwan, while the rest are present throughout the province of Québec. This First Nation is driven by its traditional values and aspirations to contribute its knowledge and talents to modern society.

Partnering with the Atikamekw First Nation

In 2013, Nouveau Monde did an aerial survey of Nitaskinan for the first time. From the outset, we have communicated openly with Band Council representatives, Manawan community members, and Atikamekw entrepreneurs to ensure peaceful relations and respectful environmental development while making the project a catalyst for positive social and economic benefits.

Nouveau Monde signed a framework agreement (2018) and a pre-development agreement (2019) with the Atikamekw First Nation to guide the Matawinie project's development. We are progressing towards the development of the impact and benefit agreement, with a total of 21 joint work sessions having been held in 2020 with the Atikamekw Band Council. Today, the Company remains actively committed to finalizing this agreement for the commercial phase of our mining project and to maximizing opportunities.

Beyond these commitments, a spirit of partnership is reflected in our many current and future initiatives.

The future in Nitaskinan is both green and bright.

Wapita nikanik

This text was prepared based on documents from the archives of the Atikamekw Nation of Manawan (published for the 100th anniversary of the creation of the reserve), the Atikamekw Council of Manawan, the Atikamekw Nation Council, and the Canadian Encyclopedia, and was reviewed by Karine Wasiana Echaquan, author, interpreter, and Atikamekw cultural ambassador.

Aerial view of the Manawan Atikamekw Reserve

Our unwavering engagement values align with our goal to improve First Nations' participation in our projects and promotes a shared perspective within the Company and community.





THROUGH CONTINUOUS
IMPROVEMENT, WE WORK
TO FIND PATHS FOR GREATER
SUSTAINABILITY, EFFICIENCY
AND QUALITY

In relation to our Bécancour project

The Bécancour value-added plant is located on Ndakinna, the traditional Abenaki Indigenous territory, 5 km from the Wôlinak First Nation reserve. As the Company advances to phase 2 development of the battery material plant (with phase-1 being located on a third-party facility belonging to Olin), we are committed to engage with the Wôlinak First Nation to learn of its heritage, interests, and culture, and to foster a mutually beneficial relationship that could inform the design of our business operations.

Promoting Opportunities and a Shared Perspective

In addition to having completed two agreements with the Atikamekw community, Nouveau Monde has implemented several initiatives to optimize local opportunities. For instance, our practices favor local training, employment, and procurement, as we want to help bolster the region's socio-economic fabric. These practices, supported by communications in the Atikamekw language to help bridge the cultural gap, resulted in the following for 2020:

- A total of **3 information sessions** about training, job and business opportunities held with the Manawan Atikamekw First Nation; and
- A total of **\$109,834 in contracts** awarded to local Indigenous businesses.



Jean-Nicolas Tremblay and Tobie Petiquay from our demonstration plant participated to a career fair at Mawanan Otapi high school to inform students of employment opportunities at Nouveau Monde.

As part of our employment strategy, Nouveau Monde coordinates directly with the Manawan Atikamekw community to attract First Nation candidates, facilitate the application and hiring processes, and provide appropriate onboarding information. To support our commitment to leverage and develop local talent, Nouveau Monde implemented the following programs:

- **Mining and Logging Essentials socio-vocational integration program** for members of the **Atikamekw communities** to reinforce the **employability of Indigenous workers**. In 2020, we recruited an initial cohort but had to halt the program's launch due to COVID-related confinement measures; and
- **Discovery Minicourse**, a seven-day fast-track introduction to the Company's key mining operations. In 2020, **2 youths participated** in this program, resulting in **1 recruitment**.

As Nouveau Monde grows, we intend to continue to respect the rights, culture, aspirations, and interests of all local communities.

Nouveau Monde's various initiatives help foster diversity and inclusion within the Company.



+ A MUTUALLY BENEFICIAL FUTURE

The Matawinie graphite mine project and the Bécancour battery material plant are expected to create hundreds of well-paying job opportunities for our local communities. Nouveau Monde is dedicated to maintaining sustainable and ethical practices throughout the different development phases of the Company.

“Since the discovery of the deposit in 2015, Nouveau Monde has taken root in Saint-Michel-des-Saints. It is our living and working environment, it is our heritage for our children and future generations”

– Eric Desaulniers, Founder, President and CEO of Nouveau Monde

We listened to our stakeholders’ requests for training, local employment, and business opportunities.

In January 2020, we finalized a collaboration and benefit-sharing agreement with the municipality of Saint-Michel-des-Saints, which will cover the entire duration of the Matawinie mine’s commercial operation. Under this agreement, Nouveau Monde will pay up to 2% of its net after-tax cash flows to the municipality to enhance profits and reinvestments in the community. An advance payment of \$400,000 per year prior to the mine’s operating period could allow the municipality to prepare and upgrade its infrastructure as required.

➔ In 2020, Nouveau Monde made payments amounting to **\$479,500** to the municipality.



This bilateral agreement includes concrete actions for training, employment, and business opportunities tailored to address local stakeholders’ requests.

Nouveau Monde will also contribute 1% of its net cash flows (after tax) to the Community of the Future Fund, which will serve as a catalyst for structuring projects with a social, economic, and environmental impact in Upper Matawinie. The fund, administered by a trust agency, will



promote economic sustainability and community vitality beyond the mine’s operating period.

In addition to formal agreements and outreach efforts, Nouveau Monde supported many initiatives through our sponsorship program to contribute towards the development and well-being of our communities and sector. In 2020, we distributed over \$3,700 in sponsorships, a practice we have continued since 2017 (representing a total of \$106,000 to date).

We are committed to maintaining a collaborative and mutually beneficial relationship with our communities.

“The Municipality of Saint-Michel-des-Saints is proud to have signed a collaboration and benefit-sharing agreement with Nouveau Monde. We are convinced that this agreement will benefit all of our citizens, but also future generations”

– Réjean Gouin, Mayor of Saint-Michel-des-Saints



Mayor Réjean Gouin and Eric Desaulniers celebrate the signing of the collaboration and benefit sharing agreement.

Elom Komi Gadegbeku and Félix Veilleux, two students enrolled as Nouveau Monde's learners, test their newly acquired skills.

Developing Local Talents

In line with our ethos, we have adopted practices favoring local employment to bolster the socio-economic fabric and strengthen our foundation for growth.

We have launched initiatives to train and hire local workers, particularly through the "Comité de formation de la main-d'œuvre de la Haute-Matawinie," which includes industrial, institutional, and business partners who come together to enhance local training and employment opportunities.

Together Truly is Success

When establishing Nouveau Monde's headquarters in Saint-Michel-des-Saints, we reached out to community leaders and business owners to learn, collaborate, and contribute to the region's rebuilding efforts.

An early finding was the result of the 2008 economic downfall, which weakened the profile of the local workforce: the population had aged, families had relocated, and skillsets had not been maintained. There was no mining expertise within the region, and wood product businesses were resuming operations, placing greater pressure on the local labor pool.

Daniel Guénette, Human Resources Director, conceived an ambitious plan to mobilize resources, educational services, and employers around a common goal: launching a multi-company sponsored professional training program. At Nouveau Monde's initiative, the chamber of commerce, the school board, and two forest product manufacturers were rallied.

"Rather than competing with one another, we opted for collaboration. We all needed to invest in the development and reskilling of local talent if the community was to strive to its full potential. Might as well do it together!"

Fast-forward to June 2020, when the partners gathered to inaugurate the first cohort of the Diploma of Vocational Studies in Production Equipment Operation. Through this paid on-the-job education program, participants complete technical classes and extensive work-immersed training in one of the three companies. At graduation, they have more than a diploma to show — they have a job and teammates.

The training facilities, located within our demonstration plant, also provide opportunities to present our Company, the technical aspects of our project starting from the life of the mine to geology and process, as well as operator testimonials, thus bringing the staff and trainees together.

Three cohorts have now been launched, totaling 21 students and resulting in 5 employees recruited by Nouveau Monde from the program. By investing in our team and community, we are delivering on our promise to provide local benefits.



Jean Côté, operator at Nouveau Monde and teacher as part of the training program, covers technical notions with student Anaël Michaud.

HEALTH, SAFETY AND COMMUNITY SOCIO-ECONOMIC WELLBEING ARE CENTRAL TO OUR SUSTAINABILITY COMMITMENT



+ OUR GREATEST ASSETS

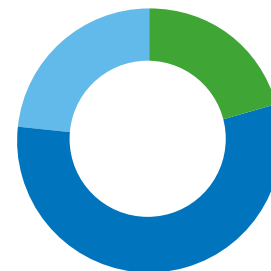
Team Nouveau Monde

At Nouveau Monde, we consider our employees to be our greatest asset because they realize and elevate our vision. In 2020, we had a team of 63 employees from diverse fields of expertise and personal backgrounds. As our projects advance, our team continues to grow with over 85 employees as of August 2021. Our employees' support and innovative mindset bolster our responsible corporate growth.

We value diversity as an important driver of strategy, creative thinking, and business performance. Inclusion and diversity impact all employees, contractors, stakeholders, and the communities in which we operate. Nouveau Monde's values and governing charters support a culture of diversity, inclusion, and non-discrimination in all decisions related to people across the Company, as well as our suppliers. Our [Sustainability Policy](#), as well as our development and collaboration agreements with local communities, state our commitment to equal opportunity and diversity.

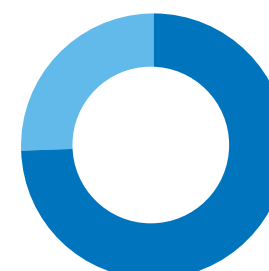


Percentage of Employees by Age Group (in 2020)



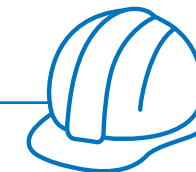
- 17% under 30 years
- 46% 30-50 years
- 19% over 50 years

Percentage of Employees by Gender (in 2020)



- 25% of our employees were women
- 75% of our employees were men

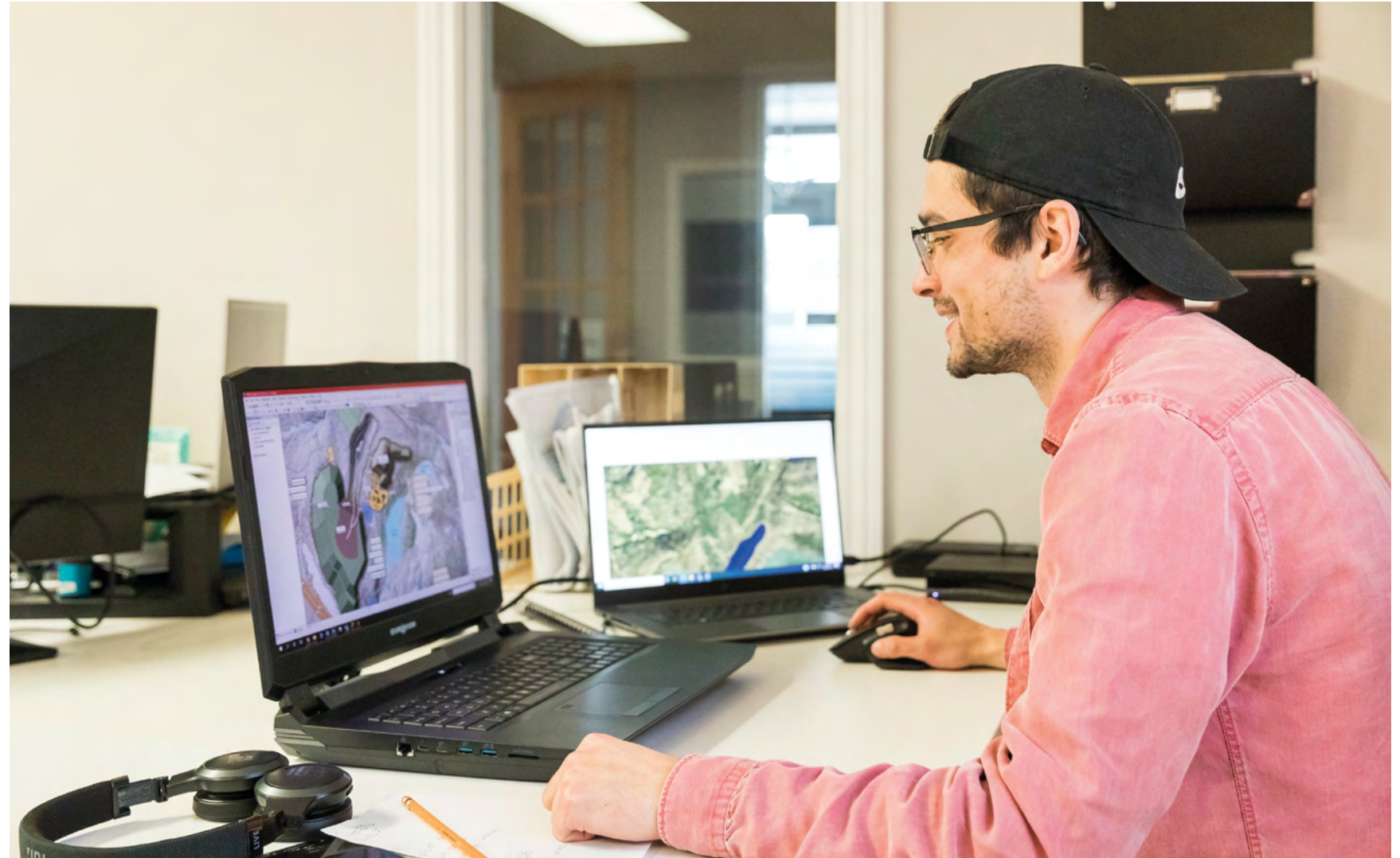
- **37.5% of our jobs were filled by local candidates;**
- **16 new jobs were created at the demonstration sites.**



We plan to continue to strengthen our management of diversity and equal opportunity over time, with special attention to Indigenous inclusion as the Company matures. We assess our performance through feedback received from Indigenous Peoples and our communities, tracking of employment interest, and enrollment in the Company's workforce development programs.

We are invested in the well-being and professional development of our workforce. Tele-medicine services, training, performance reviews, flexible working hours for corporate positions, and accommodations for work-study alternation are embedded in our practices. In addition, the Company took advantage of the pandemic economic lockdown in Québec to offer virtual training opportunities to staff.

- A total of **8,065 hours of training** provided for professional development; and
- All our employees (100%) received a **performance review**.





Meet our Team

Helping local talent learn and thrive: Chloé's journey

A proud Saint-Zénon native, Chloé Rivest joined Nouveau Monde in the fall of 2020 as a sampling technician. She quickly integrated our team, taking advantage of the knowledge and support of her colleagues.

Chloé is completing her Bachelor of Chemistry at University Laval while working in our laboratories. Having learned about the challenges of each department, our young aspiring chemist better understands the importance of the tasks she performs and her contribution to the team.



"My work allows me to apply the theoretical skills I learn in my studies, which helps me greatly."

In fact, by the time Chloé completes her training, she will have already had the chance to gain experience in the field, which should set her apart from her cohort.

Chloé is thrilled to be working in her region while having the chance to grow professionally. And we are equally proud to see the next generation of employees develop within our team.

Attracting new families to the region: Carl-André's story

From his bustling Montréal life, Carl-André Thédal traveled to northern Québec to embark on a Vocational Studies Diploma training in ore processing operations. By choosing mining as a new career path – quite a departure from his banking work – he was set on finding an employer that embodies sustainable development.

"From the get-go, I knew that I wanted to work for Nouveau Monde, a mine in the making that aligns with my eco-responsible values."

Upon graduation, he moved with his spouse and newborn son to Saint-Michel-des-Saints to join the Nouveau Monde team.

"Although 2020 was difficult globally, it was a pivotal year for me. I had the happiness of experiencing the birth of my son and the pleasure of getting the job I wanted. I'm now within walking distance of work, with the woman I love by my side and our happy baby in a municipality that we love more and more every day."



Health & Safety

Our zero-harm philosophy underpins our business at every level. It guides our decisions, behaviors, policies, and operations to safeguard our people, our communities, and our environment’s well-being. We seek to prevent, minimize, and manage occupational health and safety risks for our employees, contractors, and the communities in which we operate.



We have implemented dedicated measures at each site and facility which are regularly reviewed and adapted to reflect the changing nature of operations and seasons. Measures include onsite workshops and training for operators, as well as third-party risk assessment with public health authorities.

¹ as per Occupational Safety and Health Administration (“OSHA”) recordable incident rate

In response to COVID-19, Nouveau Monde implemented preventive measures and strict work protocols to provide a safe environment for our employees, contractors, and communities.

We are proud to state that in 2020 we had **no** incidents¹ at Nouveau Monde. Additionally, in 2020 we delivered to our employees:

→ **1,061 hours of health and safety training.**

We are continually expanding our Sustainability Action Plan to ensure our health and safety initiatives remain central to our operations and growth. We intend to continue focusing on health and safety as we transition from development to construction, commissioning, and commercial production. This could include the roll-out of the necessary training and updating procedures and risk assessments to support employees and contractors in maintaining health, safety, and well-being at our operations and in our communities.

Nouveau Monde’s Safety, Health and Well-Being Committee, and Governance, Compliance and Legal Committee are responsible for overseeing the development and implementation of health and safety practices, working to ensure that they are aligned with applicable national and local legislative requirements and industry best practices.

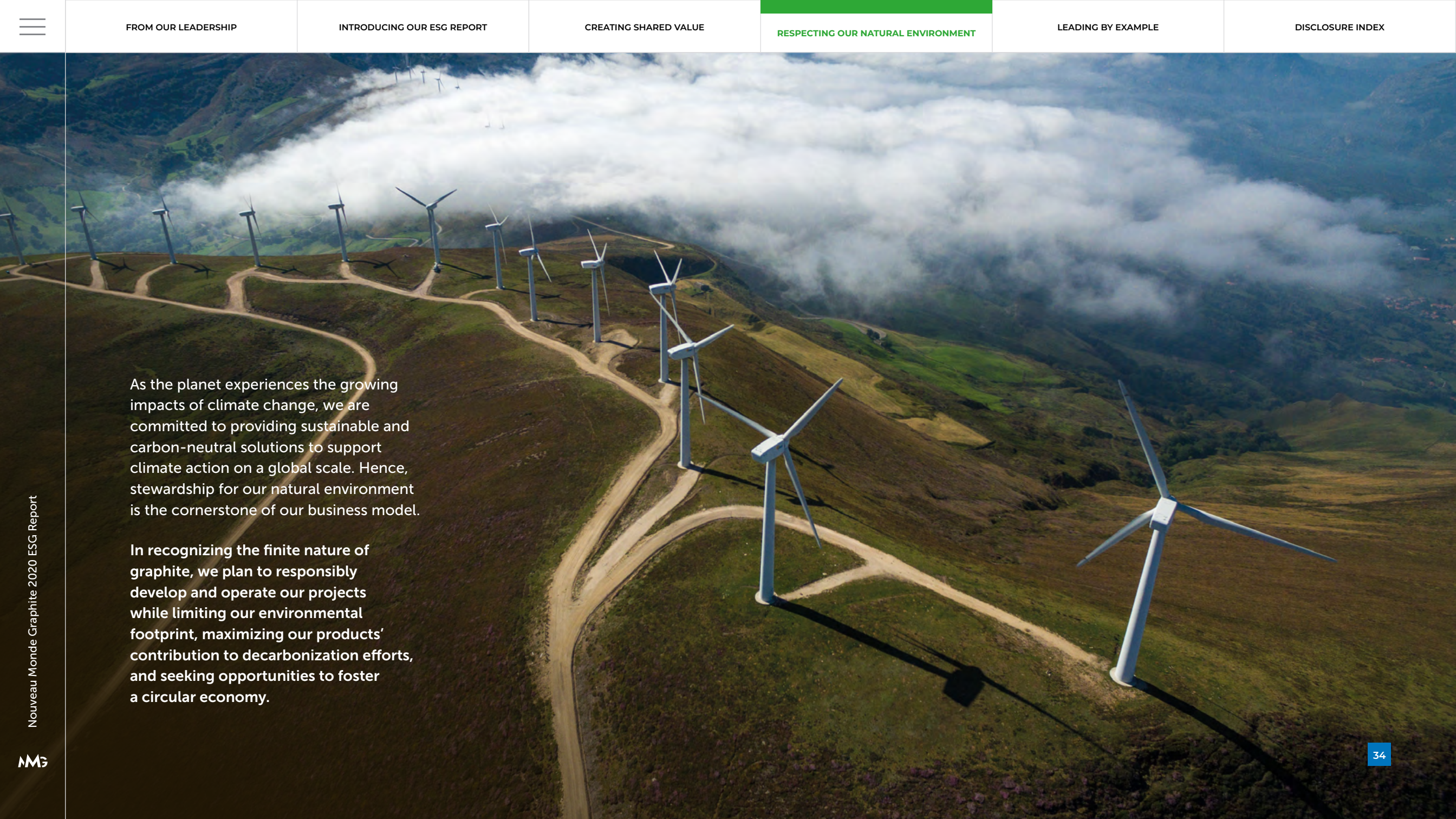


Nouveau Monde’s goal is to advance a zero-harm standard within our Company and with our business partners. We do so through robust governance and exemplary practices in relation to health, safety, and the environment.



RESPECTING OUR NATURAL ENVIRONMENT

- Responsible Mining
- Climate Action



As the planet experiences the growing impacts of climate change, we are committed to providing sustainable and carbon-neutral solutions to support climate action on a global scale. Hence, stewardship for our natural environment is the cornerstone of our business model.

In recognizing the finite nature of graphite, we plan to responsibly develop and operate our projects while limiting our environmental footprint, maximizing our products' contribution to decarbonization efforts, and seeking opportunities to foster a circular economy.

+ RESPONSIBLE MINING

We are dedicated to stringent, sustainable development standards. We integrated innovative environmental initiatives to limit the Matawinie mining project’s potential impact on the natural and human milieu.



Our compliance with environmental laws and regulations is well documented. In 2019, Nouveau Monde officially filed the [ESIA](#) for the Matawinie mining project. Following its analysis by 25 provincial agencies and ministries, the Québec Government mandated the BAPE to launch a public examination of the project’s benefits and impacts, design criteria, and integration within the community (see [Our Community Outreach](#) section on page 15 for additional information). The Commission’s report, which was tabled in June 2020, recognized the economic justification, environmental innovations, and social benefits associated with the mining project.

The Government’s environmental assessment continued at the *Ministère de l’Environnement et de la Lutte contre les changements climatiques* (“MELCC”) and resulted in the adoption of a ministerial decree that authorized the Matawinie mining project (number 47-2021), on January 20, 2021.

We are proud to state that our environmental high-lights for 2020 include:

- **Zero** non-conformity notices;
- **Zero** significant environmental spills;
- **8,746 m³** of water treated and discharged at the mining site;
- **Advanced detailed engineering** of the commercial project and construction of our **experimental tailings co-disposal cell**;
- **Addition of a third collection basin** to increase the tailings management capacity and provide more flexibility for water treatment.



Graphite

Graphite is a strategic mineral for clean technologies and electrification. Nouveau Monde recognizes the opportunity and responsibility associated with developing a graphite property, as this mineral constitutes a finite resource. Following extensive exploration work, the Company discovered numerous geological anomalies, including the Matawinie deposit in 2015. Mineral and geological characteristics along with economic, environmental, and social factors were assessed to validate the justification and sustainability of developing these deposits. Nouveau Monde retained the Matawinie deposit as a viable project, following dialogue and consultation with local stakeholders, technical and economic studies, and market assessment.



Since 2018, we have operated demonstration-scale ore extraction and concentration activities at Saint-Michel-des-Saints to support our business development.

Total volume of non-renewable materials used to produce products (2020)

- **5,780 tonnes of ore processed at the demonstration plant;**
- **2.4 tonnes of reagent products for the mineral concentration process;**
- **16.5 tonnes of reagent products for water treatment.**



Our commitment to high environmental standards extends beyond our compliance with regulations; through our partnerships, we look for innovative solutions to advance environmental stewardship and best practices in the sector.





Closing the Loop

Nouveau Monde’s commitment to the environment extends to the full lifecycle of our materials and products. We are developing a holistic approach to graphite sourcing and transformation through key partnerships for a green and circular economy.

In June 2021, we signed a collaboration agreement with Lithion Recycling to recover and recycle graphite for reuse as a battery anode material. The partnership will leverage Nouveau Monde’s and Lithion’s proprietary processes and expertise to promote graphite circularity and better position both companies in the evolving global market. Lithion’s processes allow up to 95% of battery components to be recovered and treated so they can be reused by battery manufacturers.

“Recycling battery materials is an essential component in the development of tomorrow’s sustainable economy. Ultimately, the goal is to insert an increasing percentage of recycled material into our transformation process and potentially increase our overall production capacity to offer more sustainable solutions”

– Eric Desaulniers, Founder, President, and CEO of Nouveau Monde

Battery materials recycling is a critical enabler for global decarbonization. Recycling could provide a secure secondary supply of materials to help meet the projected demand growth while improving the environmental footprint of anode material production.

Through our partnerships, Nouveau Monde is creating synergy with other industries in line with the circular economy approach.

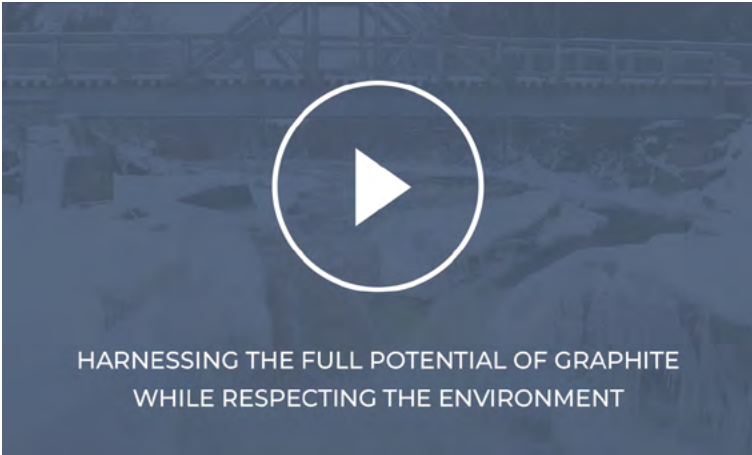




Water Management

Nouveau Monde recognizes water as a form of collective wealth. Safeguarding water quality to avoid any material impacts to wildlife, ecological resources, and the human environment is important to us, our local communities, and our stakeholders.

Nouveau Monde designed, tested, and documented a water management system for the Matawinie mining project based on extensive research, including environmental baseline studies, geochemistry characterizations, laboratory and field tests, water modeling, and technical reports (all made publicly available). Our stakeholder consultation allowed us to integrate and address specific concerns, such as potential dam failure risks. We specifically addressed this concern and the potential impact on water quality by developing an alternative tailings management approach that avoids the use of dams (see [Aiming for Environmental Excellence](#) case study on page 42). Furthermore, we developed an integrated water management system to be used throughout all stages of the operation (construction, operation, and closure), and integrated an additional mitigation plan to ensure the lowest possible impacts.

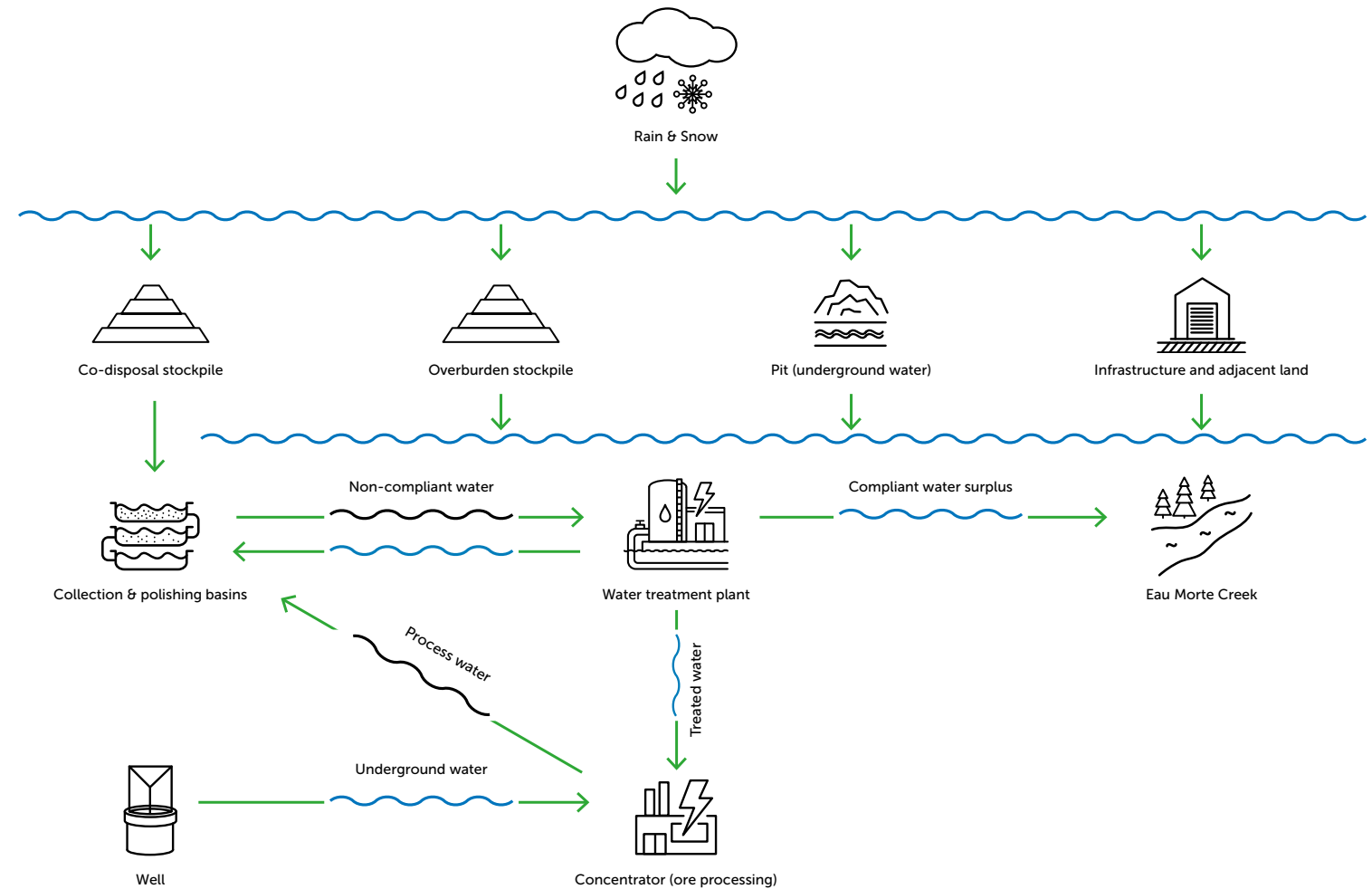


OUR ONSITE WATER MANAGEMENT SYSTEM

Through a system of ditches and basins, all precipitation, surface, and underground water is collected and then directed to the collection and polishing basin for treatment. Once the water is treated to regulatory standards, it is released into the Eau Morte Creek.



Our water management philosophy advocates the reuse of water in the ore concentration process to minimize our use of freshwater. As such, precipitation from both the mining site and from the dewatering pit will be prioritized as the water source for the concentrator. Any water that cannot be reused will be sent to the collection basin for treatment.





FROM OUR LEADERSHIP

INTRODUCING OUR ESG REPORT

CREATING SHARED VALUE

RESPECTING OUR NATURAL ENVIRONMENT

LEADING BY EXAMPLE

DISCLOSURE INDEX





For the purposes of the environmental assessment, we included all surface and underground water bodies that have the potential to be directly affected by Nouveau Monde’s operations, with an emphasis on water bodies having potential human or wildlife exposure. The final footprint of the project after commercial operations should be approximately 3 km², positioned at the top of the sub-watershed of unnamed streams, which are all less than 5 km².

Studies, models, and technical documentation have been made publicly available in line with the Province of Québec’s environmental assessment procedure. As demonstrated in the [ESIA](#), our approach to water management ensures a low

impact on water quality within the immediate proximity of the mining site and negligible impact for the Matawin River watershed. Several models of the project’s long-term impact on underground and surface water were carried out to identify additional mitigation measures to be implemented, if necessary, according to actual results during operations and taking into consideration the closure of the mine. The MELCC calculated and set stringent environmental discharge objectives specific to the project according to the expected impacts and characteristics of the receiving water body.

In line with our engagement thus far, Nouveau Monde intends to continue involving stakeholders

in all stages of the project (from design to closure), including our Accompanying Committee, Bassin Versant Saint-Maurice (a watershed representation organization), the local community, and the Atikamekw First Nation.

Nouveau Monde has developed internal compliance management and reporting systems for both the construction and commercial production phases to reinforce our compliant operations. Monitoring and surveillance programs for both our Matawinie project and Bécancour sites should be further strengthened as we deploy our Sustainability Action Plan.

Waste & Hazardous Materials Management

Nouveau Monde conducts business with the environment in mind, striving to preserve our ecosystem and reduce our environmental impact. Properly managing waste material, with special attention to tailings in a mining context, is important to protecting water, visual, and vegetative resources at the Company’s Matawinie site.

We have opted for innovative approaches to managing our waste material to reduce the project’s footprint, limit risks associated with tailings infrastructure, and support progressive land reclamation. Our system of desulphurization, dry-stacking, and co-disposal of tailings with waste rock aligns with best practice requirements by the Global Tailings Review, the International Network for Acid Prevention, and the Canadian Mine Environment Drainage Program.

Aiming for Environmental Excellence

"We're doing things differently, starting with environmental considerations to design the best project possible, at all stages of the mine's life. The environment ought to be front and center as we engineer the infrastructure and plan the operational parameters. That's exactly what we're doing!"

– Martine Paradis, Vice President, Engineering, Environment & Matawinie Project

In developing our Matawinie project, Nouveau Monde set clear design criteria that there should be no negative consequences to the surrounding population or other sensitive components and that the project be adapted to climate change.

"We've pulled from peer successes across the world to design what we consider to be the optimal proactive environment management scheme."

By combining a desulphurization process with dry-stacking and co-disposal, we designed an innovative tailings management system to prevent acid mine drainage.



Through desulphurization, we separate non-acid generating ("NAG") tailings from potentially acid-generating ("PAG") tailings. Once divided, the tailings are filtered to reduce their water content and then dry-stacked.

A co-disposal approach is used to limit sulfur oxidization, whereby the waste rock and tailings are managed within the same stockpile to leverage the benefit of each materials' properties. Waste rock is used to create cells in which the PAG tailings are compacted to increase water saturation. The NAG tailings are added, compacted, and placed on top to limit the entry of oxygen, thereby preventing sulfur oxidation. This process is completed without the use of any tailing ponds or dams, which can present long-term environmental liabilities.



Nouveau Monde's Environment team was supported by students of the Université du Québec en Abitibi-Témiscamingue to build and instrument co-disposal test cells at the demonstration site.

The open-pit design consists of five phases of production to assure a consistent feed grade for the entire life of the mine. This mining sequence is expected to help minimize the project's environmental footprint as the disposal of waste, PAG and NAG tailings, can commence backfilling in-pit as early as Year 5 of production. The driving factor for the mining sequence is the progressive reclamation of the site. The co-disposal stockpile will be covered and vegetated during the mine's years of operation.

In addition to providing greater environmental safety, the system reduces the mine's infrastructure footprint, helps avoid acid mine drainage, optimizes water management, and enables progressive reclamation through backfilling of the pit, closure site covering, and vegetating during operations.

Thanks to efforts at our demonstration operations, Nouveau Monde has already validated the desulphurization process and completed the construction of a co-disposal experimental cell.

Our model was submitted to the BAPE commissioners and Québec MELCC technical experts for a thorough review, resulting in a ministerial decree issued by the Québec Government to authorize the project. The BAPE report outlined that the Company's plans for waste management at the Matawinie graphite mine project would reduce the environmental risks.



Nouveau Monde will be actively involved in the management, protection, and possible mitigation of water-resource impacts and reclamation over the course of its operations. We have developed compliance management and reporting systems for both the construction and commercial phases, in addition to a monitoring and surveillance program that should facilitate the tracking and reporting of compliance objectives. These internal monitoring programs could be further strengthened as we deploy our Sustainability Action Plan.

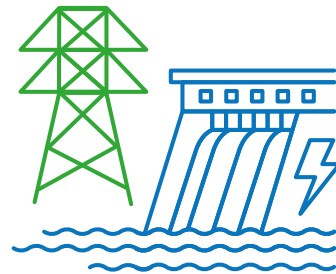
Our unique tailings management approach is an example of our commitment to carry out responsible construction of commercial projects through proactive waste management, infrastructure, logistics optimization, and sustainable design choices.



+ CLIMATE ACTION

In 2021, Nouveau Monde initiated its Climate Action Plan to attain a carbon-neutral footprint. Our aim is to achieve carbon neutrality for our scope 1, scope 2, and a portion of our scope 3 GHG emissions. As part of this plan, we are:

→ Developing a **100% electric mining operation**. When operational, this should result in approximately **85% less direct GHG emissions** from our mining operations² due to our use of renewable hydroelectricity (see [Electrifying Open-Pit Mining](#) case study on page 49 for more details).



→ Compensating for our entire historical emissions since our inception (in 2012) utilizing **carbon credits** in compliance with the Canadian Standards Association Clean Projects Registry, which has confirmed our carbon-neutral status (as of April 2021);

→ Partnering with Québec-based experts NEL-i to develop one of the **largest carbon offsetting projects** in Eastern Canada in order to secure the future supply of carbon credits for the Company;



→ Advancing our research and development (“R&D”) program to optimize processes at every step of the value-added transformation chain, leveraging **clean hydropower as a driver for energy-intensive manufacturing**; and

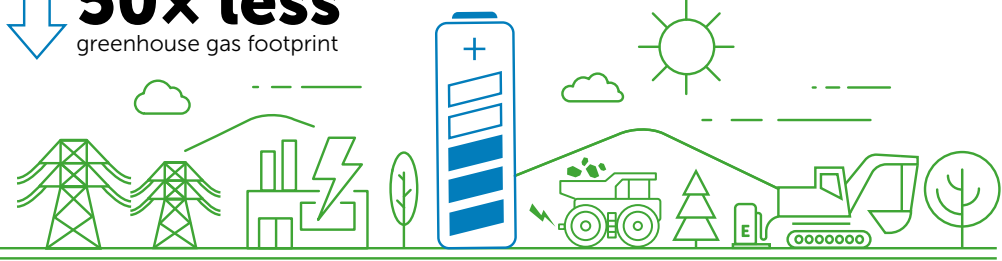
→ Implementing **transparent and proactive** emission monitoring and disclosure.

Our long-term goal is for Nouveau Monde to attain a Net Zero performance.

² NI 43-101 Technical Feasibility Study Report for the Matawinie graphite project.

↓ **50x less**
greenhouse gas footprint

NMG ANODE GRAPHITE MATERIAL



COMMON SPHERICAL GRAPHITE



⇒ Diesel mining fleet
⇒ Thousands of km
of transportation



Our climate action initiatives set us on the path to attain carbon neutrality for past and current operations, with a plan for future activities.



Engineering Solutions for a Zero-Carbon Future

In a world increasingly driven by cleantech, manufacturers are seeking advanced solutions that provide the ideal combination of quality, performance, cost, weight, carbon footprint, material interaction, and countless other factors.

In our efforts to produce the greenest, advanced graphite materials, we have developed a proprietary thermochemical purification process that yields $\geq 99.95\%$ purity at a fraction of the carbon footprint of traditional anode material production. We are leveraging Québec's hydropower to generate high temperatures and a chlor-based reagent to eliminate impurities, whereas other spherical purified graphite ("SPG") producers rely predominantly on hydrofluoric acid, a toxic and harmful substance, and coal-powered plants.

In October 2020, Nouveau Monde announced a five-year agreement with Olin which covers the manufacturing space (in Bécancour) for operations, site services, and the supply of certain raw materials to support the construction of our phase-1 purification facilities. We plan to start producing our green SPG in 2021 and eventually generate battery-grade SPG volumes of up to 2,000 tonnes per year.

Nouveau Monde has also purchased a 200,000 m² industrial site, adjacent to the phase-1 location, intended to consolidate manufacturing facilities for the production of 42,000 tpa of lithium-ion battery anode material and 3,000 tpa of purified flakes for specialty applications. Our partnership with Olin extends to our commercial-scale operations and includes recycling of co-products, aligned with our vision for a circular economy.

In August 2021, we submitted a patent application for our proprietary thermochemical purification technology to the U.S. Patent and Trademark Office. Extensive laboratory testing demonstrated our eco-technology's performance and the products' high purity.



Our proprietary thermochemical purification process is an example of our commitment to elevate the environmental and ethical DNA of our Company's products.



Energy

Québec’s clean, affordable, and abundant hydroelectricity provides a sustainable and attractive framework for Nouveau Monde’s sustainable development.

By leveraging this renewable energy, we are set to become the world’s first all-electric open-pit mine to source and transform carbon-neutral graphite materials.

Nouveau Monde mandated Hydro-Québec – a state-owned corporation that produces, transports, and delivers power – to develop, install, and operate a 120-kV electrical line to supply the Matawinie project and help meet our carbon-neutrality target. A dedicated line will connect the mine site and concentrator to Hydro-Québec’s network, enabling the full electrification of our operations. Our Bécancour operations are also supported by Hydro-Québec’s network via existing infrastructure. Hydro-Québec generates more than 99% of its electricity from water, a source of clean, renewable energy.



Aerial view of Nouveau Monde's demonstration site at the forefront and the zone for the Matawinie mine industrial platform at the back, ready for the start of civil works.

Electrifying Open-Pit Mining

Since filing Nouveau Monde’s bankable feasibility study on the Matawinie deposit (2018), we have engaged in active discussions with original equipment manufacturers (“OEMs”) to explore technologies, best practices, and operational parameters to bring our all-electric vision to life.

In November 2020, we issued a call for pre-qualification to constitute an initial fleet of 60 vehicles. Nouveau Monde released the full scope and specifications of our future fleet from main production to auxiliary, maintenance, and infrastructure. This complete, transparent approach was aimed at sharing knowledge gathered over the past four years and to encourage peers to adopt sustainable mining standards. Our approach embodies sustainable development by stimulating responsible solutions and bringing together actors from various horizons, even competitors, to reinvent existing paradigms.

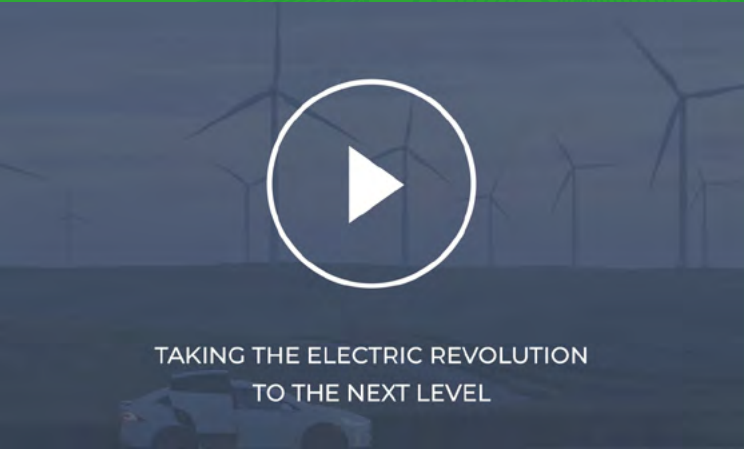
“We are all working towards the same goal of carbon-neutrality, and to accelerate this, we need to ensure that the solutions are both practical and economical. We want to be partners in the process and test and validate the early solutions before full-scale operations.”

– David Lyon, Director Electrification and Automation

In June 2021, we signed a collaboration agreement with Caterpillar to be an exclusive supplier of an all-electric mining fleet. As part of this agreement, Caterpillar will be the exclusive equipment, technology, and services provider and will develop, test, and produce the Cat® zero-emission machines to be deployed at our Matawinie mine (by 2028) – a world first!

In addition to our procurement efforts, Nouveau Monde is contributing to the development of a new electric propulsion system and rapid recharging infrastructure for heavy vehicles within the open-pit mining industry. Our collaboration partners include Propulsion Québec, the Innovative Vehicle Institute, the National Research Council of Canada, Adria Power Systems, Dana TM4, and Fournier & fils.

Nouveau Monde is proud to be acting as a catalyst for zero-emission heavy-duty operations.



Our electrified open-pit mining partnerships promote and call for sustainability throughout our value chain, business ecosystem, and community.





LEADING BY EXAMPLE

- Our Governance
- Fostering Opportunities and Collaboration

As Nouveau Monde grows, we are implementing policies and practices to strengthen our commitment towards transparency, fairness, equality, and governance.

The Board of Directors of Nouveau Monde oversees the business conduct of the Company and management's responsibilities for the day-to-day operations and corporate development. We maintain high standards of integrity and accountability and seek to mitigate risk while remaining mindful of our stakeholders' interests when executing our business strategy. The Company considers environmental, social, and governance issues when making decisions and implementing its strategy.

We are committed to the principles of sustainability and ethics; the management team and Board of Directors recognize the value of good corporate governance and the need to adopt best practices in terms of social, economic, and environmental responsibility.



+ OUR GOVERNANCE

In 2020, the Board of Directors was assisted by three committees; a total of 11 meetings were held in the year. In an effort to strengthen our governance practices to meet the Company's growing operations, the Board of Directors revised its committee structure and adopted new charters to define clear mandates for each.

- » Audit Committee
- » Human Resources, Nominating and Compensation Committee
- » Governance, Compliance and Legal Committee
- » Safety, Health and Well-Being Committee
- » Projects and Development Committee
- » ESG, Community, Sustainability and Diversity Committee

The purpose of the ESG, Community, Sustainability, and Diversity Committee is to assist the Board with oversight of ESG initiatives as well as the Company's approach to matters related to diversity, equality, and inclusion. The committee is comprised of at least three members, with a majority being independent directors.

Responsibilities of the ESG, Community, Sustainability & Diversity Committee include reviewing the Company's ESG initiatives, policies, standards, and programs which include sustainability, tailings management, water stewardship, site restoration, community and Indigenous relations, human rights, business conduct, and ethics. Furthermore, the Committee will ensure Nouveau Monde is compliant with all applicable regulatory and legal requirements and will assist the Company's management in implementing and promoting ESG best practices throughout the organization.

Board of Directors



+ **Arne H Frandsen**
Chair



+ **Daniel Buron**
Lead Independent Director



+ **Yannick Beaulieu**
Director



+ **Eric Desaulniers**
Director



+ **Nathalie Jodoin**
Director



+ **Jürgen Köhler**
Director



+ **Nathalie Pilon**
Director



+ **James Scarlett**
Director



+ **Andrew Willis**
Director

Legend

1 Audit Committee

3 Governance, Compliance and Legal Committee

5 Projects and Development Committee

2 Human Resources, Nominating and Compensation Committee

4 Safety, Health and Well-Being Committee

6 ESG, Community, Sustainability and Diversity Committee

Member	Executive position	Tenure	Independence	Gender	Expertise	Committee participation
Arne H Frandsen	Chair	1 year	No	Male	Legal, investment banking, executive management, natural resources, financing	2, 3, 6
Daniel Buron	Lead Independent Director	1 year	Yes	Male	Finance, investor relations, information technology, business administration, corporate governance	1, 2, 3
Yannick Beaulieu	N/A	3 years	Yes	Male	Finance, business administration, information technology, health & safety	1, 3, 6
Eric Desaulniers	President and CEO	8 years	No	Male	Exploration, mining development	4, 5
Nathalie Jodoin	N/A	4 years	Yes	Female	Intellectual property, legal	2, 4, 6
Jürgen Köhler	N/A	< 1 year	Yes	Male	Business management, technology development & innovation, manufacturing & construction, sales & marketing, corporate governance, health, environment & safety	1, 5
Nathalie Pilon	N/A	< 1 year	Yes	Female	Heavy industry and manufacturing, business administration, project management, sustainability, diversity & inclusion	1, 4, 5
James Scarlett	N/A	< 1 year	Yes	Male	Legal, investment, corporate governance, finance, indigenous relations	2, 3, 4
Andrew Willis	N/A	< 1 year	No	Male	Investment, corporate finance	5

Our Roadmap

We focus our efforts to contribute to a zero-carbon world while limiting our environmental footprint and creating shared value. In line with our commitments and [Sustainability Policy](#), we are deploying a Sustainability Action Plan and a Climate Action Plan. Both plans will ensure robust approaches to meeting our targets, appropriate oversight of ESG topics and will guide our Company’s future ESG performance.

Nouveau Monde Graphite 2020 ESG Report

Nouveau Monde Graphite 2020 ESG Report

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Nouveau Monde Graphite 2020 ESG Report



Our role in advancing the Battery Passport will promote and call for sustainability throughout our value chain, business ecosystem, and community.



Shaping a Responsible Battery Value Chain

Batteries are a key enabler to achieving the 2°C Paris Agreement goal and powering a low-carbon economy.

In 2020, we joined a pioneering project to implement traceability of the mining minerals and battery materials industries in Québec, Canada. In collaboration with Propulsion Québec, OPTEL Group, and the International Reference Center for Life Cycle of Products, Services, and Systems (CIRAIG), we are establishing traceability by mapping and documenting Nouveau Monde’s graphite supply chain with detailed data on chemistry, ESG factors, GHG footprint, logistics, etc.

Recipient of a grant from the Government of Québec, the project is affiliated with the GBA to inform global standards on battery identity and reporting criteria for sustainable and transparent battery production.

The Battery Passport is set to become the dominant norm attesting to the environmental and social compliance of a battery throughout its value chain. Nouveau Monde is ideally positioned to drive the implementation of the GBA’s Battery Passport principles, guaranteeing the traceability and sustainability of our strategic minerals.












DISCLOSURE INDEX




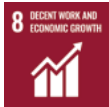

The GRI, SASB, and UN SDGs metrics have been grouped according to [Key ESG Topics](#). Where relevant, we have disclosed pertinent 2020 data throughout this appendix. To provide more complete GRI disclosure, we have also included information pertaining to GRI’s general (102) and management approach (103) disclosures (in the latter half of this appendix).







Importance	Key ESG Topic	GRI Reference	SASB Reference	
Very High	Climate Action	305-1, 305-2	EM-MM-110a.1	EM-MM-110.a.2
	Governance & Compliance	205, 307-1, 308, 419-1	EM-MM-510a.1	EM-MM-510a.2
	Energy	302-1	EM-MM-130a.1	
	Community Participation	411, 413	EM-MM-210b.1	EM-MM-210b.2
	Water Management	303-1, 303-2, 303-3, 303-4, 307-1, 308	EM-MM-140a.1	EM-MM-140a.2
High	Waste & Hazardous Material Management	306, 306-3, 307-1, 308	EM-MM-150a.1	EM-MM-150a.2
	Biodiversity	304, 304-3, 307-1, 308	EM-MM-160a.1	EM-MM-160a.2
	Indigenous Outreach	404, 404-3, 405-1, 411, 413	EM-MM-210a.3	
	Economic Performance	201	N/A	
	Public Health	307-1, 308	N/A	
	Workforce, Health & Safety	403	EM-MM-320a.1	
	Learning & Training	404, 404-3	EM-MM-320a.1	
	Diversity & Inclusion	401, 405-1, 406-1	N/A	
	Responsible Mining	301-1, 307-1, 308	N/A	
	Socio-Economic Contribution	203, 204-1, 401, 414	N/A	
Moderate	Air Quality	305-1, 305-2, 307-1, 308	EM-MM-120a.1	
	Noise & Vibrations	307-1, 308	N/A	
	Labor Relations	402, 407	EM-MM-310a.1	
	Prevention of Child & Forced Labor	408-1, 409-1	N/A	





+ SOCIAL ESG TOPICS


UN SDGs	Standard	Disclosure	Description/Location
Topic: Community Participation and Outreach			
	GRI	413	See Our Community Outreach section (page 15) and Indigenous Engagement section (page 18).
	SASB	EM-MM-210b.1	
			EM-MM-210b.2
Topic: Socio-Economic Contributions			
   	GRI	201 and 203	See A Mutually Beneficial Future section (page 23) and Developing Local Talents section (page 24). In relation to the signed framework agreement (2018) and the pre-development agreement in 2019 with the <i>Conseil des Atikamekw de Manawan</i> and the <i>Conseil de la Nation Atikamekw</i> , Nouveau Monde paid the following amounts: <ul style="list-style-type: none">» \$349,900 in 2020» \$733,656 prior to 2020
		204-1	See Our Business Community section (page 26).
		401	See Our Greatest Assets section (page 28).
		308 and 414	Suppliers are managed through a centralized process that strives to promote local, regional, or provincial procurement of goods and services with high regard for social responsibility, to the greatest extent possible. Nouveau Monde is enhancing this process as part of its Sustainability Action Plan and is considering the use of supplier codes of conducts in the future. In the interim, suppliers are required to adhere to Nouveau Monde’s health and safety, and environmental programs.
Topic: Employees, Diversity, and Training			
 	GRI	401	See Our Greatest Assets section (page 28).
		404 and 404-3	
		405-1	See Our Greatest Assets section (page 28) and Our Governance section (page 51). We provide equal employment opportunities aligned with Québec’s <i>Act Respecting Labor Standards</i> , Québec’s <i>Charter of Human Rights and Freedoms</i> , and Canada’s <i>Charter of Rights and Freedoms</i> .
		406	In 2020, 0 discrimination complaints were submitted to the Company. Nouveau Monde has an anti-discrimination policy in place.




UN SDGs	Standard	Disclosure	Description/Location
Topic: Health and Safety			
	GRI	403	See Health & Safety section (page 32). Nouveau Monde’s Code of Conduct , Health and Safety Policy , and Sustainability Policy also state our commitment to providing a safe environment to our employees, contractors, and visitors.
	SASB	EM-MM-320a.1	See Health & Safety section (page 32). Nouveau Monde has a health and safety prevention program adapted for each of our sites (demonstration plant, mining site, the Bécancour construction site and the Matawinie construction site) in addition to risk and hazard identification processes to ensure proper management. Nouveau Monde intends to incorporate additional safety metrics as part of its Sustainability Action Plan.
Topic: Indigenous Outreach			
 	GRI	411	See Nitaskinan: "Our Land" case study (page 19), Indigenous Engagement section (page 18), and We Call Québec Home case study (page 16).
	SASB	EM-MM-210a.3	
	GRI	404 and 404-3	See disclosure under Employees, Diversity, and Training topic (above).
Topic: Labor Relations			
	GRI	402	Not applicable – Nouveau Monde currently functions as a non-unionized company. The Company’s employees have the right to engage in activities protected under the Québec’s <i>Labor Code</i> and Canada’s <i>Charter of Rights and Freedoms</i> . This includes the right to form or join unions; engage in protected, concerted activities to address or improve working conditions; or refrain from engaging in these activities. We respect the rights of our employees to freedom of association and the right to collective bargaining, and do not interfere in an employee’s decision whether to join an association. The Company’s policies, procedures and practices are intended to ensure compliance with Québec’s <i>Labor Code</i> and prevent anti-union discrimination.
		407	
	SASB	EM-MM-310.a	
Topic: Prevention of Child and Forced Labor			
	GRI	408	Nouveau Monde does not consider any of its operations or suppliers to have significant risks related to child or forced labor. Nouveau Monde is committed to protecting the rights and interests of workers and communities across our entire supply chain, operations, and business partners, including vulnerable populations such as children. The Company does not permit or condone any form of forced or child labor at our operations nor via our business partners.
		409	
			Our recruitment processes are conducted in a transparent manner and in accordance with the principles of the International Labor Organization, Québec’s <i>Labor Code</i> , Québec’s <i>Charter of Human Rights and Freedoms</i> as well as Canada’s <i>Charter of Rights and Freedoms</i> . All persons hired are required to verify their eligibility to work in Canada and to complete the required employment eligibility verification documentation upon hire, which verifies the age of employees, flagging any persons under the legal working age.
			Nouveau Monde is currently developing a Human Rights Policy, which is expected to be completed by the end of 2021. We are developing this policy in preparation for our commercial operations at the Matawinie graphite mine and the Bécancour battery material plant. The policy will enable us to further embed human rights principles into our internal policies and culture to influence business partners, customers, and end-users of our advanced graphite materials.


+ ENVIRONMENTAL ESG TOPICS

UN SDGs	Standard	Disclosure	Description/Location
Topic: Responsible Mining			
 	GRI	301-1	See Graphite section (page 36)
		307	See Responsible Mining section (page 35). Nouveau Monde confirms it has not received any non-compliance notifications (0), nor any significant fines, or cases brought through a dispute resolution mechanism. Additionally, as part of its report (June 2020), the BAPE Commission outlined 61 recommendations for the Matawinie mine project, of which 42 are within Nouveau Monde’s field of responsibility. As of August 2021, a total of 31 recommendations have been completed and 8 are actively being tracked or realized.
	SASB	308	See disclosure under Socio-Economic Contributions topic (above).
Topic: Climate Action and Air Quality			
 	GRI	305-1	<p>Gross direct (Scope 1) GHG emissions: 54.6 metric tonnes of CO₂ equivalent</p> <p>Gases included in calculation: CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃</p> <p>Biogenic CO₂ emissions: 0 metric tonnes of CO₂ equivalent</p> <p>Base year: 2020</p> <p>Source: Our Scope 1 GHG emissions are related to the extraction and concentration of graphite at the demonstration operations in Saint-Michel-des Saints and the use of company vehicles. Additionally, the Company’s headquarters were heated by fuel oil which contributed to our direct emissions, however, Nouveau Monde has moved to a new location, powered by hydroelectricity, in July 2021.</p> <p>Methodology: The emission factors come from the Québec’s regulation, respecting mandatory reporting of certain emissions of contaminants into the atmosphere. The 100-year global warming potential (“GWP”) values for GHG are those stated in The Intergovernmental Panel on Climate Change’s (“IPCC”) Fifth Assessment Report (AR5). The attribution and consolidation of GHG emissions are performed following a control approach and using the operational criterion. This operational control approach is constantly applied to properly identified the operations and GHG sources that fall within the Company’s boundaries.</p>
	GRI	305-2	<p>Gross energy indirect (Scope 2) GHG emissions: 3.8 metric tonnes of CO₂ equivalent</p> <p>Gases included in the calculation: CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃</p> <p>Base year: 2020</p> <p>Source: Our scope 2 GHG emissions consist of our hydroelectricity consumption at our demonstration plant and corporate offices.</p>



UN SDGs	Standard	Disclosure	Description/Location
 	GRI	305-2	<p>Methodology: The emission factor applied for the electricity usage is 1.7g CO₂ eq / kWh and is obtained from the most recent Canada’s National Inventory Report (“NIR”) submission to the United Nations Framework Convention on Climate Change (“UNFCCC”). The factor represents the average level of emissions for the entire province of Québec and is not specific to the grid where the operations take place. It is a conservative approach, as this factor incorporates some GHG emissions that could fall under scope 3 emissions, namely emissions due to transportation losses and fugitive emissions of SF₆.</p> <p>No GWP is used in the calculation. The use of a consolidated emission factor that incorporate all GHG is preferred. This emission factor come from the NIR and therefore is calculated using the 100-year GWP stated in the Fourth Assessment Report of the IPCC.</p> <p>The attribution and consolidation of GHG emissions are performed following a control approach and using the operational criterion. This operational control approach is constantly applied to properly identified the operations and GHG sources that fall within the Company’s boundaries.</p>
	SASB	EM-MM-110a.1	See Scope 1 emissions outlined above (GRI 305-1). Percentage covered under emissions-limiting regulation: 96%
	SASB	EM-MM-110a.2	See Climate Action section (page 44).
	GRI	307 and 308	See Responsible Mining section (page 35) and disclosure under the Socio-Economic Contributions topic.
	SASB	EM-MM-120a.1	Atmospheric emissions of these pollutants have not been quantified.
Topic: Energy			
 	GRI	302-1	See Energy section (page 47).
	SASB	EM-MM-103a.1	<p>Total fuel consumption from non-renewable sources: 4,296 GJ</p> <p>Total fuel consumption from renewable sources: N/A</p> <p>Total electricity consumption: 11,370 GJ from hydropower for electricity, heating, cooling (represents 73% of total energy consumed)</p> <p>Total energy consumption: 15,666 GJ</p> <p>Methodology: Data includes Saint-Michel-des-Saints’ demonstration operations consumption, characterization works to advance the commercial project and offices. Diesel consumption specific to concentration process is included in disclosure 301. The conversion of diesel, oil fuel, and propane consumption from liters/m³ to GJ use energy conversion tables from Canada Energy regulator. The electricity consumption includes the entire building where the Company rents space for the demonstration plant (including areas not under our responsibility nor usage) as well as offices. The conversion of the electricity consumption from kWh to GJ use energy conversion tables from Canada Energy regulator.</p>

UN SDGs	Standard	Disclosure	Description/Location
Topic: Water Management and Effluents			
	GRI	301-1	See Water Management section (page 39).
	GRI	303-2	The gradual restoration of the co-disposal pile during mining has also been taken into consideration in the water management plan.
	GRI	303-3	Total surface water withdrawn: 0.75 ML Total groundwater withdrawn: N/A Total sea water withdrawn: N/A Total produced water: N/A Total third-party water withdrawn: N/A Total: 0.75 ML Methodology/Note: Water used for the ore concentration process is recirculated at the demonstration plant. Water loss is due to evaporation during the drying of the graphite concentrate and to the humidity output included in tailings. Any additional necessary water for the process comes from fresh water supplied from basins of the rented space, which is connected to the Durand Lake less than 1 km north of the demonstration plant. Water input from the ore moisture is 125 m³. This adds up to 875 m³ of water input in the process in 2020. Nouveau Monde does not record water withdrawal for sanitary use its current operations.
	GRI	303-4	Total surface water discharged at the final effluent of demonstration project: 8.746 ML Total groundwater discharged: N/A Total sea water discharged: N/A Total produced water: N/A Total third-party water discharged: N/A Total water discharge: 8.746 ML Methodology/Note: Discharged water comes from run-off water, dewatering of the bulk sample pit and water contained in the tailings. Nouveau Monde operates a physico-chemical treatment plant; 100% of discharged water was in conformity with the quality criteria of Québec's <i>Directive 019 on the Mining Industry</i> . The final effluent's receiving water body of the demonstration project is an unnamed intermittent stream, an affluent of the À l'Eau Morte Creek. Nouveau Monde does not record water discharge related to sanitary use at its current operations.
	SASB	EM-MM-140a.1	Total fresh water withdrawn and consumed: 963 m³ Percentage in regions with high or extremely high baseline water stress: No water (0%) is withdrawn from regions with high or extremely high baseline water stress.
	SASB	EM-MM-140a.2	Total of 0 non-compliance incidents, Nouveau Monde remains compliant with all regulatory requirements.

UN SDGs	Standard	Disclosure	Description/Location
Topic: Waste and Hazardous Materials Management			
 	GRI	306	See Waste & Hazardous Materials Management section (page 41).
	GRI	306-3	Total non-acid generated tailings: 3,810 metric tonnes
	SASB	EM-MM-150a.1	Total potentially-acid generated tailings: 1,700 metric tonnes
	SASB	EM-MM-150a.2	Total waste generated: 5,510 metric tonnes Methodology note: Nouveau Monde does not record waste supported by the municipal services (including recycling) nor other waste disposed to authorized sites by the MELCC. Recycled: Hazardous products, batteries and printing toners are currently being recycled, but no data is actively being measured.
Topic: Biodiversity, Noise and Vibrations			
	GRI	307 and 308	See Responsible Mining section (page 35) and disclosure under the Socio-Economic Contributions topic.
	GRI	304-3	As part of the ESIA for the Matawinie mining project, an environmental baseline study and project design phase were conducted which included an exhaustive inventory and characterization of forest, wetlands, ichthyan and benthic fauna, avian fauna, small mammals and bats, as well as herpetofauna within a 43 km² area, with an emphasized focus on the final project footprint (approximately 3 km²). Focus was given to threatened, vulnerable and at-risk species as per Québec’s legislation and Canada’s <i>Species at Risk Act</i> . The presence of the bald eagle, bobolink, southern bog lemming, hoary bat, silver-haired bat, little brown bat, eastern red bat, and common snapping turtle was confirmed, while 21 other species were identified as potentially present (full inventory available in the ESIA). Additionally, Nouveau Monde granted greater care to identify three threatened/ vulnerable listed plant species (according to the <i>Centre de données sur le patrimoine naturel du Québec</i>) within the study area, namely the wild leek, northern adder’s-tongue fern, and Vasey’s pondweed. However none of these species were identified during the field inventories.
	SASB	EM-MM-160a.1	<p>The Company is committed to using the same ecological stewardship approach for the Bécancour battery material plant. Hence, Nouveau Monde conducted in 2020 an environmental baseline study of the 200,000 m³ land located within an industrial park for the future phase-2 Bécancour battery material plant, which included initial characterization of wetlands and vegetal species, and opportunistic fauna observation. Key findings included:</p> <ul style="list-style-type: none">» No plant species identified as threatened, vulnerable or likely to be designated were found. Fifteen plant species with a precarious status have been recorded in the past within an 8-km radius of the land.» Field inventories have detected the presence of the monarch (considered endangered). None of the other observed species have a protection status. <p>Nouveau Monde’s biodiversity management plan consists of:</p> <ul style="list-style-type: none">» Collecting comprehensive baseline data to characterize the presence and habitat of wildlife, flora, and fauna in baseline study areas;» evaluating the possibility of potential direct and indirect impacts to biodiversity resources from site-based disturbance;» assessing the possibility and feasibility of avoidance, when not achievable, developing mitigation plans to limit impacts to ecological resources;» for impacts that cannot be avoided or mitigated, offsetting the loss of wetland, forest possibility and fish habitats;

UN SDGs	Standard	Disclosure	Description/Location
	SASB	EM-MM-160a.1	<ul style="list-style-type: none">» developing progressive land reclamation through backfilling of the mine pit and a comprehensive restoration with the help of a contracted restoration expert. This work could include the preparation of an ecological and climate-edaphic study conducted in labs, greenhouses and in-situ, to refine reclamation parameters, and the assessment of the optimal mix for seeding from the valuation of deforestation by-products;» selecting species that promote the rapid return of a resilient and sustainable native ecosystem, limit wind and water erosion, enhance biodiversity, protect the co-disposal progressive cover and reduce environmental liabilities; and» developing compliance management and reporting systems to support compliant operations.» Company-wide practices and policies such as:<ul style="list-style-type: none">– Avoiding sensitive forest habitats, high ecological value wetlands as well as high- and middle- quality fish habitats;– Mitigation measures to minimize impacts on biodiversity such as avoiding tree cutting during nesting season for birds and bats, and relocation protocols for turtles or snakes. <p>The Company will continue to be actively involved in the management, protection and mitigation of habitat and ecosystems in the projects area.</p>
	SASB	EM-MM-160a.2	Operations occurring on one mine site. See Aiming for Environmental Excellence case study (page 42) for our method that actively mitigates acid mine drainage from our single mine site (100% of mine sites actively mitigate acid drainage).
	GRI	307, 308	See Responsible Mining section (page 35) and disclosure under the Socio-Economic Contributions topic.

+ GOVERNANCE ESG TOPICS

UN SDGs	Standard	Disclosure	Description/Location
Topic: Business Ethics			
	GRI	205	<p>Our Board of Directors, management, and employees are committed to operating ethically in all business dealings. Nouveau Monde’s Board has adopted a Code of Conduct, which sets out the Company’s objectives, expectations, and business practices. This includes conducting our operations in accordance with all applicable anti-bribery and anti-corruption laws, which include the <i>Corruption of Foreign Public Officials Act</i> in Canada.</p> <p>As a company with business in Canada, we report under the <i>Extractive Sector Transparency Measures Act</i>; this reporting is intended to increase transparency around payments made to governments and deter corruption.</p> <p>Employees at all levels of the Company are encouraged to seek guidance if they have questions about how to comply with our values and policies. In addition to being posted on our website, the Code of Conduct is made available internally to our employees and provided to new employees as part of our on-boarding process. In complement to our Complaint Policy, Nouveau Monde is drafting a Whistleblower Policy, and an Anti-Bribery and Anti-Corruption Policy, all to be completed by Fall 2021.</p>
	SASB	EM-MM-510a.1	
	SASB	EM-MM-510a.2	Operations conducted in Canada, which was ranked 11 th on the Transparency International’s Corruption Perception Index.
Topic: Compliance			
	GRI	307 & 308	See disclosure metrics above.
	GRI	419	Nouveau Monde has not received any non-compliance notifications in relation to laws and/or regulations.

+ GENERAL STANDARD DISCLOSURES

Disclosure	Description/Location
Topic: Organizational Profile	
GRI 102-1	Name of organization: Nouveau Monde Graphite Inc.
GRI 102-2	Activities, brands, products and services: Nouveau Monde is a development-stage company focused on advancing the Matawinie graphite mining project and Bécancour battery material plant to production. Nouveau Monde is striving to become a key contributor to the sustainable energy revolution. The Company is working towards developing a fully-integrated source of carbon-neutral battery anode material in Québec, Canada for the growing lithium-ion and fuel cell markets. With low-cost operations and enviable ESG standards, Nouveau Monde aspires to become a strategic supplier to the world’s leading battery and automobile manufacturers, providing high performing and reliable advanced materials while promoting sustainability and supply chain traceability.
GRI 102-3	Location of headquarters: 481 Brassard Street, Saint-Michel-des-Saints, Québec, Canada J0K 3B0
GRI 102-4	Location of operations: Canada and the United Kingdom
GRI 102-5	Ownership and legal form: Nouveau Monde is a publicly traded company whose common shares are listed for trading on the New York Stock Exchange under the ticker symbol “NMG” and the TSX Venture Exchange under the ticker symbol “NOU”, and quoted for trading on the Frankfurt Stock Exchange under the ticker symbol “NM9A”.
GRI 102-6	Markets served: Nouveau Monde serves American, European, and Asian markets in the energy storage, refractory, and niche (e.g., electronics, fire-retardant products, engineered materials) industrial sectors. Customer profiles include major electric vehicle OEMs, battery manufacturers, carbon-based material manufacturers, high-temperature seals and gaskets producers, bi-polar plates manufacturers, and speciality industrial materials producers among others.
GRI 102-7	Scale of the organization Total number of employees: 63 employees as of December 2020, and 85 employees (as of August 2021). Total number of operations: Two in total, 1) Matawinie demonstration project and 2) Bécancour phase-1 purification operation. Net sales: Considering the developmental stage of our projects, Nouveau Monde has no revenues for 2020. Total capitalization: As at December 31, 2020, Nouveau Monde’s market capitalization was \$304,517,257. Quantity of products or services provided: Nouveau Monde is advancing development-stage projects and currently provides a portfolio of graphite-based materials in a variety of specs based on customers’ needs.

Disclosure	Description/Location
GRI 102-8	<p>Information on employees and other workers</p> <p>Total number of employees by employment contract, by gender:</p> <ul style="list-style-type: none"> » 58 permanent employees, 14 are female and 44 are male » 5 seasonal or on-call employees, 2 are female and 3 are male <p>Total number of employees by employment contract, by region:</p> <ul style="list-style-type: none"> » Matawinie graphite mining project: 33 permanent and 5 temporary » Bécancour battery material plant: 2 permanent » Corporate office and remote working, Québec: 24 permanent » European sales office, Europe: 2 permanent <p>Total number of employees by employment type, by gender:</p> <ul style="list-style-type: none"> » 57 employees are full-time, 14 are female and 43 are male » 6 employees are part-time, 2 are female and 4 are male <p>Description of the nature and scale of significant work performed by workers who are not employees:</p> <ul style="list-style-type: none"> » Corporate office employs 6 consultants performing duties pertaining to project management and technical support. <p>Data is based on the Company's human resources information system (as at December 31, 2020).</p>
GRI 102-9	<p>Supply chain: Nouveau Monde directly extracts graphite, the raw material underpinning our value chain, from our Matawinie mineral deposit. At this stage of the Company's development, suppliers support project planning and construction, engineering and technical analysis, R&D and technology testing, as well as operational, maintenance and administrative activities.</p> <p>Total number of suppliers engaged: 265 suppliers</p> <p>Geographic location of suppliers: Suppliers are located in Nouveau Monde's projects vicinity, more broadly in Québec, Canada, the United States, Switzerland, Germany, Japan, and China.</p> <p>Estimated monetary value of payments made to suppliers:</p> <ul style="list-style-type: none"> » \$5,343,870 to local suppliers, including \$190,834 to Indigenous businesses » \$11,304,663 to Québec and Canadian suppliers » \$1,165,430 to international suppliers

Disclosure	Description/Location
GRI 102-10	<p>Significant changes to the organization and its supply chain: Nouveau Monde has experienced significant growth since the discovery of the Matawinie graphite deposit in 2015, advancing both the Matawinie graphite mining project and Bécancour battery material plant to development, recruiting the team for advancement of both projects and qualifying products to secure sales agreements.</p> <p>Changes in the location of, or changes in, operations, including facility openings, closings, and expansion: A European sales office, based in London, United Kingdom, was added in 2020.</p> <p>Changes in the share capital structure and other capital formation, maintenance, and alteration operations:</p> <ul style="list-style-type: none"> » Nouveau Monde listed on the New York Stock Exchange in May 2021 and on the TSX Venture Exchange in 2012, and qualified to trade on the Frankfurt Stock Exchange in Germany in 2016. » In 2020, the Company issued a \$15-million secured convertible bond to Pallinguhurst. The bond is a three-year instrument that can be converted at any time, in part or in total, into common shares as per the transaction modalities. <p>Changes in the location of suppliers, the structure of the supply chain, or relationships with suppliers, including selection and termination:</p> <ul style="list-style-type: none"> » Nouveau Monde and Traxys Group entered into a 25,000-tonne flake graphite concentrate offtake and joint marketing agreement in 2019. » In 2020, pandemic-related economic disturbances intensified customers' search for local and reliable supply chains, as reflected in the Company's commercial discussions.
GRI 102-11	<p>Precautionary principle or approach: Nouveau Monde's Board of Directors' Governance and Sustainable Development Committee is responsible for overseeing governance, economic, environmental, and social policies and activities of the Company, including our approach to risk management as it relates to corporate governance and the environment. Through the revised committee structure, Nouveau Monde will look to further develop formal policies concerning each area as the Company moves from the development and construction phases to the commercial production phase of operations.</p>
GRI 102-12	<p>External initiatives: Nouveau Monde voluntarily subscribes to:</p> <ul style="list-style-type: none"> » The Paris Agreement treaty on climate change; » The Mining Association of Canada's Towards Sustainable Mining initiative, an environmental and social performance system for exploration and mining; » The United Nations' 2030 Agenda for Sustainable Development and its corresponding SDGs; » The Global Battery Alliance's principles and Battery Passport initiative. <p>More on Nouveau Monde's endorsed external frameworks and aligned initiatives is covered in our 2020 Annual Report.</p>
GRI 102-13	<p>Membership of associations: Nouveau Monde is a member of the Québec Mineral Exploration Association and Québec Mining Association which support the development of a responsible mining industry in Québec, where the Company's projects are located.</p> <p>Nouveau Monde is a member of business alliances promoting economic, social, and environmental efforts for responsible industrial development, including the <i>Chambre de commerce de la Haute-Matawinie</i>, <i>Chambre de commerce et d'insutrie du Centre du Québec</i>, <i>Fédération des chambres de commerce du Québec</i>, <i>Conseil des entreprises en technologies environnementales du Québec</i>, GBA, and European Battery Alliance. Additional information regarding specific initiatives such as the GBA-associated pilot project battery materials traceability, is outlined throughout this report. Please see Shaping a Responsible Battery Value Chain case study (page 56) and our 2020 Annual Report.</p>
Topic: Strategy	
GRI 102-14	<p>Statement from senior decision-maker: See statements from our Chair, Arne H Frandsen, and our President and Chief Executive Officer, Eric Desautniers, on pages 3 and 6, in addition to our 2020 Annual Report (p. 10-15).</p>

Disclosure	Description/Location
Topic: Ethics & Integrity	
GRI 102-16	<p>Values, principles, standards, and norms of behavior: Nouveau Monde is committed to the principles of sustainability, transparency, and ethics as detailed in our Code of Conduct. The management team and Board of Directors recognize the value of good corporate governance and the need to adopt best practices in terms of social, economic, and environmental responsibility. In 2020, the Board of Directors had three committees: the Audit Committee, the Human Resources and Compensation Committee, and the Governance and Sustainable Development Committee. The cornerstone of our corporate governance is centered on compliance with applicable laws, including environmental, health and safety, and human rights laws, adherence to anti-corruption and anti-bribery laws, as well as a commitment to fair dealings with our employees, communities, customers, suppliers, partners, and competitors.</p>
GRI 102-17	<p>Mechanism for advice and concerns about ethics: Nouveau Monde has implemented a Complaint Policy, in line with principle 31 of the Guiding Principles on Business and Human Rights of the United Nations' Human Rights Council, which provides stakeholders with the opportunity and mechanism to report complaints of potential violations, including breach of anti-bribery and anti-corruption laws, misconduct and other concerns.</p> <p>Nouveau Monde has also adopted and rolled out Company-wide training and implementation of a Harassment Prevention Policy for employees, which comprises a mechanism for reporting, investigating, and addressing discriminatory behaviors, including sexual, physical, and mental harassment.</p>
GRI 102-18	<p>Governance structure: The Board of Directors has the responsibility for overseeing all governance-related matters of Nouveau Monde, with input from certain Committees of the Board, as follows based on 2020 structure:</p> <ul style="list-style-type: none"> » Audit Committee: responsible for overseeing the Company's financial reporting, external auditing, compliance, disclosure, internal controls, and risk management. » Human Resources and Compensation Committee: responsible for overseeing the Company's policies, strategies, and risks related to health and safety, human resources management, and compensation. » Governance and Sustainable Development Committee: responsible for overseeing environmental, social, and corporate governance strategies, policies, programs, and performance for the development and observance of responsible and sustainable business practices. <p>As the Company advances its development, we intend continuing to enhance practices and policies, including committees' structure, mandate, and participation, to reflect the evolving nature of our operations and align with best-of-class standards. Please see Our Governance section (page 51) for changes made to our Board Committees in 2021.</p>
GRI 102-22	<p>Composition of the highest governance body and its committees: Nouveau Monde's Board of Directors consists of eight members (as at December 2020), including the Company's President and Chief Executive Officer, the Vice President of Corporate Development, and Chair of the Board.</p> <p>Please see Our Governance section (page 51) for our most recent Board composition and committee structure (as of August 2021).</p>
GRI 102-25	<p>Conflicts of interest: The Audit Committee, together with management and an appointed auditor, is responsible for the treatment and disclosure of significant related-party transactions and potential conflicts of interest. The Nouveau Monde Code of Conduct defines what is considered a conflict of interest and outlines expected behaviors as they relate to conflict of interest including reporting and resolving such matters.</p>
GRI 102-32	<p>Highest governance body's role in sustainability reporting: Nouveau Monde's Board of Directors has reviewed and approved this ESG Report and ensured that all material topics have been covered.</p>



Disclosure	Description/Location
Topic: Stakeholder Engagement	
GRI 102-40	List of stakeholder groups: We regularly engage with a variety of stakeholders to inform our approach to sustainability and business development. Our key stakeholders include: <ul style="list-style-type: none">» Local communities» First Nations» Current and prospective employees» Customers and end-users» Governments, both elected and public officials» Industry and sectoral associations» Shareholders and investors» Suppliers and business partners» Non-governmental organizations
GRI 102-41	Collective bargaining agreements: Nouveau Monde currently functions as a non-unionized company.
GRI 102-42	Identifying and selecting stakeholders: We consider stakeholder engagement an essential aspect of corporate governance. At our Matawinie graphite mining project, Bécancour battery material plant, and through our offices, we strive to effectively engage our stakeholders, whom we identify as those entities that can affect or be affected by our operations, objectives, proposed projects, and policies. Regular dialogue with our stakeholders is essential to conducting our business, as well as developing and implementing our sustainability strategy.
GRI 102-43	Approach to stakeholder engagement: See Our Community Outreach section (page 15)
GRI 102-44	Key topics and concerns raised: See Key ESG Topics section (page 12)
Topic: Reporting Practice	
GRI 102-46	Defining report content and topic boundaries / material topics: see Key ESG Topics section (page 12), boundaries are addressed in topic-specific disclosures.
GRI 102-47	
GRI 102-48	Restatement of information: As this is our first report there are no restatements of information.
GRI 102-49	Changes in reporting: As this is our first ESG report there are no restatements of information.
GRI 102-50	Reporting period: This ESG report covers the period of January 1, 2020 to December 31, 2020. Where additional information has been disclosed in this report, the year of data is referenced throughout (e.g. 2021).
GRI 102-51	Date of most recent report: This is our first ESG report.



Disclosure	Description/Location
GRI 102-52	Reporting cycle: We intend to report on our ESG initiatives annually.
GRI 102-53	Contact point for questions regarding the report: Julie Paquet, Vice President, Communications & ESG Strategy, can be contacted for further information on this report: jpaquet@nmg.com .
GRI 102-54	Claims of reporting in accordance with the GRI Standards: This report is completed with reference to the GRI Standards, including GRI's General & Management Approach disclosures and the Mining and Metals sector disclosure, where applicable.
GRI 102-55	GRI content index: This report's entire appendix serves as our GRI content index.
GRI 102-56	External assurance: Considering the current scale of our operations, we currently do not seek assurance for our report. We are confident our internal processes provide sufficient oversight regarding the accuracy of the information we report. We plan to explore assurance options as the Company advances our projects and development.

+ MANAGEMENT APPROACH DISCLOSURES

Topic-specific disclosures pertain to Nouveau Monde and our activities in Saint-Michel-des-Saints, Québec, developing the Matawinie graphite mining project, and in Bécancour, Québec, developing the Bécancour battery material plant. In comparison, the footprint and associated impacts of the Company’s corporate and remote offices, as well as European sales office are minimal.

Disclosure	Description/Location
Topic: General Disclosures	
GRI 103-1, 2 and 3	Explanation of the material topic and its boundary, and evaluation of the management approach: see Key ESG Topics section (page 12) and relevant sections outlined in this ESG Report and Index.
GRI 201 and 203	Economic performance and indirect economic impacts: See relevant disclosures under the Socio-Economic Contributions topic (above).
GRI 204	Procurement practices: See Our Business Community section (page 26).
GRI 205	Anti-corruption: See disclosure under Business Ethics topic (above).

+ LIST OF REFERENCES AND ACRONYMS

B

BAPE Bureau d’audiences publiques sur l’environnement

C

Company Nouveau Monde Graphite Inc.

E

ESG Environmental, social, and governance

ESIA Environmental and Social Impact Assessment

G

GBA Global Battery Alliance

GHG Greenhouse gas emissions

GRI Global Reporting Initiative

GWP Global warming potential

I

IPCC The Intergovernmental Panel on Climate Change

IVI Institut du véhicule innovant

M

MELCC Ministère de l’Environnement et de la Lutte contre les changements climatiques

N

NIR National Inventory Report

NRC National Research Council of Canada

O

OEM Original equipment manufacturers

OSHA Occupational Safety and Health Administration

R

R&D Research and development

S

SDG United Nations’ Sustainable Development Goals

SPG Spherical purified graphite


U

UNFCC United Nations Framework Convention on Climate Change

UQAT Université du Québec en Abitibi-Témiscamingue

W

We Nouveau Monde Graphite Inc.



Sustainability is Powered by Holistic Thinking, Collaborative Innovation & Continuous Improvement

We regularly report on our progress and impact throughout the year; subscribe to our news alerts or follow along on social media to accompany us along this journey.

[NMG.com](https://www.nmg.com)

