



# Sustainable Molymet

Third Sustainability Report 2020





We want to continue strengthening our position focused on efficiency, continuous process optimization and innovation, constantly looking for new business opportunities in strategic metals.

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We are interested in hearing from you. If you would like to make suggestions and/or comments about this Sustainability Report, you are welcome to email us at [sustentabilidad@molymet.cl](mailto:sustentabilidad@molymet.cl)



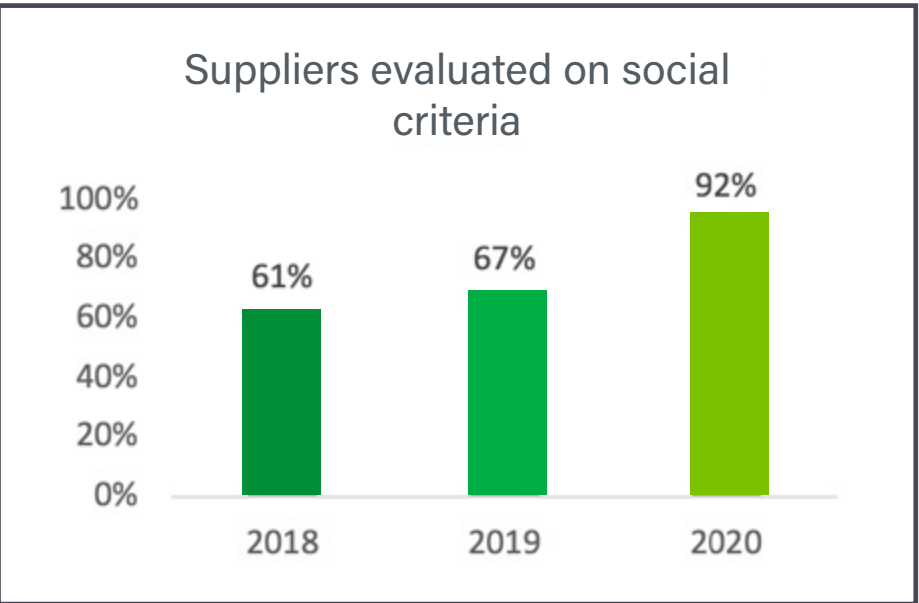
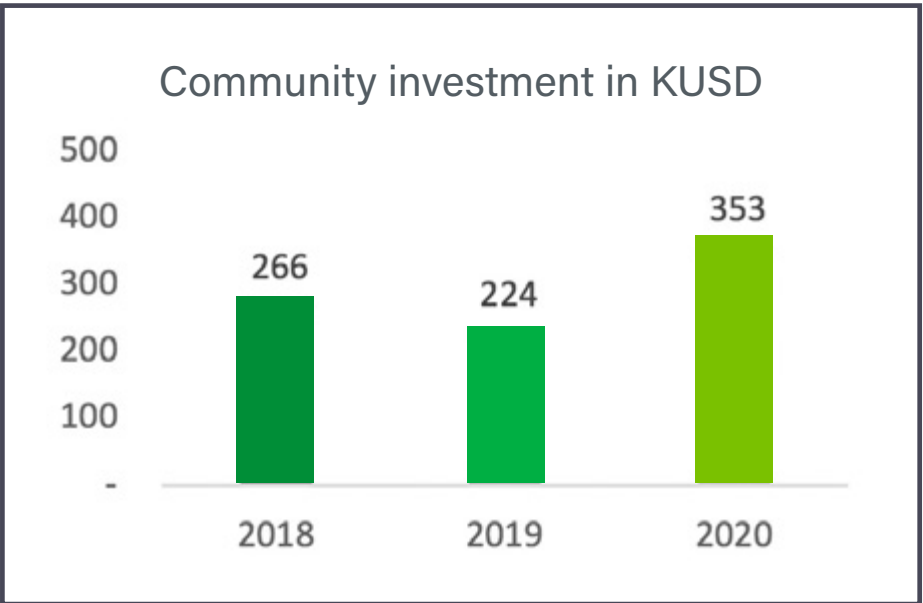
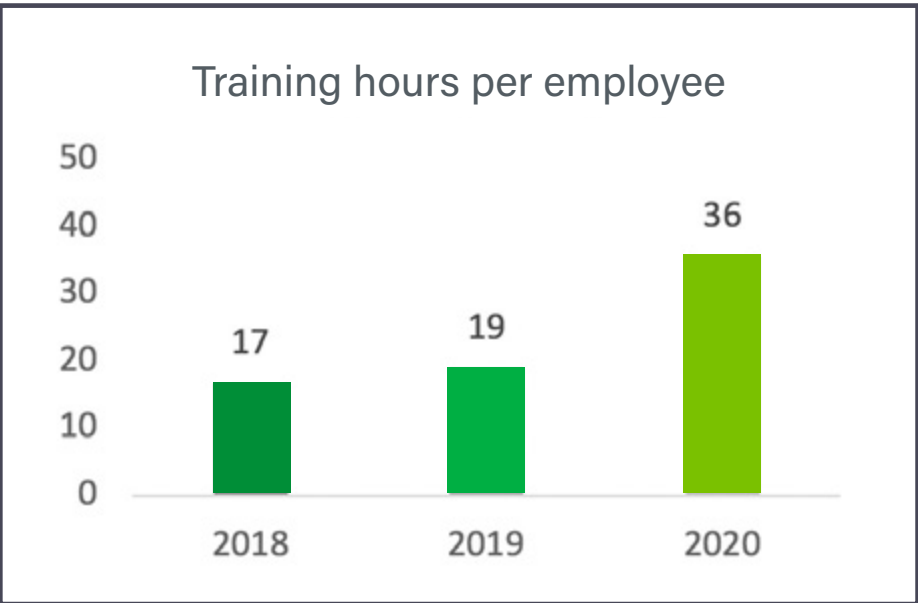
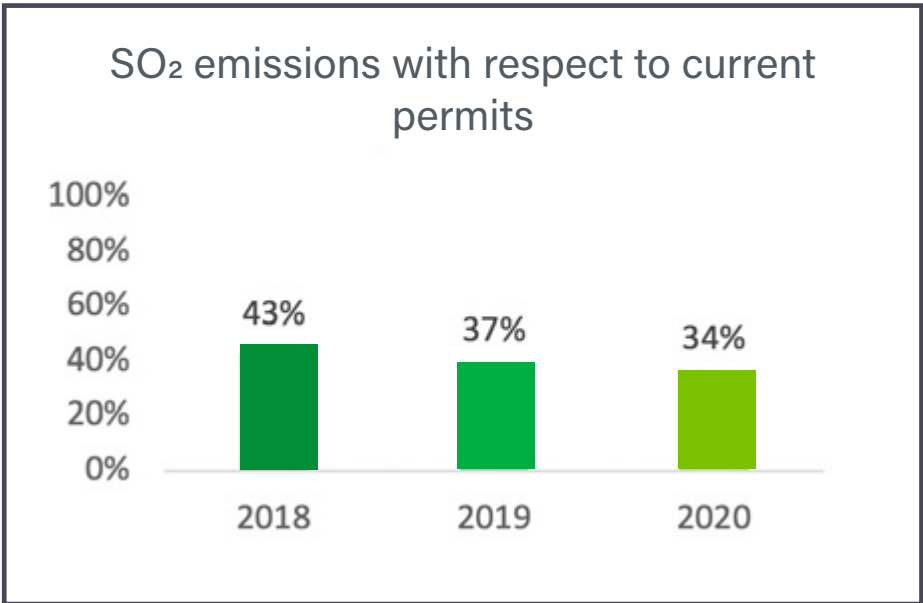
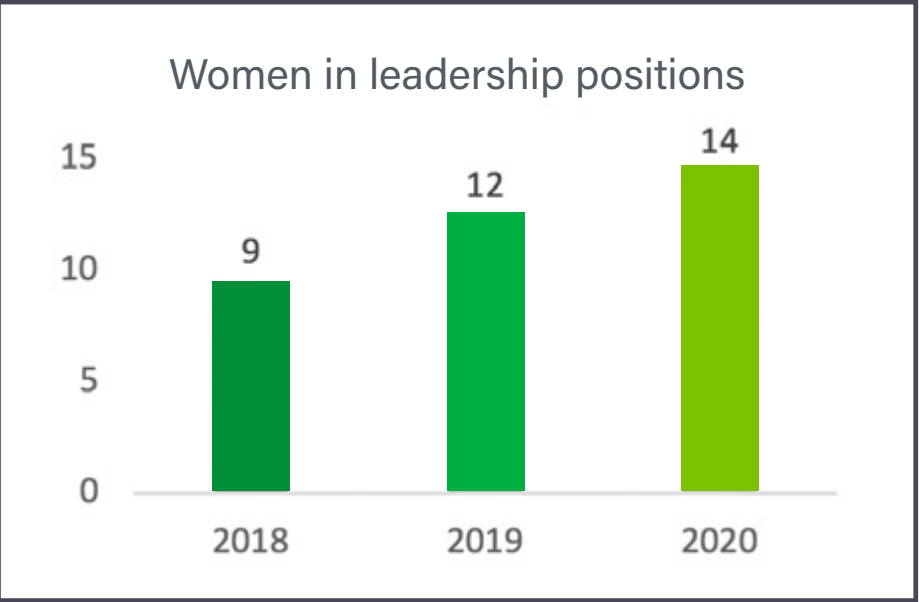
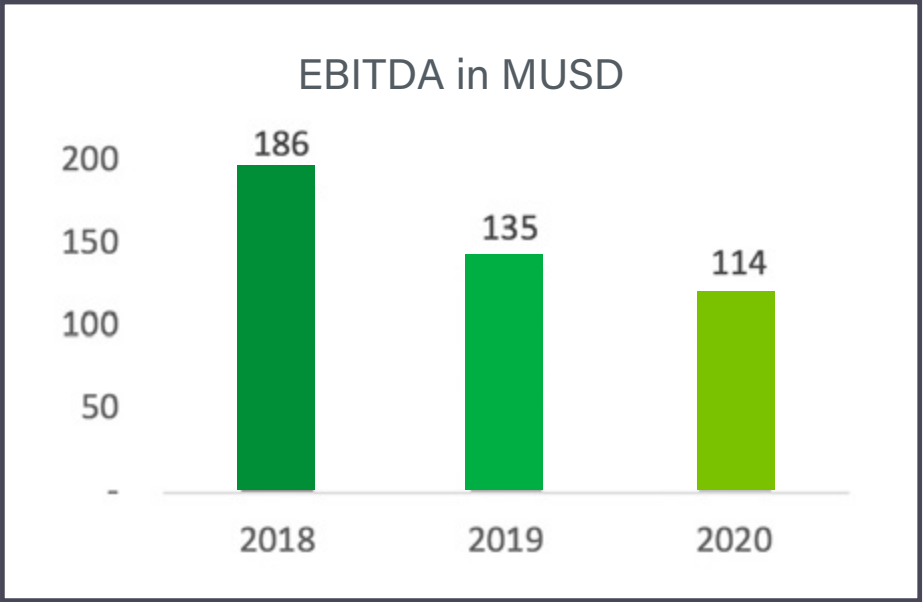
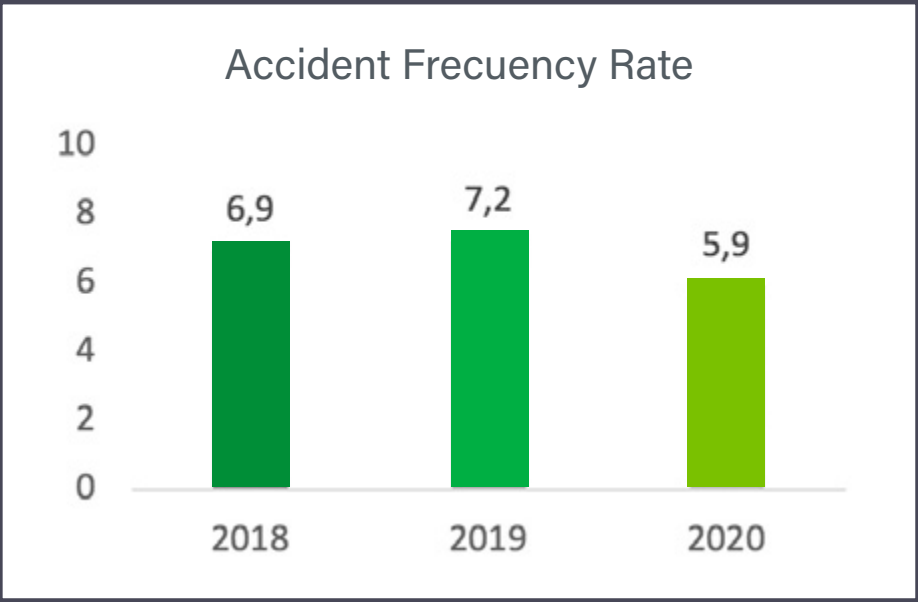
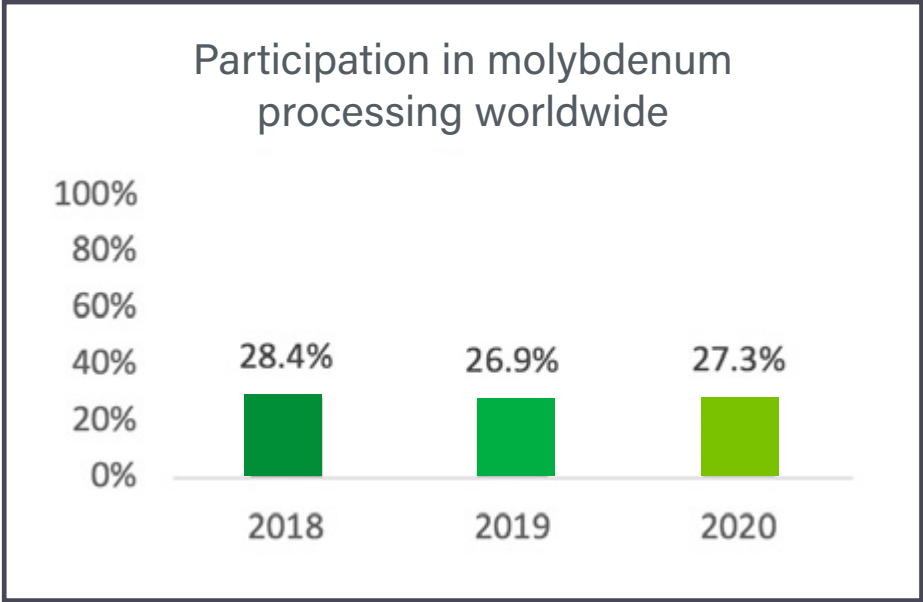
# 01 Our Report 2021

**We generate value for the advancement of humanity** through products developed by people who believe in the wellbeing of our planet.





# Our sustainable evolution







# Message from Molymet CEO John Graell

## Vision of our leader

It is with great pride that we present our third Sustainability Report which details our performance along ethical, social, environmental and economic dimensions during 2020. This was an unprecedented year due to the COVID-19 crisis. It led us to analyze our priorities and reflect on our purpose – guiding our thinking about how we want to keep contributing to improved quality of life of all our stakeholders.

Without a doubt, our ongoing concern for the health and safety of our employees, contractors and communities and the different actions taken to protect them made all the difference. This was clearly seen in the effective preventive measures applied and established by the Corporate Crisis Committee which was formed to manage the administration of our Company in the new context of the coronavirus pandemic. Strict protocols played a big part in controlling the spread of the virus inside our production plants and administrative offices. This in turn, ensured business continuity; it strengthened the

sense of purpose and dedication our people brought to their work; and ultimately, allowed us to maintain productivity levels and produce excellent commercial results.

Since our early beginnings as a Company, we have always been concerned about the environment, not only implementing preventative environmental management but actively pioneering implementation of the best available technology to ensure that our productive processes have minimal impact on the environment in Santiago, Chile and beyond.



**During 2020 there were no environmental incidents at any of our five subsidiaries and we continue to promote the modernization of our installations. This is the case with our MolymetNos subsidiary in San Bernardo, Chile where our modernization project is currently undergoing environmental assessment. This will improve production processes and significantly reduce SO<sub>2</sub> emissions, in this way doing our part towards the decontamination of the Metropolitan Region.**

Understanding the importance of creating value for our neighboring communities and in view of the health context in which we find ourselves, we have continued to strengthen ties with our surrounding communities, supporting initiatives for the care and health of local populations by assisting with street cleaning and delivering protective supplies and food. We also have ongoing programs for training, job promotion and local employment development.

Here it is worth highlighting that the number of community complaints dropped in 2020. In fact, they were 78% less than the year before. Clearly these positive results are linked to the new sustainability goals we have set as a Company including the Zero Peak Emissions policy which we implemented in 2020.

Supplier relationships are also integral to long term sustainable business and we have developed corporate policies to streamline supplier management while also putting mechanisms in place for their growth and development. In 2021 we will make further progress in this regard by carrying out a social evaluation of our suppliers and looking at our role in the development of local suppliers.

In terms of production, at the end of December 2020, Molymet's total processing capacity was 207 million pounds per year, which compares to an approximate world consumption of 570 million pounds per year. Our sales were US\$1,057.1 million, 10.10% lower than in the previous year. With respect to EBITDA, as of December 31, 2020, it reached US\$114.15 million, constituting a decrease of 15.14% compared to the same fiscal year in 2019, which was US\$134.51 million.



With regard to corporate governance, in 2020 we conducted a thorough evaluation of our risk matrix. To date we have defined 108 strategic risks. These are grouped under operational sustainability; commercial; people; image and reputation; finance; competitiveness; profitability and investment; industry changes; and intellectual property; with prevention and mitigation measures defined for each of them. This links directly to the framework of our strategic agenda where the management of critical risks is one of the challenges of the Sustainability pillar at Molymet.

I would also like to highlight Molymet's commitment to the Sustainable Development Goals (SDGs) to address the global challenges set out in the United Nations' 2030 Agenda. We are convinced of the urgency of contributing to these goals through the activities and actions we are carrying out every day in each of our subsidiaries.



**In terms of production, at the end of December 2020, Molymet's total processing capacity was 207 million pounds**

Let me end by saying that the progress we present in our Sustainability Report 2020 is the result of tremendous team work. I want to applaud all our employees who, every day, live our purpose, bringing their all to 'creating value for the advancement of humanity through products developed by people who think about the well-being of the planet'. Their contribution is essential for us to advance in an ethical, prosperous, inclusive, modern and innovative industry, an industry that will stand the test of time and contribute towards a more sustainable future.

Best regards,  
**John Graell**  
**CEO Molymet**







# Management in the face of COVID-19

## Resilient spirit

The COVID-19 crisis took us all by surprise, being the biggest crisis we have ever lived through and impacting our business hugely as of course, and business around the world.



In 2020 more than 83 million people were infected with the coronavirus; approximately 2 million people lost their lives; and hundreds of millions more have been affected both physically and psychologically by the changes the global pandemic has made to our way of living.

To face the impact of COVID-19 in our Company we established a Corporate Crisis Committee who evaluated, defined and put the necessary measures in place to ensure business continuity while putting the wellbeing of our people first.

As we have operations in different countries, there have been different local realities. Despite this, our subsidiaries maintained operational continuity thanks to our company business being decla-

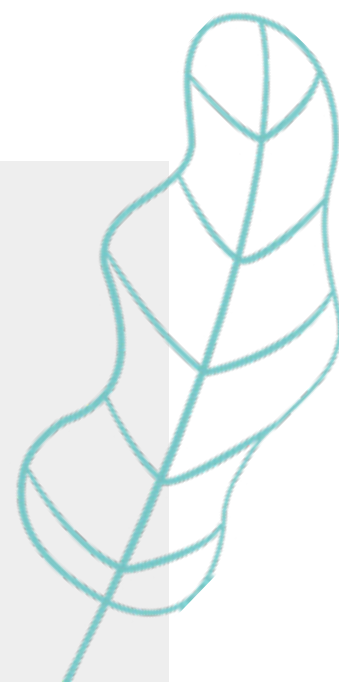
## 0 COVID-19 Fatalities



red an **Essential Activity**. Here the only exception was our Molymex subsidiary in Mexico where, the government put strict measures in place to control the spread of infection at a country level.

As a result, Molymex was forced to close down operations for a month before successfully obtaining Essential Activity status.





**Thanks to our purposeful and resilient team, we did not have a drop in performance and for this we want to extend heartfelt appreciation and recognition to all our people for their great work and effort throughout the year, not least of which was their adaptability in facing difficulties and new ways of working.**

At Molymet we are continuously adapting to the evolving CO-VID-19 situation. Our priority remains the assurance of health and safety for all our employees and stakeholders. To this end, we are meeting the highest standards and making sure that we live by our purpose as we play our part in containing and reducing the spread of the coronavirus.

## **Our main initiatives in 2020 were:**

### **Employees**

- Preparation of demanding protocols in order to minimize and mitigate the risks of infection spread as a result of continued operations.
- **Zero layoffs** and no wage drops related to the health crisis.
- Adaptation to new ways of working, training in teleworking, implementing shift systems and taking extra care with on-site work.
- Assistance to employees and their families through a comprehensive psychological support program.
- Empowering Molymet leaders to provide containment, build resilience and manage their teams effectively and empathically during the evolving crisis.
- Delivery of clear information on the health care measures adopted by the Company; providing training and clear communication for employees, suppliers, contractors and clients, using all available internal communication channels.



**COVID-19 remains a pressing reality. Although we are making progress in the immunization of the population, we have to continue rethinking this 'new normal' in order to contribute to value creation, growth and prosperity for all our stakeholders.**

#### **Suppliers**

- Flexibility of supply contracts: generating tools that made it possible to continue trading amidst uncertainty. Going forward, we are committed to maintaining and improving the level of supplier flexibility.

#### **Shareholders**

- Meeting our legal obligations and financial projections.

#### **Communities**

- Supporting local organizations in the Communities where we operate: including direct support through the delivery of food and hygienic/protection products; participating in the sanitization of public spaces; and ensuring support for physical and emotional health needs.

#### **Authorities**

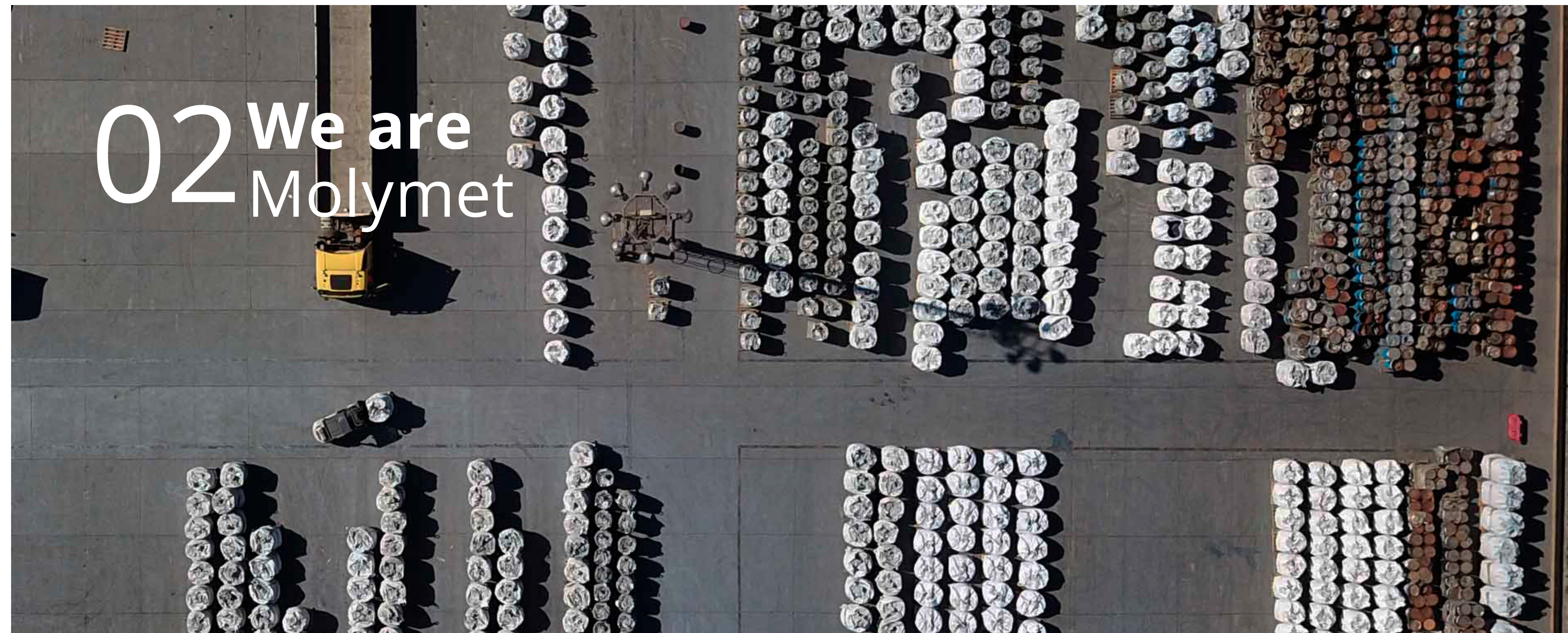
- Building alliances and working collaboratively with local authorities in the countries where our subsidiaries are located; providing our expertise; and aligning ourselves with the action protocols of municipalities, unions, neighborhood management and health centers, among others.







# 02 We are Molymet



We are global leaders in the processing of Molybdenum and Rhenium. Proud of our origins. **Sustainable by nature.** Innovative by essence. People are at the heart of who we are.





## Our essence

People are central to everything we do. They are the ones who share and live our **Values and Principles** which are the basis of our **Strategic Management Pillars**.

Our **Corporate Stakeholder Engagement Policy** raises our level of performance; contributes to the business continuity; and fosters the creation of value for our stakeholders who are the focus of our long term future of 'being and doing'. This includes: **Shareholders, Employees, Suppliers, Clients, Environment, Communities, Authorities**.

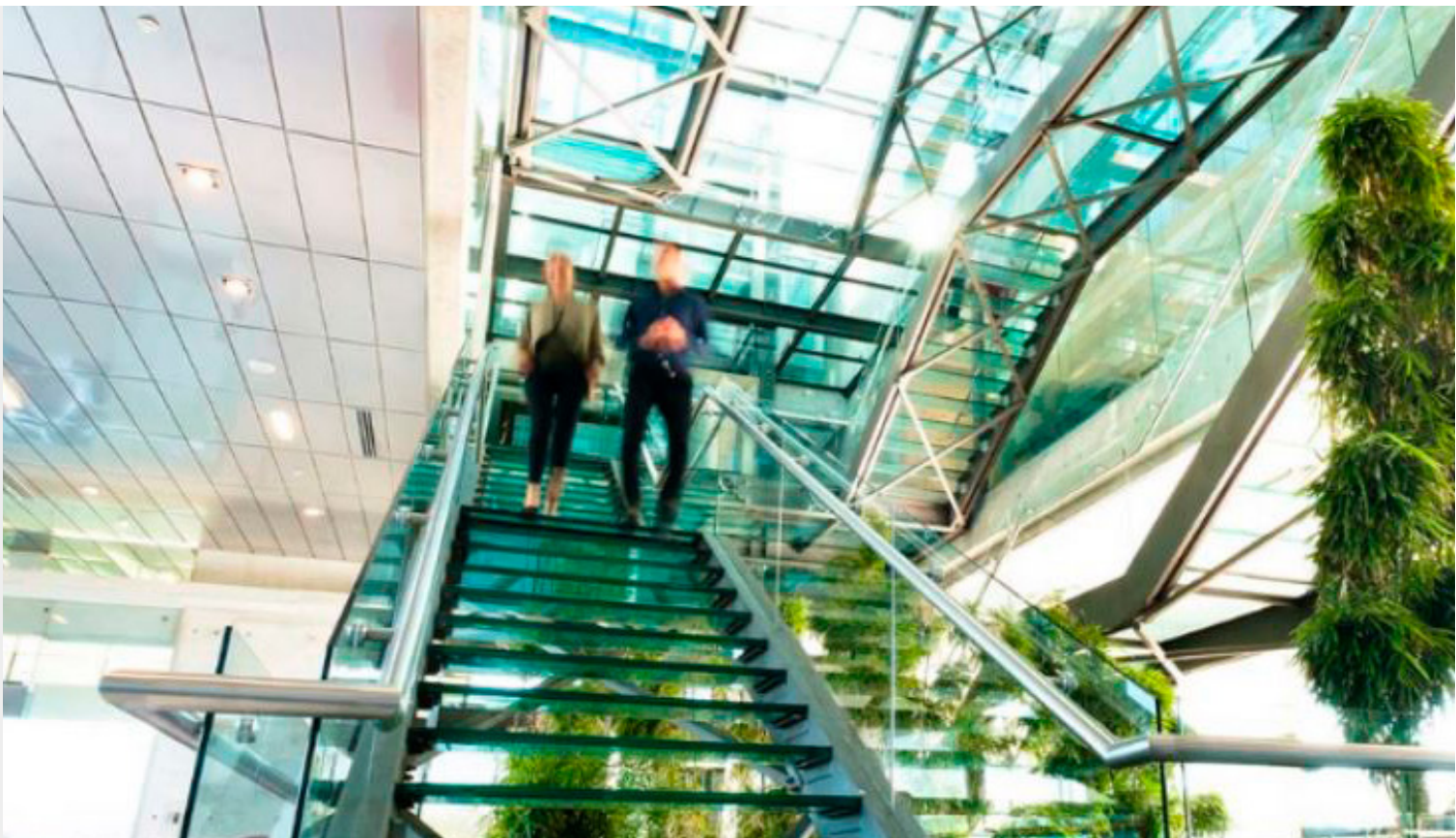




# Active alliance

Close engagement is the cornerstone of our interaction with each of our stakeholder audiences. This governs our decisions and actions, using guidelines that are inspired, executed and monitored by everyone in the Company and through our Molymet Corporate Governance framework.

We value collaborative work that is enriched by partnerships; committing ourselves to create and be part of influential organizations in the countries where we operate.



## Molymet Corporate

- Association of Chemical Industrialists of Chile (ASIQUEM)
- Chilean Society for Industrial Development (SOFOFA)
- PROhumana Gender Alliance
- PROhumana Business Network
- Global Compact Network
- International Molybdenum Association (IMO)
- SOFOFA HUB
- Chilean Institute for Rational Business Administration (ICARE)
- Center for Public Studies (CEP)
- Chilean-Mexican Chamber (CICMEX)

29  
Active alliances  
during 2020

## Molymet Belgium and Molymet Germany

- Euroalliance (Europe)
- Essencia (Belgium)
- European Powder Metallurgy Association (Germany)
- Federal Association of Energy Consumers (Germany)
- Professional Association: Raw Materials and Chemical Industry
- Berufsgenossenschaft Rohstoffe und chemische Industrie (Germany)
- Chamber of Commerce and Industry, Halle-Dessau (Germany)

## MolymetNos

- San Bernardo Industry Association (AISB)

## Molynor

- Foundation for the Sustainability of the Little Tern
- Mejillones Industry Association

## Molymex

- Association of Miners of Sonora (AMSAC)
- National Chamber of the Transformation Industry (CANACINTRA)
- Confederation of Employers of the Mexican Republic (COPARMEX)
- Mining Cluster of Sonora
- Association of Public Accountants of Sonora
- Mexican Institute of Finance Executives (IMEF)
- Public Safety Committee of the Municipality of Cumpas, Sonora
- Hazardous Materials Management Committee of the State of Sonora
- Association of Environmental Safety Professionals (APSA)
- Cumpas Municipal COVID19 Committee





# Global Presence

Convinced that our activity has the potential to improve people’s quality of life, we bring the benefits of molybdenum and rhenium to everyone in the world through our 244 clients located in 37 countries.



## Production Plants

### MolymetNos

San Bernardo, Santiago, Chile

### Complejo Industrial Molynor

Mejillones, Antofagasta, Chile

### Molymex

Cumpas, Sonora, Mexico

### Molymet Belgium

Gante, Belgium

### Molymet Germany

Bitterfeld, Germany

## Commercial Offices

### Molymet Trading S.A.

San Bernardo, Chile

### Molymet do Brasil Repres. e Serv. Ltda.

Sao Paulo, Brazil

### Molymet Corporation

Miami, United States

### Molymet Services LTD

Guilford, United Kingdom

### Molymet Beijing Trading Company LTD

Beijing, China



# Working in alliance to combat the urgent issues of our planet

We are a Company with global reach and impact. Our commitment is to the planet is to do our part to fulfill the Sustainable Development Goals



**Quality  
Education**

- 4.4 We provided 47,792 training hours for our employees
- 4.7 We contribute to education and training in the communities where we operate



**Gender  
Equality**

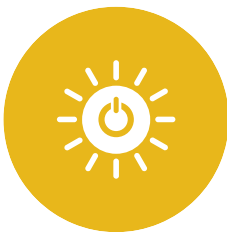
- 5.1 We are part of the PROhumana Gender Alliance
- 5.5 We have increased the number of Women in Leadership positions by 20%



**Clean water  
and sanitation**

- 6.3 At Molymet Belgium, the Purox leaching water treatment plant will maintain the quality and quantity of water required to comply with environmental permits
- 6.4 We initiated the process of developing our Corporate Climate Change Policy which will set goals for water efficiency





**Affordable and  
clean energy**

**7.2** We started the process of preparing our Climate Change Policy that sets goals for Energy Efficiency and an increased use of non-conventional renewable energy forms  
**7.3** Molymet Germany was recertified for ISO 50001 for energy management systems. Molynor was awarded state co-financing for implementation of an Energy Management System



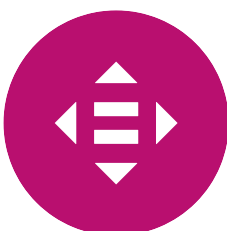
**Decent work and  
economic growth**

**8.2** Our R&D management were behind 3 new innovation & development initiatives  
**8.4** We keep our promise to operate our plants efficiently in line with our Strategic Excellence pillar. We have established a Corporate Policy for the Prevention and Management of Environmental Incidents  
**8.5** We make inclusive job offers while working in parallel on the evaluation of universal access at our installations, at MolymetNos and at our corporate headquarters. At Molymex we earned the distinction of ‘A Great Place to Work’ certification  
**8.8** We defined our Health & Safety Corporate Policy



**Industry, innovation  
and infrastructure**

**9.2** We defined a new Corporate Policy Suppliers & Contractors  
**9.4** Our Strategic Agenda lays out water and energy efficiency goals  
**9.5** We have invested 1,3 million Dollars in innovation projects through our Innovation and Development Management



**Reduce  
inequalities**

**10.3** We are continuing to broaden the use of compensation methods for promotion based on merit and equality. This year we began work on this in our European subsidiaries





	<b>Responsible consumption and production</b>	<p><b>12.2</b> We published our Corporate Sustainability Strategy where the focus of sustainable management extends to all our stakeholder groups</p> <p><b>12.4</b> In our R&amp;D Management studies were initiated to reduce the volumes of solid waste in our productive processes and to recover ammonia</p> <p><b>12.5</b> In our Strategic Agenda we have defined the target of 1% increase per ton of waste recovered per ton of processed raw material. At Molynor, we found a way to use ferrous chloride waste, avoiding its disposal</p> <p><b>12.6</b> We published our Sustainability Report and Annual Report</p> <p><b>12.8</b> At Inmobiliaria San Bernardo we started talks and workshops on urban ecological orchards</p>
	<b>Climate action</b>	<p><b>13.1</b> We initiated the process of developing our Corporate Climate Change Policy</p> <p><b>13.2</b> MolymetNos Modernization Plan</p> <p><b>13.3</b> We set a goal of zero SO2 concentration peaks at all our American subsidiaries</p>
	<b>Life of land</b>	<p><b>15.1</b> In the north of Chile we are actively involved in conserving the Little Tern Species which is in danger of extinction</p>
	<b>Peace, Justice and strong institutions</b>	<p><b>16.5</b> Our Model for Crime Prevention in Chile was certified</p>
	<b>Partnerships for the goals</b>	<p><b>17.15</b> We implemented a Risk &amp; Compliance Management System</p> <p><b>17.16</b> We participated actively in the Global Pact as an allied company to contribute towards Sustainable Development Objectives</p>



# 2020 Sustainable Management Milestones

Humanity has been undergoing a transformation in terms of a sustainable future. The COVID-19 crisis has not only changed the way people live and work, but companies have also had to quickly adapt to its reality. Here our Corporate Sustainability Policy guides our vision and makes sure that each action and project undertaken by Molymet is carefully thou-

ght out and managed for the greater good of all our stakeholders.

It outlines our present and future commitment to the sustainable development of our Company, the places where we operate and the people with whom we interact.

**In 2020 we became the global leader in sales of Molybdenum products**

<b>Molymet</b>  We had zero incidents that impacted our communities	<b>Corporate</b>  We are implementing our Corporate Sustainability Strategy, defining the first 4 Corporate Policies	<b>MolymetNos</b>  We embarked on the biggest and most significant project in 15 years in terms of environmental impact: a 40% voluntary reduction of SO2 emissions from our operations
<b>Molynor</b>  We found a use in the Copper mining industry for our main liquid effluent: ferrous chloride. This is another significant step towards a Circular Economy	<b>Molymex</b>  We earned the distinction of being certified as a Socially Responsible Company for the 10th consecutive year	<b>Molymet Belgium</b>  We lowered our serious accident index by 54% and the accident frequency by 47% while over the same period, increasing our workforce by 12%
<b>Molymet Germany</b>  Achieved 5 years of no accidents with time lost	<b>Carbomet Energía</b>  We successfully avoided the emission of 13,668 tons of CO2 equivalents by using hydroelectric generation	<b>Inmobiliaria San Bernardo</b>  We donated land to the 5th Fire Department in San Bernardo for the construction of a fire Station



# Our Goals

We are convinced of the need to position Sustainability as a priority on the Strategic Agenda of Molymet and amongst our leaders. We want to be proud of meeting the goals we set. To challenge ourselves by setting our goals even higher.

Create stakeholder value by defining management indicators for our Corporate Sustainability Strategy

Measure our sustainable performance using the Dow Jones Sustainability Index

Measure stakeholder groups’ perception of sustainable management

Certify all our employees and subsidiaries in our Code of Conduct, evaluating how its scope can be extended to other interested audiences

Work on a Corporate Diversity Policy, Gender Equity and Inclusion, which will incorporate our Diversity Plan created in 2020

Increase our water efficiency by 1% to 3%

Improve energy efficiency by 1% to 3% and increase the use of renewable energies

Reduce accident frequency and severity rates

Increase the % of waste recovery, aiming to meet the “Zero Waste” challenge

Achieve SA8000 certification for working conditions at MolymetNos

Implement a digital system to manage business risks and regulatory compliance







# 03 Governance







# Ethical management

Behaving ethically across the dimensions of strategic planning, sustainable management and operations is a conviction at heart of each project and employee. In 2020, we took this a step further by constructing the Molymet Code of Conduct to guide how we think and what we do.

Our commitment is to ensure that ethics form part of our strategic axes, sustainable management, ope-

rations and that they are central to employee behavior and the way our projects are carried out.

We comply strictly with the Law in each of the countries where we operate – often going beyond the legal requirements – and working in accordance with our Organizational Values Policy – this is the foundation for the prestige and position we hold in the market.



## We are conscious of the value of integrity

A key instrument to ensure ethical behavior is our safe and anonymous Ethics Line. Through this communication channel, any stakeholder, whether internal or external, can express doubts or make complaints about any issue which is contrary to our ethical or legal codes of conduct.

During 2020 there were 4 complaints: 1 at our Corporate Headquarters and 3 at MolymetNos. They were related to work harassment, material theft, bribery and safety conditions. All were investigated and resolved.

## Ethical Management in Chile

The Crime Prevention Model based on Law 20.393 is widely used in employee onboarding and workshops to raise awareness of anti-corruption procedures. In this way we ensure that all our people have a solid understanding of what it means to behave with integrity and follow good corporate practices.

## 78% Evaluated Areas in 2020

**In terms of their exposure to corruption risks:**

1. Non-compliance Bribery offense (Law 20.393);
2. Fraud;
3. Conflict of interest;
4. Integrity;
5. Bribery between private individuals.

**Zero cases of corruption** are proof of our ethical behavior.





# 04 Economic Performance





Committed to creating strategic value for our stakeholders:

**Total VEG**

Economic Value Generated

**1,055.64**

MUSD

**Total VED\***

Economic Value Distributed

**997.88**

MUSD

**Total VER (VEG-VED)**

Economic Value Retained

**57.77**

MUSD

**\*VED by category**

Employees:

**60.51**

MUSD

Operational costs:

**876.89**

MUSD

Government:

**21.16**

MUSD

Suppliers:

**39.32**

MUSD



**During 2020 we carried out investments valued at MUSD 38.9 of which 81% relate to projects and 19% to asset replacement.**

## Investments & Projects

The way we go about our business and production is clearly encapsulated in our Purpose statement: We create value for the advancement of humanity through products developed by people who believe in the wellbeing of our planet. We are working on our Corporate Climate Change Policy which will allow us to evaluate the impacts, risks and opportunities of our business.

Aligned with our Strategic Management Pillars, we leverage our investments to advance the industry.

MUSD  
**39** Investment  
amount







# Investment Highlights per subsidiary in 2020

Subsidiary	N° projects	Investment Amount MUSD	Investment Highlights
<b>Molymet Belgium</b>	32	10.16	Investment in the final phase for the start up of a new pure products plant (Purox)
<b>MolymetNos</b>	84	14.5	Investment in the control and reduction of emissions and process automation with a focus on reducing risks
<b>Molymet Germany</b>	3	2.9	New metallic molybdenum production line
<b>Molynor</b>	23	1.86	Investment in Gas Treatment Plants to increase reliability and life span
<b>Molymex</b>	32	1.82	Investment in back-up electricity to ensure operational continuity
<b>Corporate R&amp;D</b>	3	0.5	Pilot plant for arsenic removal from copper concentrates, obtaining an inert, stable and safe product





# Strengthening the Molybdenum Industry

With a focus on boosting the molybdenum industry, Molymet evaluated the molybdenum producer market in Chile and found a potential of around 7 million pounds of molybdenum per year, classified by geographical areas of interest. Armed with this information, we then selected 33 small mines at operational and Concentration Plants and provided them with technical and commercial advice. In this way, we increased knowledge about the molybdenum recovery process and how to optimize traditional business.



## Innovation & Development

Our molybdenum and rhenium products are used in a variety of compositions and processes in manufacturing bridges, cars, pipes, aircraft engines and medical prosthetics around the world. We continuously seek innovative products and technologies which challenge us to provide disruptive and effective solutions for our clients.

Our highly trained employees believe wholeheartedly in playing their part in the sustainable evolution of humanity. This, commitment, coupled with our top-class infrastructure, strengthens the trust of our shareholders and investors.

### 2021 Challenges

- Development of methodologies for the reduction of solid waste
- Research on the use of rhenium in medical devices and catalysts
- Circular economy: recovery and use of ammonia
- Promotion and support of molybdenum concentrate production in small and medium mining

### Investment in R&D at Corporate Level

	2020	2019	2018
R&D Budget	1.3 MUSD	1.2 MUSD	1.3 MUSD
Nº R&D Projects	5	5	6

**We generate knowledge:**  
Our Intellectual Property Policy safeguards and values the knowledge and innovations developed by our Company – either in-house or in collaboration with others.





## **We are working on an arsenic removal Project which promotes the health of people and the Environment**

In copper mining, there is growing concern about the increasing arsenic (As) content in ores. Based on our long experience, we developed a high-pressure leaching process to remove As from concentrates for commercial processing.

In Chile this project qualified as a viable and highly beneficial project under the R&D Tax Incentive Law. Molymet has initiated the patent process which has been finalized in China, the USA and Namibia and is currently in process in Chile and other countries.

## **MolymetNos - Inspired by the Circular Economy, we are evaluating an ammonia recovery project.**

At Molymet we use ammonia as a reagent in some of our production processes, leaving part of it mixed with other industrial waste where it is not fully utilized. This is why, as a Company, we began to evaluate different alternatives for the recovery of this chemical compound. Our aim is to bring a circular economy to the processes; while taking advantage of the Chilean R&D Incentive Tax Law and an approximate budget of 0.18 MUSD.

We expect the following benefits: To decrease ammonia consumption; reduce fugitive emissions; reduce solid waste going to landfill; and revalue ammonia waste.

This project will run through to the third quarter of 2021. We soon plan to move to the scale-up and pilot testing stage and then extend this knowledge throughout the Molymet group.





## We contribute to Electromobility

Electromobility has increased the consumption of lithium batteries worldwide and this presents two challenges: 1. these types of batteries require very high purity compounds for their correct operation and adequate life span. 2. Current producers have a limited capacity for the production of high purity lithium compounds. This need aroused our interest in developing alternative processes to purify lithium compounds and to manufacture suitable materials for these batteries, which we are capable of doing, thanks to our know-how in directly related hydrometallurgical processes.

We have been implementing this project since 2019 with co-financing from CORFO (The Chilean Economic Development Agency); adding collaboration with local universities to our internal capabilities in product testing. Our interim project results are confidential at this point.







# 05 Social Performance





# Employment

We strive to attract talented people who will help revolutionize the molybdenum market: Employees who mobilize our Purpose and can execute our Business Strategy with efficiency and innovation; while enjoying the benefits of an enjoyable working environment with competitive working conditions conducive to personal and professional growth.

Each subsidiary has the autonomy to execute plans oriented towards a sustainable work cycle, where the recruitment and selection processes; talent retention; and work team diversity are focuses and challenges across the entire Company.

1.43%  
Staff turnover



1,342 Employees	Molymet Corporate	MolymetNos	Molynor	Molymex	Molymet Belgium	Molymet Germany
	175	589	219	139	162	58

606 Contractors	Molymet Corporate	MolymetNos	Molynor	Molymex	Molymet Belgium	Molymet Germany
	48	335	94	54	17	58

By gender	Men	Women	By age	Younger than 30	Between 30 - 50	Older than 50
	1,160	182		207	858	277
	86.4%	13.6%		15.4%	64%	20.6%

Other diversity variables	Foreigners	Disability Status
	5%	0.01%





## Promoting team diversity

At a Corporate level and at MolymetNos, we have implemented a Job Analysis (ATP) system. This is aimed at identifying the necessary adjustments needed to incorporate people with reduced physical mobility into our company. In this way we can build inclusive hiring processes for people with disabilities (PwD) while providing relevant training to work teams.

## Customized Compensation and Benefits

All our subsidiaries use HAY methodology to place a value on each job in line with responsibilities, not personal characteristics. In terms of benefits, multidimensionality is taken into account, ensuring that we meet the needs of work, personal and family needs of each employee with flexible benefits. In 2021, we will work on including our European subsidiaries in the implementation of our Corporate Compensation Policy. We have benefits for all our employees, including complementary insurance, health insurance and life insurance.

In the context of the COVID-19 health contingency, Chilean subsidiaries, implemented an Employee Assistance Program (EAP) which provides assistance in matters of employees' mental health, legal, financial, parental and family matters, with support from third party service providers.



## MolymetNos Strengthening our compensation meritocracy

In order to provide greater objectivity and meritocracy in the management of compensation and benefits for our employees – together with attracting, retaining and developing the best talent – we created and implemented a new compensation policy at MolymetNos.

To do this, we developed job descriptors and job weighting, along with a salary study. We then trained executives, who are responsible for sharing and implementing this policy in their teams.



# Talent development

We are able to help advance the evolution of humanity thanks to the talented people in our Company. Our Corporate Training Policy has consolidated our commitment to having a highly trained team, which in turn enables us to lead the way in our industry and scientific communities.

47,792  
Annual  
Training Hours



## Average Training Hours per category

Category	Molymet Corporate	MolymetNos	Molynor	Molymex	Molymet Belgium	Molymet Germany
Executives	55.1	5.9	12.5	92.6	0.4	5.8
Supervisors, Middle Management and Professionals	18.2	10.3	12.8	115.9	38.2	22.0
Administrators and Operators	3.3	2.6	6.1	34.5	252.5	14.7





## We are making progress in sharing our Purpose widely!

The Vice Presidency for HR and Communication has led a participative process giving time and space to rethinking, sharing and anchoring our Corporate Purpose throughout the Company. A group of leaders were trained to not only share the purpose in a practical and authentic way, but also to translate it into all our activities in order to give meaning and purpose to our daily work.

**“We generate value for the advancement of humanity through products developed by people who believe in the wellbeing of our planet.”**

## Molymet Corporate our Purpose “Influencers”

To make our Purpose relevant for each Molymet employee, we trained 40 employees from different American subsidiaries to be “Influencers”. The goal was to strengthen awareness but more than that, to learn practical ways of making our Purpose a part of everyday conversations in work teams.

Participation of Employees who participated in our Purpose discussions was as follows: Molymet Corporate 26%, MolymetNos 24%, Molynor 18% y Molymex 57%. As a result, in 2020 we achieved 31 “Influencer” conversations with co-workers. The goal for 2021, is to have 58 of these conversations.



# Training within the context of the global crisis

In the most challenging year imaginable, we nonetheless set ourselves the task of maintaining our training plans, quickly adapting to online platforms which enabled us to meet our promise of ongoing development.

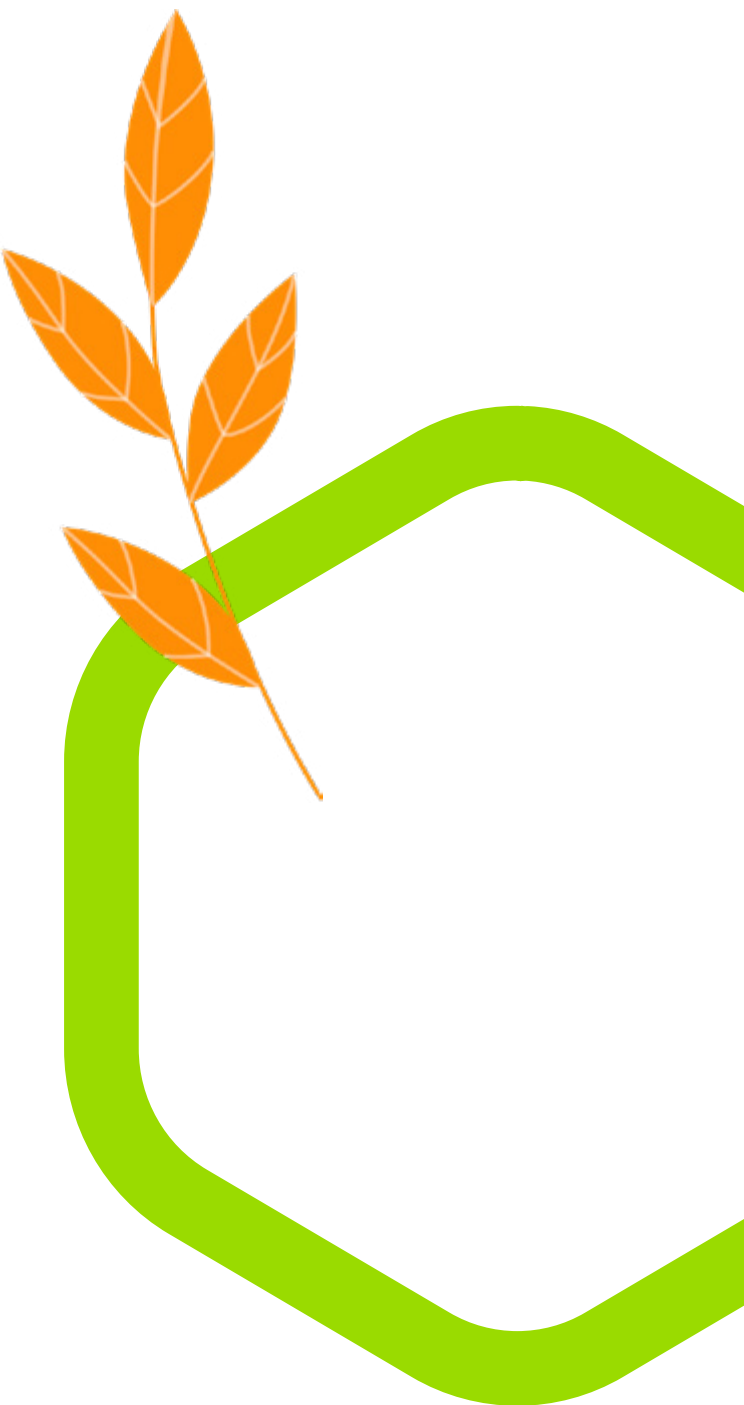


Molymet Corporate	Development of leadership skills and skills in matters critical to the achievement of the Company's objectives
MolymetNos	Development of management competencies with training in Big Data and Business Analytics
Molynor	Development of technical skills in environment, procurement, HR, management control and network management
Molymex	Development of skills for the detection and prevention of psycho-social risks
Molymet Belgium	Development of specific technical skills for Purox plant operation, and software to digitalize training activities
Molymet Germany	Development of specific technical skills in LECO laboratory analytical instruments and electricity

## We strive for continued improvement

100% of our subsidiaries support talent development, giving performance feedback for professional development. 978 employees received performance evaluations which corresponds to 73% of our employee complement.





# Supporting employee quality of life

Percentage of employees covered by benefits

Benefit Cover	Molymet Corporate	MolymetNos	Molynor	Molymex	Molymet Belgium	Molymet Germany
Life Insurance	87%	64%	95%	100%	100%	12%
Complementary Insurance	87%	64%	95%	58%	NT	12%
Health Insurance	87%	64%	95%	100%	100%	100%

## Gender Equality

As men and women, we all have a part to play our part in achieving the long term wellbeing of our planet. And our approach is clear: there can be no gender discrimination. This is why, during 2020 we developed actions to bring us closer to gender equity at all our subsidiaries. Here, our Compensation Policy seeks to mitigate gender bias by determining equitable remuneration based on job levels.

**118**  
Newly contracted employees  
**16.1% women**

**2**  
Women Promoted to **Executive positions**





Employment by Gender	Men	Women
Executives	57	14
Middle Management & Professionals	464	124
Administrators & Operators	639	44
% Total	86.4%	13.6%

Salary ratio men /women according to position in \$USD

Position	Gender	Molymet Corporate	MolymetNos	Molynor	Molymex	Molymet Belgium	Molymet Germany
Executives	Average salary men	10,708	8,206	7,594	7,119	NA	NA
	Average salary women	8,730	**	NA	**	NA	NA
	Ratio	23%	NA	NA	NA	NA	NA
Middle Managers	Average salary men	3,455	3,613	NA	1,691	NA	NA
	Average salary women	3,619	3,795	NA	1,959	NA	NA
	Ratio	-5%	-5%	NA	-14%	NA	NA
Professionals	Average salary men	2,811	2,484	2,124	979	NA	NA
	Average salary women	2,333	1,898	2,021	854	NA	NA
	Ratio	20%	31%	5%	15%	NA	NA
Administrators & Operators	Average salary men	1,067	1,681	1,058	751	NA	NA
	Average salary women	1,686	1,866	1,147	859	NA	NA
	Ratio	-37%	-10%	-8%	-13%	NA	NA

\*\*Due to confidentiality, this information cannot be disclosed, as she is the only female executive.  
 Molymet Belgium: In Belgium, a gender neutrality test must be submitted to the works council every two years.





## Salary Equality

We have progressively incorporated topics that promote a quality, safe and inclusive work environment, so that at Molymet, a diverse range of people can find a place to develop their talents and skills. Salary equity is a key factor in achieving this.

We still have a long way to go on this issue. However, our American subsidiaries have initiated compensation management based on salary studies that define the parameters established in our policy. A leveling plan is to be initiated in terms of base salaries for performing the same position, also allowing for impro-

vement of other aspects that make up employee compensation. We have now initiated similar salary studies at our European subsidiaries.

## The value of co-responsibility

We promote the use of parental leave as a benefit that contributes to the positive development of the first moments of life of our employees' children, positively impacting women entering the job market and the affective family responsibility of parents.

### Parental Leave Benefits Molymet

	Molymet Corporate	MolymetNos	Molynor	Molymex	Molymet Belgium	Molymet Germany	Total
Number of people who have a right to take parental leave							
Women	4	3	1	0	2	1	11
Men	0	7	4	7	40*	1	59
Number of people who have used their right to take parental leave							
Women	4	3	1	0	0	1	9
Men	0	0	0	7	10*	1	18

\* It should be noted that in Europe parental leave is up to 36 months for each child, where parents can use this leave up to the age of 8 years of their children.





0  
Fatalities

# Health & Safety

As we navigated our way through the COVID-19 crisis in 2020, our HR teams and leaders responsible for health and safety issues worked across the company to ensure that our Corporate **Policy for Occupational Health & Safety** provided a clear response to the needs of all our employees. Seven cross-cutting principles were then incorporated into the Sustainability pillar of our Strategic Agenda, making sure that we prioritized a preventive and proactive Occupational Health and Safety culture. This boosted employee trust and performance and led to improved accident rates.

We are governed by the international OHSAS 18001 and ISO 45001 standards which are monitored and evaluated by our Integrated Management System.

		Molymet Corporate	MolymetNos	Molynor	Molymex	Molymet Belgium	
Serious Accident Index	2018	0	33	95	30	256	
	2019	0	20	9	790	193	
	2020	0	42	358	620	82	
		Molymet Corporate	MolymetNos	Molynor	Molymex	Molymet Belgium	Molymet Germany
Frequency Index	2018	0	6,93	14,46	3,38	10,25	0,00
	2019	0	10,58	2,33	13,39	9,91	0,00
	2020	0	10,56	4,31	0,00	4,56	9,07

The serious accident index in Molymex was affected by an accident with lost days that occurred in July 2019.





# Molymex towards a Zero accident culture

For continuous improvement of the Molymex Occupational Health and Safety Management System we transitioned from the OHSAS 18001:2007 standard to the ISO 45001:2018 standard, obtaining the corresponding certification of the latter as part of our goal of Zero accidents. In this way, we can now identify, evaluate and control the hazards and risks applicable on a daily basis to all our employees, contractors and visitors.

We are proud that Molymex is a pioneer in this area. Indeed, it is one of the first metallurgical companies in the State of Sonora, Mexico to obtain this certification.

## Our commitment to Safety

We are responsible for the health and safety of our operations and our people. Our Joint Health and Safety Committees are made up of employees elected by direct vote. This gives all our employees representation through formal Occupational Health & Safety committees which allow us to monitor, evaluate and propose improvements.

## Employees represented in Joint Hygiene and Safety Committees and participants

	MolymetNos	Molynor	Molymex	Molymet Belgium	Molymet Germany
N° of workers represented	764	219	139	162	58
Percentage of workers represented	100%	100%	100%	100%	100%
N° of participating workers	12	11	16	11	5



## Training activities in Occupational Health & Safety

	Molymet Corporate	MolymetNos	Molynor	Molymex	Molymet Belgium	Molymet Germany
N° training activities	1	871	16	6	9	12
Percentage participation of employees	79%	98%	77%	91%	54%	100%
Training hours	69	7,647	1,950	249	250	1,061

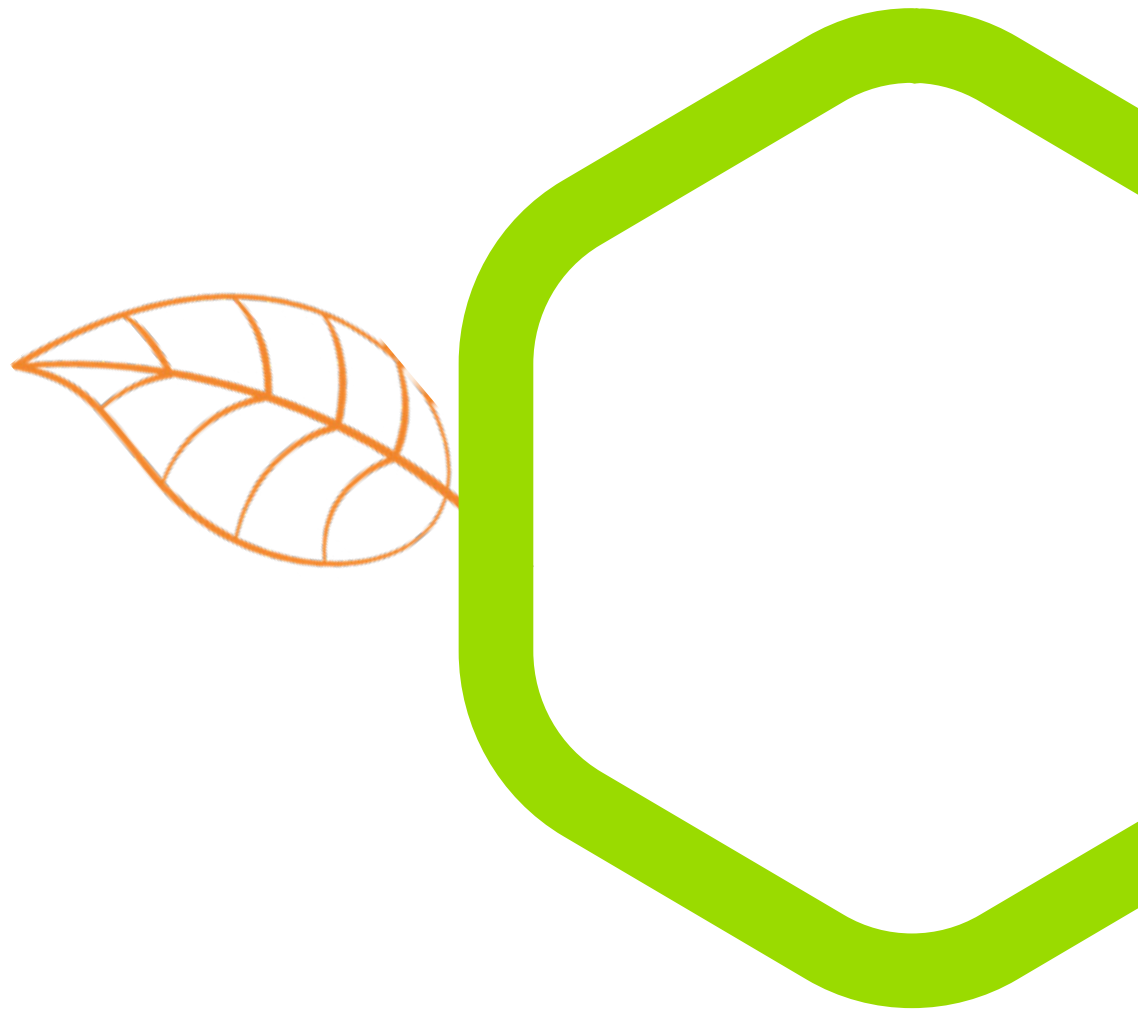
## Labor relations

Representation and dialogue between employees and our Company are key to aligning visions and expectations. All our subsidiaries have trade union organizations.

Negotiation processes are based on the legal frameworks in force in the countries where we operate. They are either undertaken directly between the organization and employees or through mediation led by a third party service provider to ensure transparent and respectful dialogue.

At corporate level, we are working on a Labor Relations Policy, through the Employee Relations Committees with the aim of strengthening the organizational commitment of our teams, aligned with the culture and purpose of Molymet. Here the goal is:

- **Position Molymet and its subsidiaries as a Company that employs and develops talented people in a sustainable way**
- **Improve employee workplace experience and promote both their evolution and that of the company**
- **Build strong labor relations for business sustainability**







## Our unions

Molymet has six syndicates with whom we have established formal dialogue channels to ensure transparency in the information we discuss. These unions represent approximately 750 employees.

	Molymet Corporate	MolymetNos	Molynor	Molymex	Molymet Belgium	Molymet Germany
N° unions in the organization	0	2	2	1	2	0
N° unionized employees	0	427	132	54	Between 80% - 90% employees	0
N° Employees covered by collective bargaining agreements	0	427	116	54	Total employees	0
% unionized employees	55,8%*					

*\*At Molymet Belgium and Molymet Germany we are governed by European Union labor laws which define that data of unionized Employees is protected information thus we cannot include exact information for these subsidiaries.*



## Supplier evaluation

Our suppliers add value to our business management and commercial activity. We, in turn, take care to foster their development based on trust relationships underpinned by: respect for labor rights; good business practices; and preference for local purchasing.

**The Corporate Policy for Suppliers and Contractors** was developed collaboratively by professionals from our administrative, supply, finance, legal and sustainability areas. It defines the action principles for sustainable development of the supply chain of inputs and services, along with promoting the adoption of sustainable practices by suppliers and contractors.



## Number of Suppliers classified by location and size

	Local	Multinational	Total	SMME	Large companies	Total
Molymet Corporate	8	1	9	6	3	9
MolymetNos	1,226	74	1,300	260	1,040	1,300
Molynor	15	4	19	9	10	19
Molymex	238	156	394	91	303	394
Molymet Belgium	740	462	1,202	421	781	1,202
Molymet Germany	168	19	187	108	79	187

3,111  
 Total of  
 supplies

## Supplier selection criteria

In 2020 we received services from a total of 242 new suppliers of which 225 were evaluated on the basis of internal social criteria defined by Molymet. Through this process, the potential long-term involvement of each supplier as a part of the Molymet team of people is evaluated. In this way we can provide options for improving their contribution or exclude suppliers who do not meet the required criteria.

## Supplier evaluation

	MolymetNos	Molynor	Molymex	Molymet Belgium	Molymet Germany
New suppliers	107	118	0	0	17
New suppliers evaluated on the basis of internal social criteria	107	118	0	0	0
Percentage (%)	100%	100%	0	0	0

Note: In this table, information for Molymet Corporate is reported together with MolymetNos.





# MolymetNos

## We Consolidate relationships

Robust, cohesive relationships are a hallmark of our Company and in 2020 MolymetNos put in place two-year service contracts with several external companies and contractors with whom we have worked for long periods. This allowed us to guarantee the availability of trained technical people as a resource to address high demand maintenance and to face emerging operational problems.

In this way, we boost operational continuity while also adding to development of our contractors.

### Community relations

Long-term relationships, based on trust, characterize our relationships with communities where we operate. Here, we take into particular account, local values and culture. In 2020 we began to work across regions and teams on our Corporate Policy for Community Engagement which will guide our actions based on the reality and needs of each locality.

5 Subsidiaries

Community contributions

0.35

MUSD social investment





## Listening to our communities

We cultivate trust relationships by initiating genuine consultation and investing in research studies to identify the real and potential impact our business has on the communities that surround our plants.

Molymet and each of our subsidiaries fully support and drive actions to mitigate negative impact and build relationships that clearly demonstrate how important communities are to us as a company; and how they, in turn, influence and impact the overall performance of our business.

Real or Potential Impact	General Action Measures
1. Emissions into the atmosphere	Investment in facilities to support impact mitigation and control Voluntary definition of concentration peaks set lower than those established by current regulations Control of emissions through online monitoring Warning systems in case of exceeding the limits allowed by our current permits Programs to improve airtightness and seals at our facilities Process control improvements Acquisition of new nanotechnology measuring equipment
2. Noise	Control of environmental noise through measures, the result of which is that during 2020 we did not exceed established limits
3. Odors	Implementation of mitigation measures
4. Spills	Implementation of containment parapets Definition of spill action plans Updating of risk matrix for rapid response to potential impact

# Molymet Belgium research and transparency with our neighbors

We want to understand and analyze the possible impacts of our plant on our neighbors and that is why Molymet Belgium visits the surrounding farms twice a year. On each visit, we take study samples from livestock animals, as well as from grass and hay, analyzing the molybdenum content in the meadows near our plant. Every two years we organize a meeting with the community and farmers to communicate and be transparent about emission generation and other impacts.





## Our promise to develop communities

Each Subsidiary has activities aimed at fostering close ties with their communities, some which we highlight below are:



### **MolymetNos**

- Covid-19 related Sanitization program in 33 Neighborhood Councils in the San Bernardo community where we sanitize streets, pedestrian passages and public spaces.
- Training programs using e-learning modality for 10 Neighborhood Councils including Office Automation, Accounting and Classroom Assistant. These courses strengthened theoretical and practical knowledge, benefitting 50 people during 240 hours of training.
- MolymetNos 2020 Competitive Funding which benefitted 12 Neighborhood Councils and 8 Senior Citizen Groups through the funding and development of projects related to social, educational, safety, facilities, environmental, inclusion, cultural development and sport.
- Through Inmobiliaria San Bernardo, we made a donation of land to the 5th Fire Department in San Bernardo for the construction of a fire Station.

### **Molymet Belgium**

Sponsored a team from the local EDUGO school to participate in the Eco<sup>2</sup> project and visits to local farms. We also sponsored cardiac resuscitation equipment for EDUGO to use in accident cases.

### **Molymet Germany**

Monetary contribution for the purchase of defibrillator equipment for firefighters and monetary contribution to the University of Leipzig for scientific purposes, mainly associated with the study of molybdenum.

### **Molynor**

In 2020, the main activity was a stakeholder survey where Molynor's interest groups were identified and prioritized by means of power and interest variables in terms of their relationship with the company. This generated a matrix of socio-environmental risks and provided guidelines for the development of a community relations plan based on the needs and expectations of the neighboring Mejillones community.

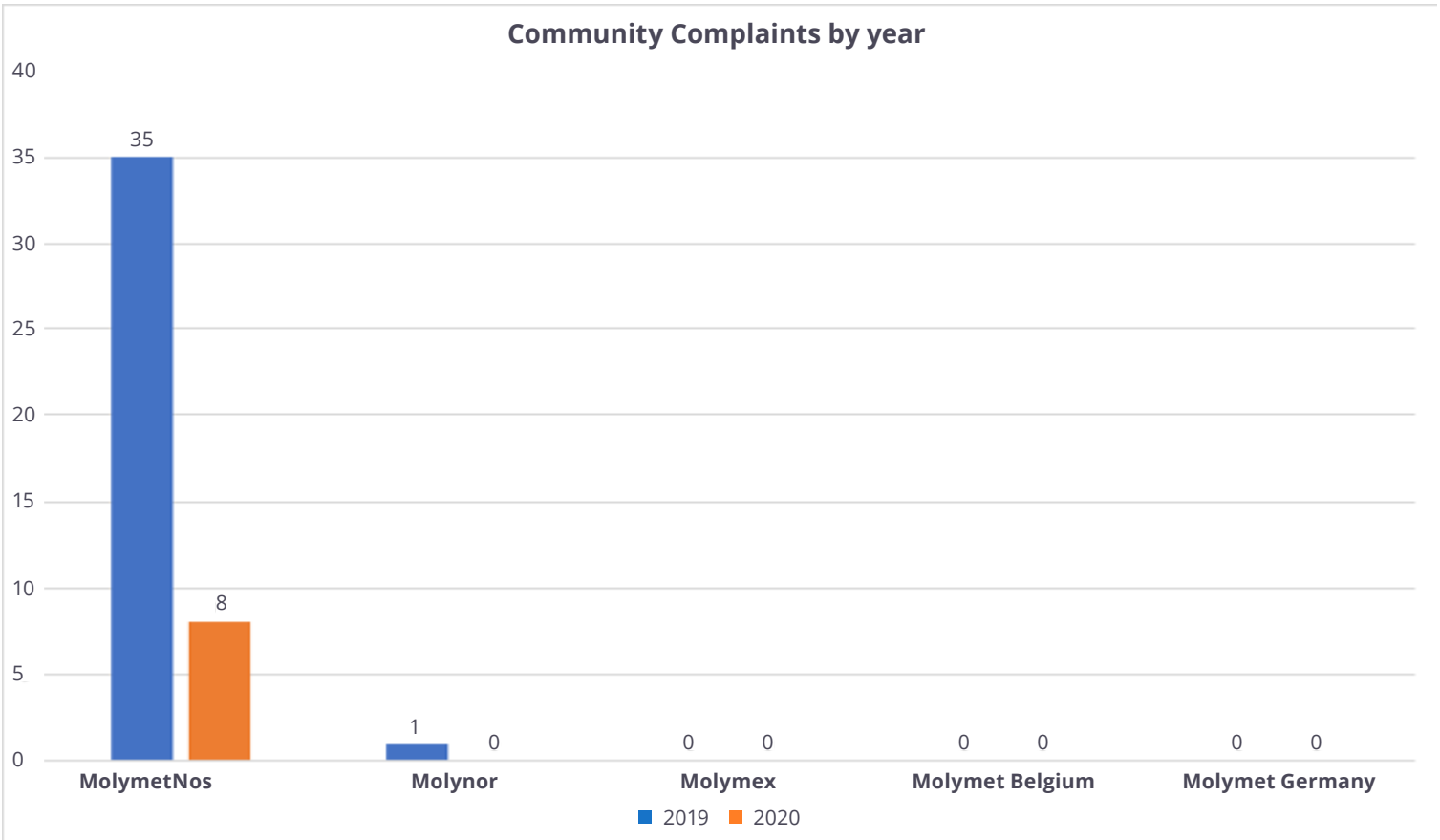
### **Molymex**

Since 2010, the Molymex Corporate Social Responsibility (CSR) Program has, each year, arranged activities focused on enhancing the quality of life of people from the local community with themes including: education, health, cultures, sport, environmental care and creating alliances with community stakeholder groups.

- Company Social Responsibility Program which directly supports schools in the local community
- Sanitation Program for Cumpas Municipality
- Provision of Community Funding to the Cumpas Municipality
- Molymex Summer 2020 "From home" program of recreational activities contributed to the healthy development of our employee's children and children throughout the Cumpas community
- Our Campaign "Pay attention, no more cases" aimed at encouraging measures to prevent the spread of COVID-19 infection in the Cumpas community



We have a close relationship with our neighbors in all the communities where we operate. This is thanks to an open door policy, conducive to transparent dialogue and joint resolving of complaints in a thoughtful way.



# Molymex community partnering

Molymex connects with its community by implementing a range of programs of activities focused on improving the quality of life of local people in areas including health, education, culture, sport support, environmental care, alliances and participation in committees, among others.

Each of these activities are evaluated against defined program goals and expectations.

Given the close connection Molymex has with their neighbors, it comes as no surprise that year after year, the company has earned the distinction of being a Socially Responsible Company; being awarded the ‘Distintivo ESR’ by the Mexican Center for Philanthropy (CEMEFI) the Alliance for Corporate Social Responsibility (AliaRSE) to recognize companies that stand out in different areas of sustainability.





# 06 Environmental Performance







## Biodiversity

Looking out for the wellbeing of our planet is fundamental to our purpose; and conducting our business in a way that constantly takes the environment into account means that we generate value for the advancement of humanity.

Our Corporate Policy for Prevention and Management of Environmental Incidents clearly states our commitment to take all necessary actions to prevent, control, mitigate and/or compensate the environmental impacts of our production activity.

162.3Ha  
Green  
areas

0  
Significant impacts  
on biodiversity

Having plants in four countries, constantly challenges us to analyze each geographic context and create specific plans for the ongoing monitoring and management of potential biodiversity impacts.

	Inmobiliaria San Bernardo	Molymet Corporate	MolymetNos	Molynor	Molymex	Molymet Belgium	Molymet Germany
Hectares of Green areas	123.0	5.0	7.9	0.1	18.8	5.6	1.9
Hectares of forested areas	0	0	0	0	2	2.8	0
USD Amount in investment in green areas	141,000	248,718	180,000	58,503	95,576	38,266	0
Hectares restored with native species	0	0	0	0	1	0	0





## Cultivating the landscape and urban climate

In the community of San Bernardo, Chile, we have an organic walnut crop that creates a green lung and buffer zone for MolymetNos’ activities. The cultivation over an area of 123 hectares not only provides permanent and temporary sources of employment, but also: improves the structure and quality of the soil; facilitates the proliferation of beneficial species for pest control; aids the capture of CO<sub>2</sub>; and improves the local microclimate by reducing the radiation and intensity of the urban heat island.



## Main biodiversity actions:

### Inmobiliaria San Bernardo

Dam and decanting project generating a significant improvement in water availability at the farm level

### Molymet Corporate

Care of centennial and endemic species in parks: Parque Áreas Verdes and Parque Las Lilas

### MolymetNos

Ongoing deep maintenance and recovery of green areas undertaken by a qualified team and specialized machinery

### Molynor

Monitoring of water quality in compliance with requirements established by NCh 1333

### Molymex

Maintenance of green areas and reforestation through fertilization, composting and planting; Restoration of 1 hectare of native species

### Molymet Belgium

Creations of green areas at the new Purox plant to prevent dust recirculation

## Protection of the Little Tern

At Molynor we invested USD 54,309 in efforts to protect the endangered Little Tern. This was done by working with the Little Tern Sustainability Foundation, where we are founding partners and serve on the Board of Directors. Actions carried out over 2020 were aimed at monitoring and protecting the species in accordance with Chilean Environmental Qualification Resolution guidelines.





## Energy

We are ever mindful of the amount of energy needed to transform molybdenite concentrate into our final products. To this end we have a Corporate Energy Policy to guide us in our on-going search for more efficient and sustainable energy systems.

**18.7%**  
Consumption of  
Renewable Energy

**7,270**  
GJ/MMLb MoS<sub>2</sub>  
Energy intensity

**999,325<sub>GJ</sub>**  
GJ/Energy consumption

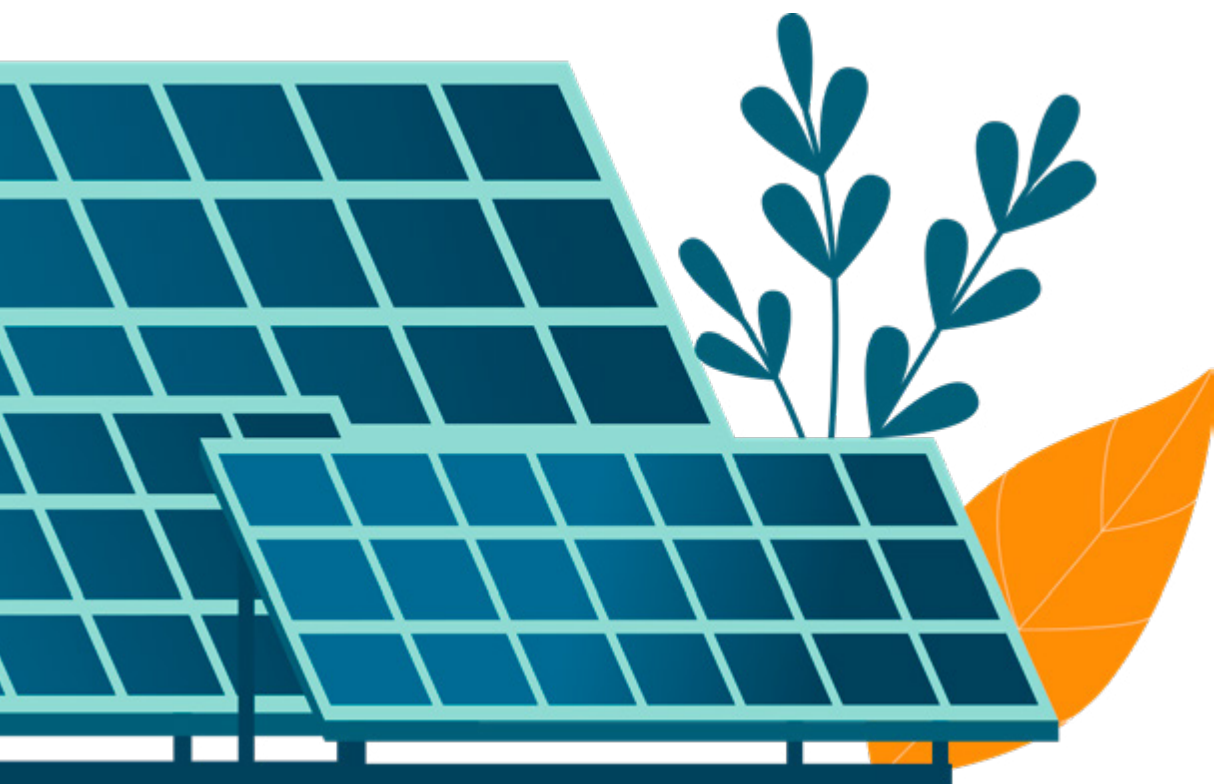
### Our energy consumption

	MolymetNos	Molynor	Molymex	Molymet Belgium	Molymet Germany
Total non-renewable fuel consumption (hydrocarbons)	352,879	50,824	46,767	2,921	261
Total other combustible sources (electricity / heating)	0	68,388	37,944	229,356	22,786
Total renewable Energy consumption	182,410	117	0	0	4,672
Total energy	535,289	119,329	84,711	232,277	27,719

\* Data does not consider Molymet Corporate as it is not applicable







Our energy intensity

Energy Intensity	MolymetNos	Molynor	Molymex	Molymet Belgium	Molymet Germany
Total consumption (GJ)	535,289	119,329	84,711	232.277	27,719
Processed units (M lb MoS <sub>2</sub> )	72.3	38.4	27.9	27.86	3
Energy intensity ratio of the organization (Consumption / Units processed)	7,404	3,108	3,036	8,337	9,240

\* Data does not consider Molymet Corporate as it is not applicable

Reduction of energy consumption

11  
N° Energy reduction initiatives

12,922GJ  
Energy reduction

We are focused on reducing energy consumption

During the year 2020 we positioned sustainability as a fundamental pillar of our Strategic Agenda. Within this framework, challenges and goals were defined around sustainable energy management. Our immediate goal was to reduce energy consumption per unit processed, where each subsidiary defined a specific goal according to their local realities with reductions ranging between 1% and 3%.





# Managing Energy Efficiently

## MolymetNos

Creation of a multidisciplinary committee in order to implement collaborative methodologies across areas for reduction per product unit

## Molynor

Secured co-financing for the implementation of an ISO 50001 energy management system from the Energy Sustainability Agency

## Molymex

Operational control through the PI System gave stability to the furnace, avoiding fouling and leading to a reduction in fan energy use

## Molymet Belgium

Implementation of the ISO 50001 energy management system, which is evaluated by the authorities

## Molymet Germany

Recertification of ISO 50001 standard, aligned with government compliance policies

## Water

Water is an essential resource for human evolution and we are highly conscious of the risks posed by its scarcity. This is why we have a firm commitment to reducing the consumption of water in our operations and we are developing plans that make us responsible for safeguarding this precious resource for future generations.

**2.6**  
Million  
**m<sup>3</sup> water**  
extracted

**1.2**  
Million  
**m<sup>3</sup> water**  
consumed

**7,218**  
**m<sup>3</sup> of water/**  
MMLb MoS2  
processed

**Recognizing water as a limited resource not only implies revision of our internal processes but also an understanding of how our consumption impacts others who share this resource with us.**

**16.5%**  
**Recycled**  
water

**37.5%**  
**Recirculated**  
water



Water extraction in m³/year	Source	MolymetNos	Molynor	Molymex	Molymet Belgium	Molymet Germany
	Surface water	0	NA	0	1,644,589	0
	Groundwater	351,105	NA	114,602.8	6,065	
	Seawater	0	325.828	0	0	0
*Corresponds to industrial water from third parties	Produced water *	0	NA	0	0	3,559
**Corresponds to municipal water suppliers, municipal wastewater treatment plants	Third party water (public network of potable water)**	145,731.8	NA	0	41,504	745
Note: Data does not consider Molymet Corporate as it is not applicable	Total	496,836.8	325,828	114,602.8	1,692,158	4,304



Water Consumption in m³/year	MolymetNos	Molynor	Molymex	Molymet Belgium	Molymet Germany
Water consumption m³	902,840	118,791	114,602.8	86,145	745
Units processed (Mlb MoS <sub>2</sub> )	72.3	38.4	27.9	27.86	3
Water consumption / units processed (Mlb MoS <sub>2</sub> )	12,487.4	3,093.5	4,107.6	3,092.1	248.3





In response to our commitment to the responsible use of water resources, our management focused on the following initiatives aimed at the well-being of the planet:

MolymetNos

Formation of the Water Committee. Implementation of improvements in the control of the cooling plant fan system, reducing water evaporation

Molynor

Improvements in the control of water distribution equipment, optimizing delivery according to need

Molymex

Exhaustive daily monitoring of water consumption, implementing water saving equipment, together with awareness of water use

Molymet Belgium

Installation of rainwater collection towers for use of this water in company bathrooms

Molymet Germany

Equipping a third of the production line with high-performance water cooling technology



Effluents

We are resolute in our undertaking to treat the water we use in our production processes and return it to the environment with the quality required by the regulations of the countries where we operate and the voluntary commitments we ourselves have adopted. The subsidiaries who discharge water in the Environment are:

0

discharge of effluents in 3 of 5 subsidiaries

Molynor	Brine from the seawater collection osmosis process. Approximately 63% of the seawater entering the plant is returned as brine.
Molymet Belgium	Water collected for the cooling system of the plant's processes is almost entirely returned to its source: The Ghent-Terneuzen Canal
Molymet Germany	Treated water discharged into local sewage systems which is done in strict compliance with local laws

Water discharge in m³ /year	Molynor	Molymet Belgium	Molymet Germany
Surface water	NA	1,644,589	3,559
Groundwater	NA	6,065	0
Seawater	206,709	0	0
Third party water	NA	41,504	745
Third party water transferred for other uses	NA	98,564	0
Total	206,709	1,790,722	4,304

Significant Spills:

In 2020 there were no significant spills.



# Emissions

Our focus is to be sustainable; to deliver value today and to be champions of the future. The construction of our Corporate Climate Change Policy will allow us to achieve this, ensuring that for each project and action which has the potential to do environmental damage, we will adopt a comprehensive preventative approach. To this end, Molymet has an Environmental Management System defined in our Corporate Environmental Policy.

Our SO2 emissions are  
**65.8%** Less than required by  
our current permits

## Measures to reduce our carbon footprint

We monitor our CO2 emissions to control their impact and evaluate the results of initiatives to reduce emissions.

As a company, we measure ranges 1 and 2 of greenhouse gas emissions.

	MolymetNos	Molynor	Molymex	Molymet Belgium	Molymet Germany
<b>Direct Emissions (Range 1) Ton CO<sub>2</sub>eq</b>					
Liquid gas emissions	524	1,565.23	1,554	0	2,9
Diesel emissions	2,995	3,652.11	1,723.6	216	15,8
Other emissions from combustion processes	17,692	NA	0	0	0
<b>Total direct emissions</b>	<b>21,211</b>	<b>5,217.34</b>	<b>3,277.6</b>	<b>216</b>	<b>18,7</b>
<b>Indirect emissions (Range 2)</b>					
Emissions from electricity generation	21,460	7,286	4,047	7,095	1,020
Emissions from heat generation	NA	NA	0	3,881	1,068
Emissions from chemical treatment	NA	NA	0	0	685
<b>Total Indirect emissions</b>	<b>21,460</b>	<b>7,286</b>	<b>4,047</b>	<b>10,976</b>	<b>2,773</b>
<b>Total Range 1 &amp; 2</b>	<b>42,671</b>	<b>12,503</b>	<b>7,325</b>	<b>11,192</b>	<b>2,792</b>

*Note: Molynor and Molymex carried out a complete calculation of their carbon footprint for 2021. Going forward, our Corporate Climate Change Policy will guide the actions of our other subsidiaries based on this pioneer exercise.  
Data does not consider Molymet Corporate as it is not applicable*







# Working on climate change

In our Strategic Agenda, we defined as a goal the generation of Zero SO<sub>2</sub> concentration peaks. In this way, we have set rigorous and strict concentration limits in subsidiaries. These go well beyond the environmental regulations with the main objective of not generating community incidents.

For more details, we invite you to review our policy through the following link: <https://molymet.com/sustentabilidad/mirada-sustentable>

## Other significant emissions

**In 2020 our Operations** emitted a total of 36.3 ton of NO<sub>x</sub> and 816.5 ton of SO<sub>2</sub>

**99% efficiency in SO<sub>2</sub> recovery** which is then sold and/or used in our own processes as sulfuric acid

## Emission of persistent pollutants (by Ton)

	MolymetNos	Molynor	Molymex	Molymet Belgium	Molymet Germany
NO <sub>x</sub>	26.5	8.3	2.0	2.9	4.0
SO <sub>2</sub>	244.8	261.3	176.5	126.9	7.0

*Note: MolymetNos emits 126.9 tons of CO and 13.26 tons of MP*



# Our commitment: Actions to reduce emissions!

MolymetNos	Submission of Modernization project for Environmental Assessment: This is the second voluntary reduction of SO <sub>2</sub> emissions through modernization and -strengthening of gas cleaning and roasting facilities, which will reduce SO <sub>2</sub> operational emissions by 40%
Molynor	Modernization of our online Air Quality Monitoring System, directly connected to the regulatory authorities, allows transparent management of regulatory compliance and determined goals.
Molymex	Research and evaluation related to replacement of fuels like diesel used in the roasting furnace; and liquefied petroleum gas in other steam-generating equipment with natural gas; in order to reduce risks and emissions.
Molymet Belgium	Project to develop a new waste heat boiler which will reuse energy from industrial processes
Molymet Germany	Purchase of energy from renewable energy suppliers and acquisition of a frequency-controlled compressor to generate compressed air







## Molymet Belgium Technology for emission alerts

Technological advances and improvements are making our processes more sustainable every day. This is why we extended the opacity measurements from the roaster to the kiln installation, indicating the concentration of dust particles in the gas flow in the upper part of the Briquettes or “Pillows Carbon Free” installation. In this way, our operational team can prevent or react faster when a dust emission starts.



## Reuse and recycling of primary and other materials

Manufacturing products which generate value for the advancement of humanity, means that our purchasing processes and material management must be carried out in accordance with strict parameters; and aligned with our Corporate Sustainability Policy which guides our relationships with suppliers, customers and end users.



## Raw materials by subsidiary in millions of pounds

Raw Material	MolymetNos	Molynor	Molymex	Molymet Belgium	Molymet Germany
Molybdenite	72.3	38.4	27.9	27.86	3
Waste generation	Waste disposal	Recovered waste	Waste valorization		
143,126 ton Hazardous 5.4% Not Hazardous 94.6%	114,636 ton	28,490 ton	20%		

The molybdenum cycle requires additional materials for its processing and packaging. These, together with the raw materials, generate waste. This is why, in line with our efforts to achieve a circular economy, each subsidiary records their waste in a particular way based on their local reality and every effort is made to reuse and recycle waste material.

## Molynor's recovery of maxi bags

The ongoing valorization of our waste improves the efficiency of our processes. This is why we began to recover maxi bags in a non-optimal state and then send them to an authorized company for reconditioning and reuse. In this way, we recover the material after compaction. During 2020, a total of 6,300 lbs of maxi bags were reintroduced into our processes.





## Waste by disposal method in Tons

	MolymetNos	Molynor	Molymex	Molymet Belgium	Molymet Germany	Total
Authorized sanitary landfills	114,128.8	481.4	14.1		12	114,636
Waste NOT destined for disposal (increased value)						
Recovery	118.6	4.5		130.3		253.4
Treatment		332.2		268.0		600.2
Reutilization		40.9				40.9
Recycling	420.2	66.8	40.0	6,460.0	6.0	6,993.0
Composting	251.8		4.0			255.8
Energy recovery			1.0			1.0
Secondary raw material	790.6			19,547.0	8.0	20,345.6
Total	115,710	926	59	26,405	26	143,126

*Note: Molymet Corporate data is included in MolymetNos data*

## Molymet Belgium We reuse valuable waste

We constantly seek to reduce waste to the point of eliminating each one of them. Now, during the treatment of leaching water, molybdenum by-products are generated; and while these products cannot be sold, they can be reused in different processes at the Belgium plant or in other subsidiaries.

For example, OPAS B contains approximately 57% molybdenum and is reused in the roaster for optimum molybdenum recovery. Only filter cakes containing copper and arsenic are treated by third parties.



## Managing for reuse and recycling

We want to be in line with industry trends, progressively adopting measures that bring us closer to the circular economy. Each of our subsidiaries develops activities that allow them to recycle and/or reuse the inputs involved in their production processes.

MolymetNos	Management of organic waste and valorization of non-hazardous industrial waste assimilable to domestic waste, favoring the inclusion of community-based recyclers
Molynor	Recovery of waste sent to specialized third parties to be used as raw material and/or reconditioned for new uses
Molymex	Control and optimization of materials like Personal Protection Equipment, cleaning supplies and packaging
Molymet Belgium	Recovery of rhenium from resins and recycling of FeMo and sulfuric acid slags

4.9%  
Recycled  
waste







## **Molynor** We valorize our waste

We constantly seek to valorize our waste. This is how we began to valorize ferrous chloride waste used as raw material in large-scale mining. Through this milestone, we set ourselves on the path to a circular economy at Molynor, while generating an annual economic benefit close to MUSD\$ 2.0.



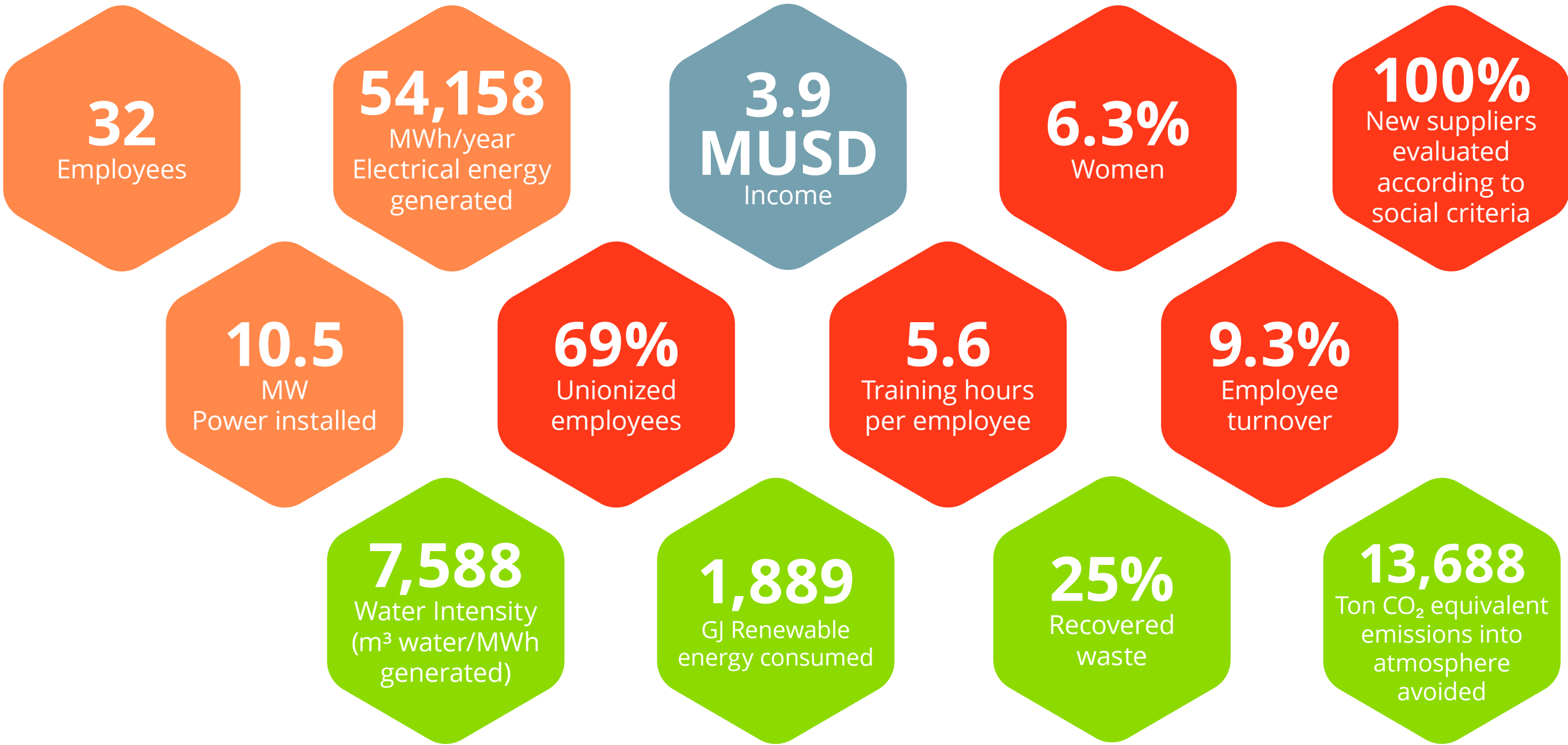
## **Molymet Germany** We pack efficiently

We take care of every type of waste we generate in order to achieve a sustainable supply chain. To this end, we agree in advance with our customers on the specifications for the packaging of drums and maxi bags in order to guarantee stable processing. In this way, we ensure that all imported raw material containers are used in sales, thereby reducing waste and losses of packaging material.



# Gestión sustentable en Carbomet Energía

We are a company that generates renewable energy. We were established in 1994 and fully acquired by Molymet in 2019.

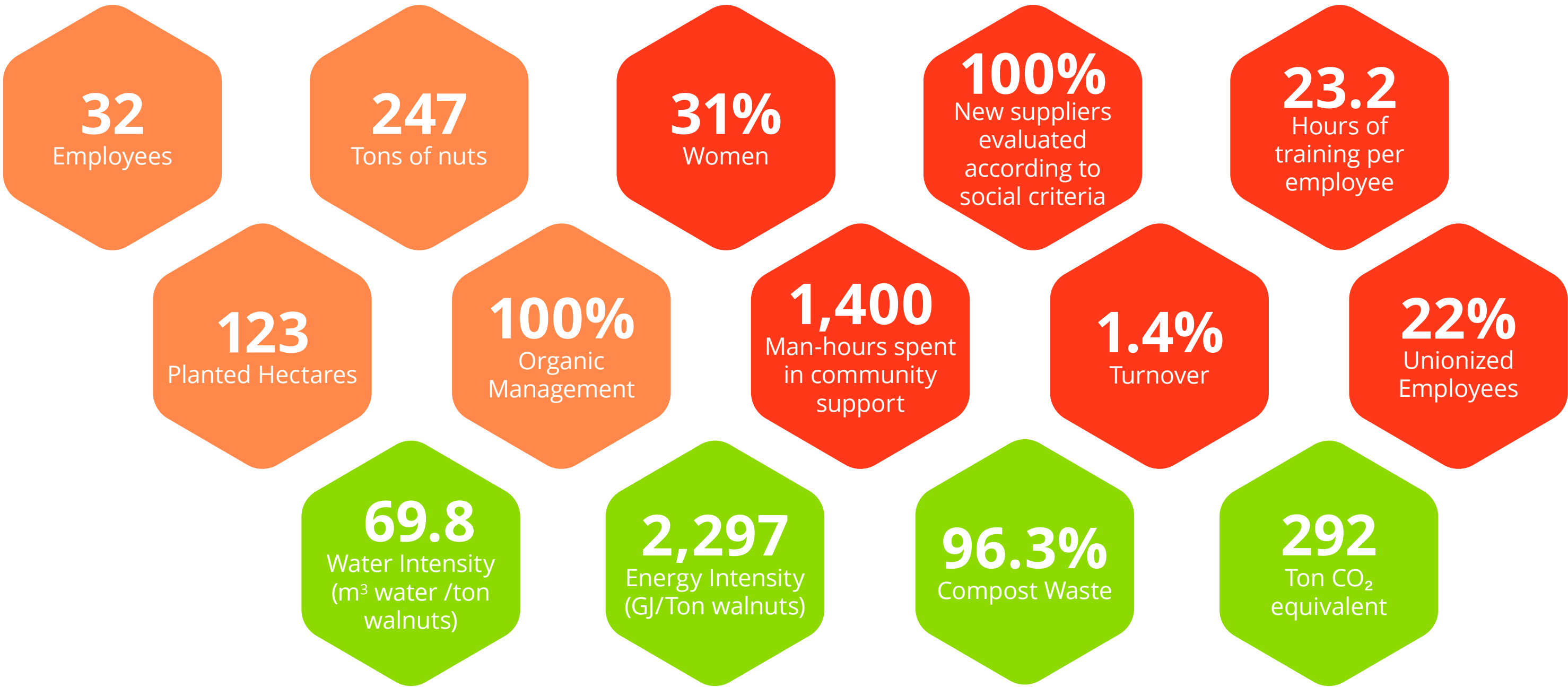






# Gestión sustentable en Inmobiliaria San Bernardo

With its operations located in the green belt buffer zone described earlier, Inmobiliaria San Bernardo is an agricultural company carrying out commercial production of walnuts which are cultivated organically.





## Contact us

We are interested in hearing from you.

If you would like to make suggestions and/or comments about this Sustainability Report, you are welcome to email us at **[sustentabilidad@molymet.cl](mailto:sustentabilidad@molymet.cl)**

Find our full 2020 Sustainability Report at **[www.molymet.com](http://www.molymet.com)**

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