

ENVIRONMENTAL POLICY

2023



NOUVEAU MONDE GRAPHITE

ENVIRONMENTAL POLICY

At Nouveau Monde Graphite Inc. (“NMG”), we are committed to a responsible and sustainable development. We recognize our responsibility to identify, monitor, avoid, mitigate, and manage the social and environmental impacts of our operations and, thus reduce negative outcomes while improving benefits. Through our decisions and actions, we are aiming for environmental excellence in all aspects of our business.

We consider environmental and social engagement an essential aspect of our corporate governance. Dialogue with our communities and stakeholders is essential for carrying out our current and proposed operations, as well as developing and implementing our projects and sustainability strategies.

This policy aligns with our Sustainability Policy principles of creating shared value, powering a cleaner future, and accelerating the wheel of change. We are continuously looking for innovative solutions to advance and improve our environmental stewardship. As our operations progress towards commercial stage, we will develop environmental targets and report on our progress yearly.

OUR APPROACH

The following principles and actions will guide all the choices we make in the respect of our environment, our employees, our communities, Indigenous peoples, and our stakeholders:

- » Adopting a holistic approach to managing our business strategy, operations, and relationships, assuming responsibility for our present and long-term impact on the environment;
- » Protecting, enhancing where possible, and preserving the current environment of the community as well as its natural attributes;
- » Developing designs, plans, protocols and policies to minimize risks to people and the environment for all phases of our operations;
- » Reducing, reusing, and recycling resources, water, waste, and emissions while increasing efficiency and effectiveness;
- » Developing and maintaining interdisciplinary knowledge aligned with standards, protocols, legislation and international best practices to support our decisions;
- » Complying with environmental laws, regulations and other requirements specific to our projects, and strive for alignment with sector-specific highest standards;
- » Actively involving experts, community members and Indigenous peoples in the management of habitat and ecosystems matters for all our sites;
- » Relying on renewable energy to power our operations;
- » Looking at the full lifecycle of our products along with our corporate footprint to find opportunities to reduce resource consumption and achieve carbon neutrality;
- » Persistently implementing the required mitigation and prevention measures at our sites, including monitoring our operations, and any waste they create, to find paths for valorisation and circular industrial models; and
- » Establishing roles and responsibilities and environmental incident response plans to deal with the potential impact of unforeseen events;

- » Respecting the rights, culture, aspirations, and interests of communities and Indigenous peoples affected by the development of our projects with a collaborative and mutually beneficial relationships.

OUR COMMITMENTS

Compliance and Accountability

We are committed to complying with environmental laws, regulations, and other requirements specific to our projects. We are committed to continuous monitoring and disclosing of our use of natural resources and impact on the environment at every step of our development. We deploy and communicate our environmental protection program at every stage of the project (design, construction, operation and closure). In addition, we seek opportunities for continuous improvement to prevent environmental incidents, limit our operations’ footprint and improve the DNA of our products.

Water

Our water stewardship promotes responsible usage of water as we recognize water as a form of collective wealth. We are committed to minimizing our freshwater water intake and safeguarding water quality to avoid any material impacts to wildlife, ecological resources, and human health. Our decisions must be made with a view to reduce and manage the risks associated with our operations on ecosystems, minimize our environmental footprint, maximize water reuse and ensure environmental protection.

Considering that tailings management can have a significant impact on the receiving environment and water management, NMG is dedicated to mitigating that risk to protect water, surrounding ecosystems, and landscape. Pulling from best practices across other mining operations and adopting a leadership role in tailings management, we have designed the Matawinie Mine with a view to prevent acid generation, reduce the project’s footprint, limit risks associated with tailings infrastructure, and promote progressive land reclamation. In line with best practices, we are working to establish a clear structure of responsibility and accountability for water and tailings management.

Our commitments and vision on water management are supported by our Water Stewardship Policy.

Biodiversity

We are committed to reaching no net loss, and even exceeding, when possible, the original biodiversity threshold of our sites while ensuring the community’s safety and protection natural resources. Our decision-making process for biodiversity is based on the mitigation hierarchy (avoidance, minimization, rehabilitation/restoration, offset).

Our promise to safeguard and minimize impacts on biodiversity is supported by environmental baseline studies that inform our mitigation and protective measures for vulnerable and at-risk species living on our sites as well as by our biodiversity action plan developed in line with the Towards Sustainable Mining standard and the International Finance Corporation's Environmental and Social Sustainability Performance Standards.

Air Quality

We are committed to protecting public health and acknowledges that air quality is an essential component of a healthy living environment. Our objective is to always maintain air contaminant concentrations under regulated levels and to avoid local pollution through mitigation measures included in the project, during construction and at operations.

Energy and Climate

We are committed to adopting clean energy sources and technologies as they become available. We consider climate change in any development design and acknowledge that businesses have a role in addressing this global challenge. We are committed to providing sustainable and carbon-neutral materials to support climate action on a global scale.

Noise

We are mindful of our neighbors, users of the territory, and local fauna, and are committed to maintaining noise levels in compliance with regulation through monitoring, equipment selection, design of our facilities and operational parameters.

Circular Economy

We continuously improve our approach to residual and hazardous materials management when developing our products. We are always looking for synergies to recycle and/or give a second life to our residual waste. We are cautious to protect human health and the environment during transportation, storage, use, recycling and disposal of our hazardous waste.

Social Acceptability

We inform affected-communities and stakeholders of our efforts to preserve the community's essence and well-being. We will keep consulting our communities to make sure that their preoccupations and concerns are addressed and answered. The list of our mitigation measures is publicly accessible to ensure transparency and to demonstrate that our operations meet our commitments.

POLICY SCOPE

This policy covers all our activities, products, and services, and provides our employees, contractors, community members, clients, shareholders, and partners with a reference framework for the management of environmental issues.

This policy is supported by our Health, Safety, Environment, Sustainability and Social Management Standards and other internal guidance and will be regularly reviewed and updated as required.

The President and CEO is accountable for the success of this policy, along with the support of our Vice President, Environment & Sustainable Infrastructure, who is responsible for deploying, reviewing, and updating the policy annually.

Approved by the Board of Directors on November 7, 2023.