

20 MOLYMET[®]

30 Sustainability Agenda



December 2021



Message

From our CEO

We have entered a decade in which pledges and promises are no longer enough to navigate the complexities that demand our immediate attention. As market leaders, we must demonstrate that we understand the environmental, social and governance impacts of our business; that we are taking concrete actions to address them; and putting the wellbeing of people and the planet at the center of our decisions.

Sustainability issues must be approached with a sense of urgency and this will only happen when we give them the same priority as financial issues and above all, when we understand that they are not issues that can be viewed separately or as dissociated from our strategy.

In this document, I am proud to present the **Molymet 2030 Sustainability Agenda**. While sustainable thinking has always been part of our business, it is this milestone that will take us to the next level in our evolution towards measurable results as we bring all these initiatives into a common Agenda. In this way we will be able to prioritize, follow up and track progress of the objectives we have set for the medium and long-term.

From now on, we will continuously monitor their progress, make the required investments and launch the projects needed to make the proposed goals a reality and go above and beyond them before 2030.

2030 Sustainability Agenda

Our Sustainability Agenda contains 12 commitments with specific goals that seek to generate long-term value across our stakeholder spectrum but mainly and directly for our employees, communities and the environment. Indirectly, our sustainable management will benefit our customers who more and more, want to do business with suppliers who act accountably and our investors who expect the highest standards of ongoing quality, integrity and economic value from us.

The indicators address themes like:

- Purpose-inspired work
- Professional development
- Diversity, equality and inclusion
- Community relations; innovation
- Diversification
- Efficient management of water, energy and waste

Our biggest step forward has been in setting clear, realistic goals for 2030 which we approach in a highly responsible and rigorous manner. In parallel with these, we aspire to even more ambitious goals like carbon neutrality and zero waster and we will keep moving ahead with these plans in the medium-term.

Global Context

Around the world, investors and other stakeholders are increasingly asking for more comprehensive and consistent sustainability information than what is currently being reported in a rather fragmented way.

In response to these requests, financial regulators have adopted various measures and have begun to incorporate more robust management and disclosure requirements. Some examples are the declarations of the Business Round Table on the purpose of companies; the World Economic Forum principles of Stakeholder Capitalism; the progress made by the IFRS Foundation in unifying reporting standards; guidelines from the OECD and the European Commission; and the NCG No. 461 of the Chilean Financial Market Commission (CMF).

The dynamic nature of Sustainability

Our strategy has been designed to guide us through the next 9 years. Therefore all indicators point to the year 2030. Without compromising the stability sought in any long-term strategy, we recognize that there is an implicit dynamism in sustainability issues. A case in point is climate change which was not a relevant issue 30 years ago but today it is. This is why companies must develop robust reporting processes that allow them to monitor, evaluate and manage adaptation to these changes in a flexible way. So while we are presenting our 2030 aspirations here, we also know that global priorities may change and we will remain highly attentive to them.

Sustainable Development Goals (SDGs)

The SDGs have been taken as a frame of reference for our choice of indicators and definition of metrics in the fulfillments of our 2030 Agenda as private sector efforts must be aligned with national and global strategies.

This Agenda is a new step that demonstrates our long-term commitment to sustainability as well as the role we have as a company to undertake a task that can no longer wait. Today, those of us in leadership positions are the first to be called upon to create the cultural tone needed to conserve our resources and leave a better planet for future generations.

We invite you to review our 2030 Agenda which will be published annually together with our Sustainability Report and enables us to keep a record of each advance we make.

John Graell Moore
CEO



Our 2030 Commitments



Each of the commitments are specific, quantifiable, relevant and have a fixed fulfillment date.

In selecting our commitments and their respective metrics, we have considered the following factors:

- Long-term value creation.
- Sustainable Development Goals.
- Consistency with available metrics in existing standards and frameworks.
- Research or evidence which supports their positive social and/or environmental impact.
- Universality in relation to different industries and business models in order to facilitate understanding and comparison between companies.
- Ability to monitor progress over time.



A. PURPOSEFUL EMPLOYEE RELATIONS

By 2030, increase the Labour Relations Index (LRI) by 10 points, based on 2021.

A few years ago, we initiated a focused effort to strengthen employee relations at corporate and subsidiary level as we wanted to clearly signal the strategic value this has for our company.

We understand that employee relations are not only limited to union relations. Modern, dynamic and forward-looking companies also look at flatter and direct relations that contribute to a good working environment: a participative internal culture; and improving the quality of life of our employees and their families. That is why we formed the Employee Relations Committees which helps us to navigate and understand more deeply the collaborative and lasting relationship we are seeking to build. Here the key aim is to strengthen the trust and motivation of those who build our Company every day.

Objective: To achieve a working environment that promotes the company purpose, which in turn contributes to quality of life and employee relations.

Base Year: 2021

Stakeholder Group(s): Employees

Scope: Molymet & Subsidiaries

Industry Average: 59.7

Our work on sustainability has been translated into concrete initiatives and in line with this, we are focusing on our employees as we implement this first employee relations indicator

Metric

In line with our purpose, we will use the Labor Relations Index (LRI). This first Sustainability indicator will allow us to devise, integrate and promote action plans that support Molymet's Employee Relations Strategy in line with our Purpose, strengthening relationships with our employees in a comprehensive way.

Action Plan

Measure LRI at Molymet and Subsidiaries

Define courses of action based on the results of the 2021 diagnosis in terms of trust, union relations and people management practices

Design Employee Relations Policies



B. TALENT MANAGEMENT AND SUSTAINABLE LEADERSHIP

By 2030 increase training hours per employee by 15%, based on 2020.

In the context of the challenge for Molybdenum and Rhenium markets, it is essential that we can count on competent employees who have the potential to contribute to and sustain growth over the medium and long term. To achieve this, we need to establish training & development strategies and methodologies that allow our employees to increase the required competencies, knowledge, capacity and skills for the development of their functions.

Artificial intelligence, robotics and machine learning are changing the way we work and learn. Therefore, as a company, we will incorporate these innovations to enhance the development of talent management and sustainable leadership by training and preparing our employees for these changes.

We will continue with our Leadership Training Program, with concrete tools for those in leadership roles, in this way training them in harmony with our culture, purpose and the path of sustainable development that we have set for ourselves.

Objective: To increase training hours and focus on mega trends with the purpose of building teams highly prepared for industry leadership and support to communities.

Base Year 2020: 36 hours per employee

Stakeholder Group(s): Employees

Scope: Molybmet and Subsidiaries

Industry Average: 45 hours

We will develop leaders capable of deploying the necessary competencies to create good working environments, achieve high commitment in our teams and generate good business results that ensure company sustainability. These efforts are a hallmark of our Molybmet brand and company ethos.

Metric

To measure this metric we will use the indicator Management of People (IGP) for the sub-dimension of Training and Professional Development where we will analyze costs and hours designated for training according to role levels.

Measurement of training provided for the acquisition of capabilities/skills/tools that contribute to and facilitate the development of the functions.

Action Plan

Define the Strategic Training Framework for Molybmet and Subsidiaries

Investment plan for Digital Transformation technologies and tools which will expand access to training and development with a focus on continuous and self-managed learning

Define Strategic Talent Management for Molybmet and Subsidiaries



C. DIVERSITY, EQUALITY AND INCLUSION

By 2030 improve the indicators of positive perception of Diversity, Equality and Inclusion (DEI) by 10%, based on 2021¹.

By 2030 increase the number of women in leadership positions by 30%, based on 2020.

Objective: We are an inclusive company constantly seeking to promote equality of opportunity for women by reducing participation gaps which exist in our industry.

Base Year 2021: Indicator of Diversity, Inclusion and Interculturality (IDII)

Base Year 2020: 17% women in leadership positions

Stakeholder Group(s): Employees

Scope: Molymet & Subsidiaries

Molymet is a company characterized by constant evolution, flexibility and adaptation to change: Changes continuously generated in the market, in society and globally. As we face these ongoing challenges we want every decision we make to be purpose-driven.

In this context, with a firm focus on company sustainability, we have begun working on the design of a Global Strategy for Diversity, Gender Equality and Inclusion for Molymet and its subsidiaries.

As a company we are committed to fostering diversity in every way, understanding that it is diversity that brings different views and realities which in turn, enrich the development of our company as one which is open to innovation, creativity, dynamism, agility and proactivity.

It is in this context that we are designing the Diversity, Equity and Inclusion (DEI) strategy for Molymet and its subsidiaries. This strategy will include a diagnostic stage; the formation of a committee and different actions; and it will require collaborative work from all of us.

Metrics

To measure this indicator we will use the Diversity, Inclusion and Interculturality Index (IDII) metric, which aims to establish a general diagnosis of the strategy and certain organization practices.

In particular, this metric measures the organization's level of commitment to diversity and inclusion, along with the quality of practices in the areas of gender, interculturality and people with disabilities.

Action Plans

Organizational IDII Diagnosis Molymet and Subsidiaries	Establishment of a DEI Committee	Sensitization and capacity building of leaders and teams in the areas of Diversity, Equity and Inclusion	Define the Molymet Strategy and Policy for Diversity, Equality and Inclusion	Establishment of the DEI Management Matrix
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¹December 2021 Results



D. CLOSENESS TO COMMUNITIES

By 2030, Molymet's investment in community projects should be at least 1% of the moving average net income from the last 5 years.

The communities where we operate are one of our main stakeholder groups. In spirit, our intention has always been to generate lasting relationships with each of the communities close to our plants. These relationships are based on trust and also take into account the particular values and culture of each community.

The relationships we have built are permanent and flexible at the same time, since rather than imposing a particular way of contributing, we have favored a way of contributing that is in line with the reality and needs of each locality. Our relationships are based on closeness, constant listening, dialogue and ongoing mapping of our social and environmental impacts.

For us, the concept of 'community' extends beyond our adjacent neighbors as we are concerned about the impact we have on everyone who is in some way affected by our work. We also get involved in other initiatives where we feel a strong call to contribute, like education, sports and health to name a few.

In addition to taking responsibility for our negative impacts, we want to make the community part of our company

Objective: To be a relevant player in the communities where we operate, adding value to the local development of our neighbors.

Base Year 2020: 0,3% community investment

Stakeholder Group(s): Communities

Scope: Molymet & Subsidiaries

success and as long as we have positive returns we would like to continue investing in community development programs and making donations in line with our projects and policies. That is why, on an annual basis, we want to invest a percentage of our net profits in our communities.

Metric

The measurement we have chosen to quantify our contribution to communities consists of a percentage of the net profits generated by the company based on the average of the last five years. The amount will progressively increase over time to 1% of net income by 2030.

Unlike a Metric set in absolute monetary terms, a percentage Metric makes it possible to demonstrate the company's contribution relative to its financial results and to involve the community in the company's success.

The amounts determined in this way will be considered "social investment" and will be classified as: donations, community development programs and sponsorships.

Action Plan

Implement development programs over the long-term, orientated towards value creation for our diverse groups of stakeholders in each local area

Measure the impact of development programs with each stakeholder group



E. EMISSION REDUCTION

By 2030 decrease greenhouse gas emissions by 20%, applying carbon footprint measurement methodology with scope 1 & 2, based on 2020.

Climate change is affecting every country on every continent. It is disrupting national economies and affecting lives. Weather systems are changing, sea levels are rising and weather phenomena are becoming more extreme.

The Paris Agreement, adopted in 2015, aims to strengthen the global response to the threat of climate change by keeping the global temperature rise below 2 degrees Celsius above pre-industrial levels. The challenge is daunting, considering that global carbon dioxide (CO₂) emissions have risen by almost 50% since 1990 and that in the ten years from 2000 to 2010, there was a greater increase in emissions than in the previous three decades.

However, if a wide range of technological measures and behavioral changes are adopted, it is still possible to achieve the internationally agreed targets. One of the actions we will take as a business group is to set targets for carbon emissions reductions in line with science-based objectives.

Objective: To reduce greenhouse gases to combat climate change and its effects.

Base Year 2020: 76.483 Ton CO₂ eq (14,8 GHG intensity against production)

Stakeholder Group(s): All

Scope: Molymet & Subsidiaries

We are still in the process of defining our measurements, energy matrix change study and measures that will allow us to impact the scope 3 carbon footprint. But our commitment to climate change is real and serious and as we move forward with these milestones, we will be able to plan our committed path to becoming carbon neutral with certainty.

Metric

To contribute to the fight against climate change, our goal is to reduce our emissions by 20% by 2030. To this end we will apply carbon footprint measurement methodology with scope 1 and 2 which relates to our direct emissions from fuel combustion and indirect emissions generated by electricity consumption.

Action Plan

Carbon Footprint Measurement for scope 1, 2 & 3

Research the diversification of the energy matrix to move towards one that incorporates cleaner sources

Implement energy efficiency plans and equipment renewal plans



F. WATER RECYCLING

By 2030 increase water recycling to 64%, based on 2020.

Water is a finite resource which we depend on for our survival. It is also a key predictor of quality of life. According to United Nations data, lack of access to clean water is leading to greater social and economic disparity around the world. Water availability is therefore one of the main global risks, with an estimated 40% deficit in global water supply by 2030 if changes are not made to the way it is managed.

In the same vein, various international treaties elevated access to water and sanitation to the category of a fundamental human right. At the same time, it is also an indispensable industry resource and long-term viability of our business depends on its responsible use.

The water crisis we are experiencing has prompted different players to seek new sources of supply. One of these is the reuse of water through recycling and recirculation.

Water recycling, reuse or regeneration is the process by which used water is recovered for new purposes. The sources of used water can be: waste, gray and rainwater.

Objective: To optimize our processes to maximize the reuse of water resources.

Base Year 2020: 54% water recycling
Stakeholder Group(s): The Environment
Scope: Molymet & Subsidiaries

Currently, all our subsidiaries have water recirculation initiatives and our goal is to increase the percentage of water reuse and provide a solution to water shortages while reducing the discharge of pollutants into the environment.

Reclaimed water will be an ideal source to replace the capture of resources from primary sources, particularly in applications where the water quality is adequate like in cooling processes and boiler feed. In this way our company will steadily transition to a circular economy.

Metric

By 2030, we will implement initiatives that will enable us to progressively increase the percentage of water reuse to 64%.

The water reuse and recycling rate is a measure of efficiency and demonstrates success in reducing discharges and total water extraction.

Action Plan

Design a corporate policy for the efficient use of water resources

Explore new technologies to increase the recovery, reutilization and recirculation of water resources in our plants



G.
**WATER
EFFICIENCY**

By 2030 reduce water intensity by 10%, based on 2020.

The water crisis is a phenomenon impacting the entire planet and several countries are experiencing 'mega-drought'. Although the question of which changes have the greatest impact is still being debated at constitutional and legal levels, companies must act now and adopt a proactive role on the matter as its scarcity represents one of the main global risks for business and humanity.

Therefore, we want to commit ourselves to efficient use of water, reducing its consumption across all our operations and developing plans that make us accountable for its conservation and ongoing availability to present and future generations.

As water is essential for productive activities at Molymet and its subsidiaries, its consumption raises a set technological, social, economic and environmental considerations of which we are highly aware.

At each of our subsidiaries, we measure the amount of water used, monitoring compliance with current regulations in each of the countries where we operate. Working off our

Objective: Our ambition is to promote efficiency initiatives within the organization in order to reduce our water footprint.

Base Year 2020: Water consumption of 1.2 million m³
Stakeholder Group(s): The Environment
Scope: Molymet & Subsidiaries

baseline measurement and with additional insight from analyses of water life-cycles, footprints and scenarios, we will implement a water efficiency plan. This plan will incorporate projects to reduce consumption and promote new initiatives for the recirculation of our vital water resources. To this end, we will promote innovation programs and apply available technologies that allow us to achieve such efficiencies.

Metric

Molymet and all its subsidiaries measure their water footprint and the next step is to make progress in the efficient use of resources. That is why we have set ourselves the goal of reducing water intensity by 10% by 2030.

The water intensity will be determined by cubic meters of annual consumption in relation to the tons of molybdenum produced, i.e., oxide production from roasting and oxidation processes.

Action Plan

Implement integrated management of water resources

Evaluate technologies for water recovery in a closed cooling cycle

Evaluate investment in new technologies for using water resources more efficiently



H. RENEWABLE ENERGY USE

By 2030 increase consumption of renewable electric energy by 60%, based on 2020.

Energy has the greatest impact on climate change, accounting for around 60% of all global greenhouse gas emissions.

While companies need energy to operate, we must take charge of our impact and renewable energies allow us to balance both interests. As a group, we have already made contributions: Molytmet owns a run-of-the-river hydroelectric power plant that offsets the energy consumption of MolytmetNos; and in the north of Chile, Molytmet has a solar panel installation that also contributes to the energy supply of the administration building.

In the aftermath of Covid-19, countries too, can drive post-pandemic economies with greener energy, healthier jobs and greater resilience to protect against future disasters. In 2015, global investment in renewable energies amounted to more than double that for fossil fuels. Yet despite never-seen-before investment in renewables, they only account for 17% of total global energy consumption which has grown at a similar pace.

Objective: To increase the percentage of renewable energy consumption in our installations and processes.

Base Year 2020: We generated 201,247 GJ of clean energy, equivalent to 44% of the total electrical energy consumed

Stakeholder Group(s): The Environment

Scope: Molytmet & Subsidiaries

In Chile, investment in renewable energy is on the rise. According to Invest Chile all the energy that Chile needs could come from clean sources by 2040. However, 2018 data showed that only 26% of our energy came from renewable sources². This highlights the big gap we need to close in order to transition to 100% renewable energy. The lack of local supply capacity complicates this further.

Metric

In order to contribute to energy transition in the countries where we operate, we have set ourselves the goal of progressively increasing our renewable energy use in order to achieve 60% renewable electricity consumption in our subsidiaries by 2030.

Action Plan

Design a corporate energy plan

Implement and certify energy management systems at each of our subsidiaries

Evaluate renewable energy projects

Analyze changes in future energy supply contracts

²<https://trackingsdg7.esmap.org/country/chile>

I. RESPONSIBLE WASTE TREATMENT

By 2030 increase waste recovery by 40%, based on 2020.

The world has become more and more urbanized. Since 2007, more than half the world population has been living in cities and it is expected that by 2030 this will have increased to 60%. Rapid urbanization is resulting in a growing number of inadequate and overburdened services like waste management.

The 1992 United Nations Conference on Sustainable Development established Agenda XXI, which recommends that solid waste generation should be minimized, recycled and reused as much as possible; treated, disposed of properly; and collection coverage should be increased, among other actions. Since then, this problem has become visible and has had a number of negative impacts which include: people's health; water, air and soil pollution; general environmental degradation; unnecessary consumption of energy and materials; and landscape impacts. This has led countries to adopt public policies aimed at mitigating these impacts.

Objective: To reduce volumes of waste disposals through the introduction of circular economy practices to avoid its generation or increase its recovery.

Base Year 2020: 20% waste recovery
Stakeholder Group(s): The Environment
Scope: Molymet & Subsidiaries

In line with the principle of "hierarchy in waste management" at Molymet and its subsidiaries, we see prevention of waste generation as the first alternative. Then we consider reuse, recycling of one or more of the waste components and if none of the above is possible, we proceed with partial or total energy recovery. In other words, disposal is our last alternative³.

Metric

We seek to reduce the percentage of non-hazardous waste disposal (whether industrial or domestic) in relation to the total generated. To this end, we have set ourselves the target of increasing the percentage of waste recovery by 40% by 2030.

Action Plan

Zero Solid Waste Project

Development of Circular Economy Projects

Build customer integration with our goals by eliminating/reducing/recycling packaging

³Procedure aimed at disposing of or destroying waste at authorized facilities in a definitive way



J.

BUSINESS DIVERSIFICATION

By 2030, Diversification should contribute 5% to EBITDA, based on the moving average net income of the last 5 years.

We want to continue growing organically, responsibly and mitigating the risks of our traditional molybdenum and rhenium business through diversification into new projects.

We will strategically incorporate diversification into our sustainable management. To do so we will expand our business into metals where we can add value using existing resources, knowledge and experience within the company. In addressing this challenge, our purpose and innovative mindset will be the main catalysts.

The main stakeholders of this indicator are our shareholders since through diversification, we seek to reduce business risk. Likewise, we have evaluated impacts that would be generated for other stakeholders and we consider them to be positive as well. Both our current and potential customers will benefit as we explore new business opportunities that will create value for the evolution of humanity. Our employees

Objective: To enhance Molymet's growth through diversification of assets or new lines of business different to and/or complementary to the traditional business, as long as they are consistent with the company's strategy and purpose.

Base Year: 2021

Stakeholder Group(s): All

Scope: Molymet & Subsidiaries

too will benefit as diversification will allow them to develop in new areas and projects, this expanding their knowledge and professional growth. The countries where we operate will gain from increased tax revenues resulting from the growth; and lastly the environment, our stakeholder without a voice, will benefit as the evaluation of new projects will always consider mitigation of negative environmental impacts.

Metric

Through this Metric we will diversify our business so that by 2030, 5% of the EBITDA contribution will be generated in this way, taking into account the moving net average of the last 5 years.

Action Plan

Develop Lithium business

Support the development of MoRe medical implants

Develop the use of rhenium as a catalyst material in green hydrogen production

Design a commercial plan for the elimination of Arsenic



K.

INNOVATION FOR SUSTAINABLE DEVELOPMENT

By 2030, investment in innovation will account for at least 1% of moving average revenue over the last 5 years.

One of the main challenges countries around the world are currently facing is the development and implementation of innovation initiatives that allow the growth and acceleration of existing and new businesses towards more sustainable development. It is a difficult challenge, as it requires large amounts of investment and is associated with a high degree of uncertainty.

From a private sector point of view, a company's ability to innovate can make the difference between its long-term survival or failure. Through innovation, companies can and should contribute to the creation of better products and services that respond to the changing needs of the market and create economic and social value for customers and communities.

Innovation is an essential part of Molymet. It is embedded within our purpose, our values and our business strategy. Through this way of doing things, we seek to bring our identity alive in our daily work. It is the way we make our purpose more concrete and tangible. Indeed, our growth has been a consequence of a history marked by innovation and this has been fundamental in positioning us as industry leaders. Our commitment is that innovation will continue

Objective: To build a culture of innovation which is reflected in our processes; products; services; organization and internal policies; and new business development.

Base Year: 2021

Stakeholder Group(s): All

Scope: Molymet & Subsidiaries

to inspire our future developments. In this way we can constantly challenge ourselves to find the best way of doing things and generate greater value for our stakeholders.

By defining an innovation indicator with a specific Metric, we seek to strengthen our innovation culture so that it transcends beyond the development of technology and use in specific company areas. With this commitment, we will ensure that innovation is part of the way we think and do things. That it is the lens through which we conceive the future of the world and find lasting solutions that enable the evolution of humanity.

Metric

We are aware that investment in innovation will mean great advances in the sustainable development of our industry which is why we have created this Metric signifying concrete, quantifiable and long-term commitment to this challenge.

By 2030, Molymet's investment in innovation should be at least 1% of the moving average revenue of the last 5 years.

Action Plan

Prepare an innovation roadmap aligned with the business sustainability strategy

Boost capacities for open innovation projects

Establish KPI's and a corporate management system for the innovation portfolio system

Implement Lean Management for each innovation project



20 MOLYMET®
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Agenda