

Corporate Sustainability Strategy





About this document

This practical guide has been prepared to encapsulate our Corporate Sustainability Strategy,

which aims to provide guidance to all our stakeholders regarding the various initiatives we have proposed to achieve a sustainable business model, demonstrating our commitment to the welfare of all.



Introduction

Molymet has positioned itself as a leader in molybdenum and rhenium processing by working tirelessly while focused on innovation and continuous improvement. Today we are recognized as the largest molybdenum and rhenium processor in the world. Our current goal is to advance from a stage of sustained growth to one of sustainable development, ensuring the prosperity and profitability of the business.

At Molymet, we define Sustainability as the ability to meet people's current needs without compromising the ability of future generations to meet their own.

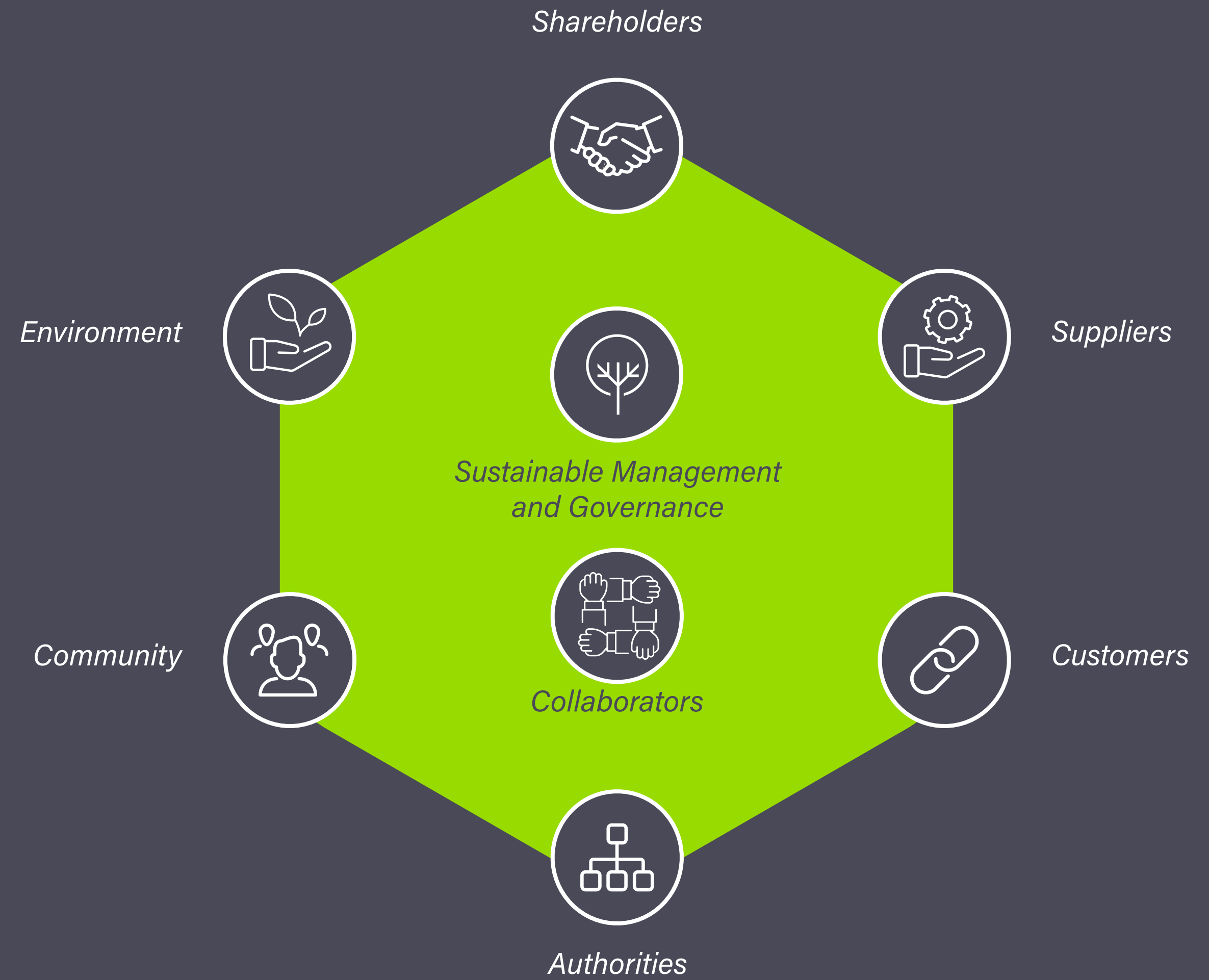
For Molymet, sustainability is a value by which we guide our actions based on respect, ethics and responsibility. We firmly believe in integrated management in the social, environmental and economic fields. The path we have set out for fulfilling our purpose is,

“To create value for the evolution of humanity, with products developed by people who think about the planet’s wellbeing.”

We have adopted sustainability as a core concept for our strategic agenda to guide this cultural transformation. The challenges include ensuring operational continuity along with developing and implementing a Corporate Sustainability Strategy; i.e., defining goals, initiatives, deadlines, and those responsible for achieving them. The Strategy was designed through a process of identifying and prioritizing material aspects in a way that considers all stakeholders:



We are defining various topics for each interest group wherein we will propose initiatives to commit to fulfilling in the short and medium term.





One of the main guidelines on which we have based our Corporate Sustainability Strategy is Agenda 2030 for sustainable development, an action plan designed to benefit people, the planet and prosperity, ensuring sustainable social and economic progress, and promoting peace within the broader concept of freedom. This Agenda was adopted by the General Assembly of the United Nations (UN) and approved by its member States through a resolution that recognizes that the greatest challenge in today's world is eradicating poverty.

The Agenda proposes 17 Sustainable Development Goals (SDG), including everything from the eradication of poverty, the fight against climate change, education, gender equity, the protection of the environment, and even how our cities should be designed. Fulfilling the SDGs necessitates a common and universal commitment; however, since each country faces specific challenges in its search for sustainable development, each state in its full sovereignty sets its own national goals.

In its Corporate Sustainability Strategy, from the outset Molymet has contributed toward 12 of the 17 SDGs by incorporating people-centric guidelines concerning employees, community, environment, shareholders, customers, suppliers and authorities.

In January 2016, Molymet joined the Global Compact, a UN initiative that was launched in 2000 and includes more than 10,000 companies worldwide in order to integrate sustainability into Corporate Strategies through ten principles covering four areas: human rights, labor relations, environment and anti-corruption.

Our Corporate Sustainability Strategy, focused on developing a sustainable business, includes the highest internationally recognized sustainability standards including the Dow Jones Sustainability Index, the Global Reporting Initiative, the Mining Council Principles, ISO 26000, Great Place to Work, and more, see Annex I for more details.

We have set up the Strategy implementation using different mechanisms to guide our actions, including policies, plans and programs. We have created policies on the guidelines and principles that will regulate our decisions and activities, which will be executed on the basis of plans to be developed by subsidiaries in light of their particularities. The plans and programs are defined as a set of tools necessary to favor the appropriate management of the issue to be addressed, such as a set of procedures necessary for achieving the defined goals.

Not only do we want to be a leader in our field, we also want to be a top industry standard.

The main initiatives of our Corporate Sustainability Strategy are presented below.

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01 Sustainable Management





The concept of sustainable management and its implementation aims to achieve a balance between economic, social and environmental performance in our organization, incorporating into our management different policies, programs and practices that consolidate our business strategy in a responsible and sustainable way. By doing so, we intend to comprehensively unify the internal expectations of Molymet and the various stakeholders with whom we interact. Based on the foregoing, our sustainable management covers the three areas described below:

01 Sustainable Business

A company that adheres to a sustainable business model must establish a management system based on continuous improvement aligned with its core purpose: “To create value for the evolution of humanity, with products developed by people who think about the planet’s wellbeing.”

GOAL
To have a sustainability strategy aligned with this purpose

02 Relationship with stakeholders

Clearly defining stakeholders and successfully engaging with them is key to a sustainable business model. It is also an opportunity for ongoing improvement and development for all parties. The stability and success of the Company depends on the impact we have on our stakeholders and the communication we undertake with them. Thus, we seek to consolidate long-term relationships based on ethics, transparency and trust.

GOAL
To establish a policy of stakeholder relationships

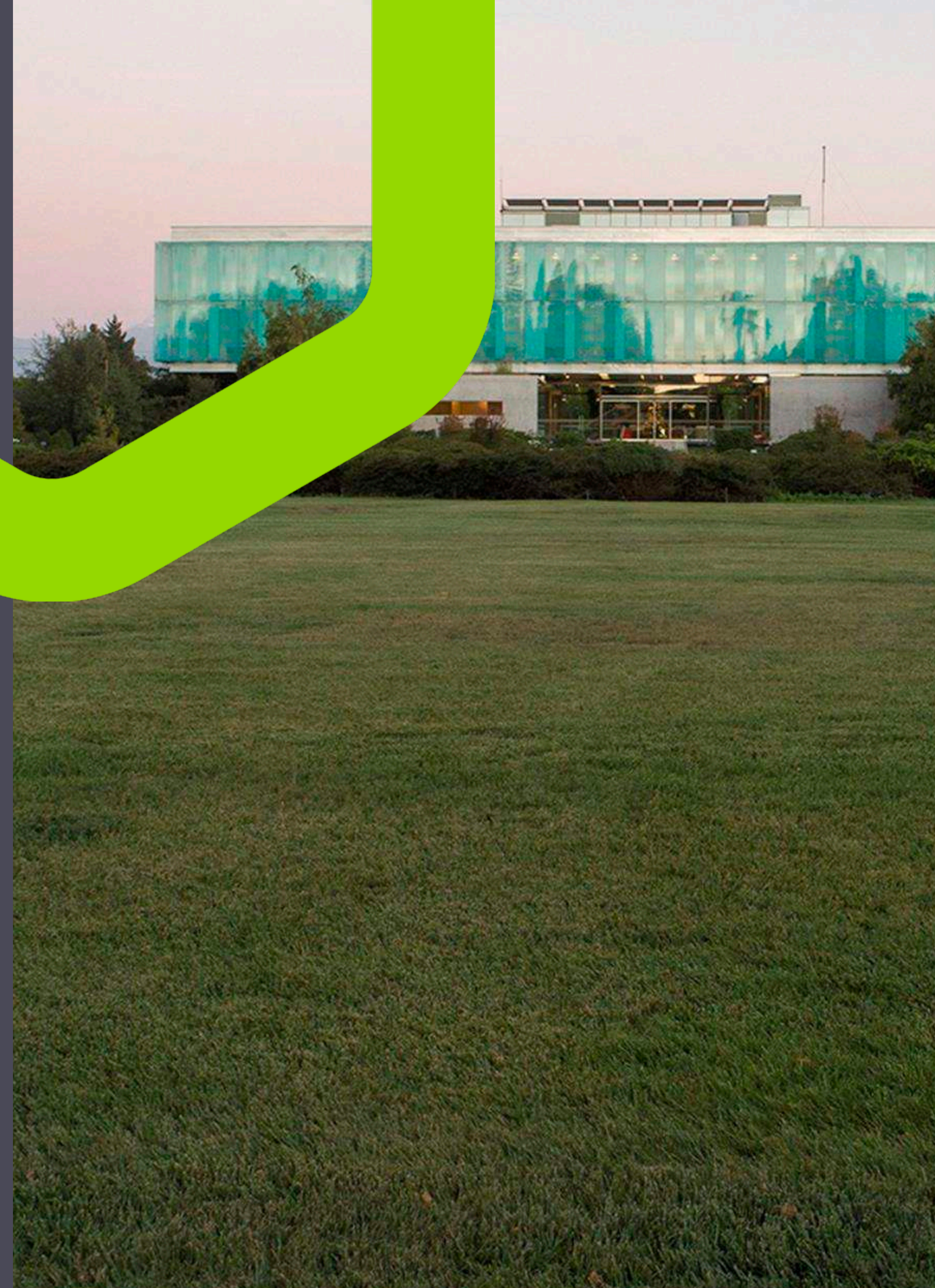
03 Sustainability Report

A sustainable business model requires organizations to establish a means of communicating their achievements, challenges, performance and compliance with sustainability commitments. The intention here is to be transparent in management and to include the various departments in developing an ethical and responsible organization.

GOAL
Communicate our social, economic and environmental performance

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02 Governance





Molymet's organizational structure is focused on providing value to our stakeholders based on ethical principles,

such as transparency, anti-corruption, respect and protection of human rights, non-discrimination, fair competition, and more, incorporating these principles in our purpose, policies, programs and strategies.

Furthermore, the permanent changes we are facing require us to take a position and take action based on risks as well as economic, social, and climate crises, and more. With this as our foundation, we have focused governance on developing six issue areas, each with its corresponding goal. These include:

01 Ethical management

Every company has an organizational character by virtue of which its action and management areas are derived at an internal and external level. It is essential today that organizations act and have a vision regarding ethical principles, such as transparency, fair competition, and probity to name a few. These must be internalized both actively and passively through our vision, purpose, policies, strategies and procedures.

GOAL:
To have an ethical management system

02 Anti-Corruption

It is essential to maintain control systems anchored in the principles and ethical framework for corruption prevention. Doing otherwise can lead to the loss of reputation and trust, which impacts the sustainability of the company, affecting stakeholders either directly or indirectly.

GOAL:
To have a system to prevent and deal with corruption

03 Managing Risks and Crises

The incorporation of the ethical, economic, social and environmental risk management system helps us anticipate potential conflicts, maximize positive impacts and improve overall Company performance. Molymet has adopted risk management as a challenge in our strategic agenda, contributing in its early stages by identifying critical risks, which are evaluated and controlled periodically.

The Corporate Sustainability Strategy helps us reinforce our business risk management and ensure that undesired events are prevented through specific mechanisms.

GOAL:
To have a manual for risk management and economic, social and environmental crises



04 Human Rights

The 21st century company is one that has managed to understand its role and impacts on building societies with sustainable human development. A company that works under the sustainable business model must ensure respect for Human Rights by adopting policies and applying sanctions when appropriate. By presenting human rights as a key aspect of the business model, we can have employees who are respectful and aligned with the purpose and vision of the company, as well as informed and sensitive stakeholders.

GOAL:
To have a corporate Human Rights policy

05 Climate Change

In its role as a corporate citizen, the Company is responsible for committing to sustainable practices in a binding manner to mitigate the emission of greenhouse gases (GHG) and to adapt to new climate conditions through various strategies.

For the development of initiatives to contribute to the reduction of GHG emissions, Molymet promotes the development of corporate guidelines that includes managing emissions, efficient resource use and the circular economy.

GOAL:
To have a policy to address climate change

06 Gender Equity

In the business environment, the promotion of gender equity implies the non-existence of arbitrary discrimination; the elimination of unconscious biases, prejudices and gender stereotypes both internally and externally. Molymet has made a commitment to promote female leadership and reduce the salary gap between men and women based on a culture of respect, empathy, inclusion and diversity.

GOAL:
To have a corporate gender equity policy

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03 Shareholders





We seek to obtain superior results and create sustainable economic value for our shareholders and investors

by encouraging a business culture that consistently acts in a responsible, ethical, moral and transparent manner.

01

Sustainable Corporate Management

The design and continuous improvement of a sustainability strategy must be led by the highest level of decision-making in the organization and include the participation of the company's main stakeholders.

GOAL:

To have a Board of Directors that is managed in a sustainable manner

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04 Collaborators





Molymet places people at the heart of its management approach. Our focus is to consolidate a model that ensures the integrity, development and welfare of our employees, while promoting sustainable practices,

allowing us to provide opportunities to each of those who are or wish to be part of our Company.

The value of individuals and the conviction that they are the driving force for achieving our purpose is translated into daily, ongoing work so that the experience of working at Molymet is highly motivating.

01 Inclusive recruitment and hiring

A company that values and respects diversity is capable of promoting a culture of participation of all social actors for common benefit, providing professional and development opportunities in an inclusive manner; i.e., open to diversity in all its processes, including recruitment, hiring and onboarding of personnel. Such processes are based on the principles of equal opportunity, equity and non-discrimination, while also promoting the recruitment of staff with disabilities to help debunk myths and end negative prejudice.

GOAL:
To have an inclusive recruitment and hiring system

02 Flexible compensation and benefits

To attract and retain the best talent, companies must offer flexible compensation and benefit programs that promote employee satisfaction and loyalty, low turnover and high productivity. These types of benefits create personalized solutions to define how each worker is compensated through a compensation plan in accordance with the profile of their professional efforts with established indicators to measure business profitability.

Molymet offers stability and strength to its workers, understanding compensation and benefits not only as a legal requirement, but also as a way to effectively manage employment costs, improve services and attract talent.

GOAL:
To have a flexible compensation and benefits system

03 Sustainable Leadership

A company with sustainable leadership is capable of inspiring and encouraging the achievement of committed objectives aligned with its purpose through ongoing talent development. Sustainable leadership for Molymet is based on the thinking, values and practices that will fulfill our purpose, continuously adapting and taking responsibility for providing the desired results.

GOAL:
To have a strategy to attract, develop and retain talent



04

Purposeful Labor Relations

Promoting organizational commitment through a strategy of labor relations in accordance with the purpose and organizational culture enhances communication, builds trust and strengthens the transformation processes of the Company. This encourages motivation and promotes the accountability of each employee, boosting satisfaction and productivity.

GOAL:
Promote organizational commitment of people through a labor relations strategy

05

Satisfaction and commitment

Molymet's challenge of fomenting such commitment that will lead to satisfaction lies in the leadership's responsibility to understand the organizational context, establish care strategies and develop skills that connect leaders and workers. They also need to understand what it means to work for a Company that has a purpose and communicate this in a way that leads to wellbeing both within and outside of the workplace.

GOAL:
To strengthen the company's brand as a good place to work

06

Culture and Merit

Create a culture of ongoing feedback based on meritocracy, standardize and expand a single comprehensive performance management system, form leaders and teams committed to the philosophy of meritocracy, taking responsibility for their performance and development.

GOAL:
To have a performance management system



07

Quality of Life

The balance between work, personal and family life promotes a sense of security and personal/professional development in employees, which affects satisfaction and productivity. A company with a sustainable business model defines corporate guidelines within the framework of its values and culture, promotes committed leadership in relation to quality of life, responsibly and flexibly follows measures for work-life balance under criteria of excellence within the existing strategic and regulatory context.

GOAL:
To have a quality of life strategy

08

Health and Safety

One of the fundamental aspects of any employee health and wellbeing program is protection from occupational accidents and diseases. Companies that create a sustainable business model must carry out actions beyond mere legal requirements that will prevent physical and psychological harm to all team members while performing their duties for the organization, as a direct cause of or in connection with work activities.

GOAL:
To have a comprehensive Occupational Health and Safety Policy and Plan

09

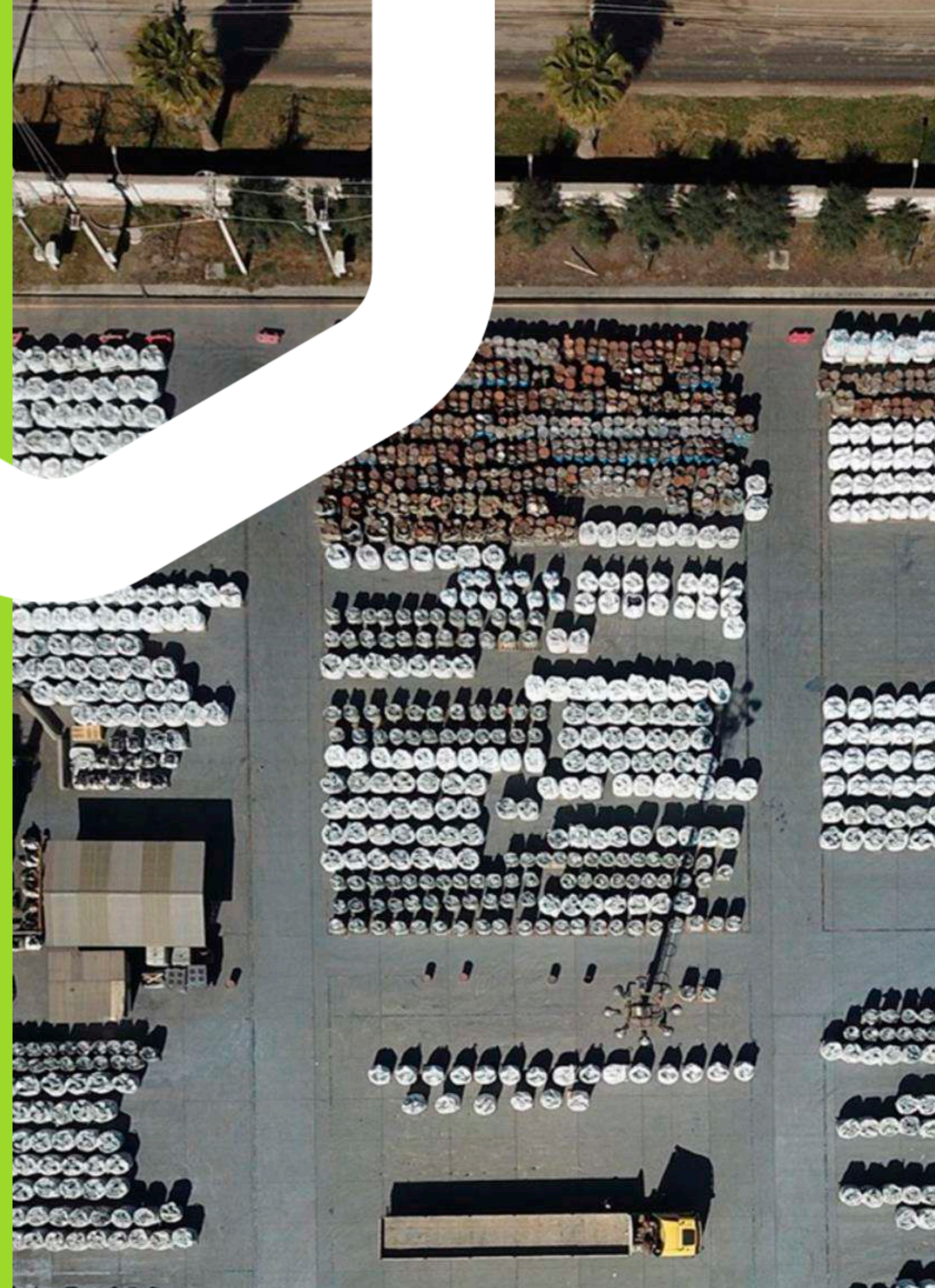
Retirement Support

It is important that each company informs and advises its employees regarding the retirement system and prepares them for this stage in terms of financial planning, savings plans and retirement scenario simulations in order to mitigate the social and psychological impacts that come with retirement. On the other hand, it is important that the Company structure concrete support actions for team members, focusing on specific groups with different needs and realities, such as women, young adults, foreign employees and people with disabilities. The main objective is to improve retirement income and quality of life during post-work years.

GOAL:
To have a comprehensive retirement program

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05 Suppliers





Our suppliers are the ones who provide us with inputs and services. The main challenge for Molymet with this stakeholder group is to direct our suppliers toward developing and implementing sustainable management in their own businesses,

aligning them to our purpose and developing a clean supply chain to ensure business continuity. To this end, we have included four areas:

01

Sustainable supplier invoicing and payments

The organization must formalize its commitment to go beyond minimum legal requirements with suppliers in terms of contract creation, purchase orders, invoicing and sustainable payment through a policy and action plan. Likewise, designing systems and communication channels are essential along with the continuous improvement of these processes to resolve any conflicts that may arise between the Company and its suppliers or contractors.

GOAL:

To have a corporate supplier policy

02

Supplier Selection

The Company needs a model for selecting suppliers and contractors based on sustainable requirements, encouraging suppliers to meet sustainability criteria in order to reciprocally add economic, environmental and social value.

GOAL:

To implement an evaluation system under sustainable criteria



03

Local development of suppliers and promotion of micro and small enterprises

By achieving economic development with large suppliers, small and medium businesses and contractors, we can positively impact the local economy and community development. These are the people living in the same area as the Company and interacting with it; i.e., the value chain that gives meaning and durability to the production process.

GOAL:
To give preference to local suppliers in hiring

04

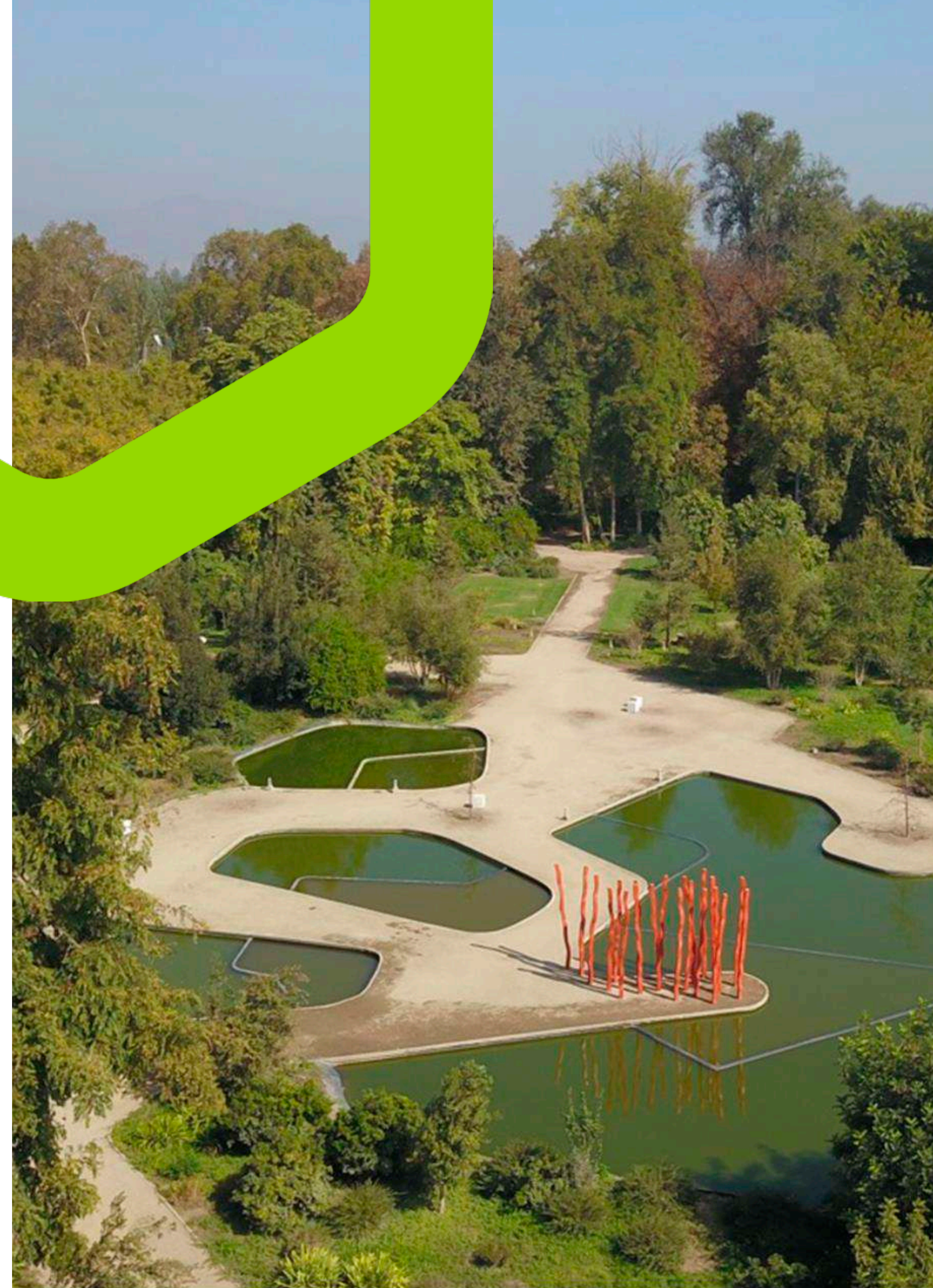
Micro and small business promotion

The promotion of ethical and equal treatment between large suppliers, small and medium enterprise and contractors is essential, as well as using a management system that takes the size of the supplier into account, mainly for micro and small companies (MSMEs) in order to generate value and collaborate in their development.

GOAL:
To have a policy for developing and promoting micro and small enterprises

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06 Community





We seek to establish relationships based on mutual respect to create shared benefits for the Company and the community

by considering the expectations, needs and requirements of this stakeholder group in our decisions. To this end, we have focused our strategy on the development of the following subjects:

01

Link with the Community

A positive, significant and constant connection over time with the communities will allow the Company to get to know them better, form relationships of trust and support territorial development, while also opening up spaces to maximize the communities' capacities and resources.

GOAL:

To have a Community outreach policy

02

Prevention of community disputes

The hope is for the Company to be genuinely motivated by its sustainable business strategy, not only to prevent or mitigate conflicts and negative impacts on it, but also to create situations that benefit both parties, achieving sustainable development together.

GOAL:

To have a conflict prevention policy

03

Corporate Social Responsibility

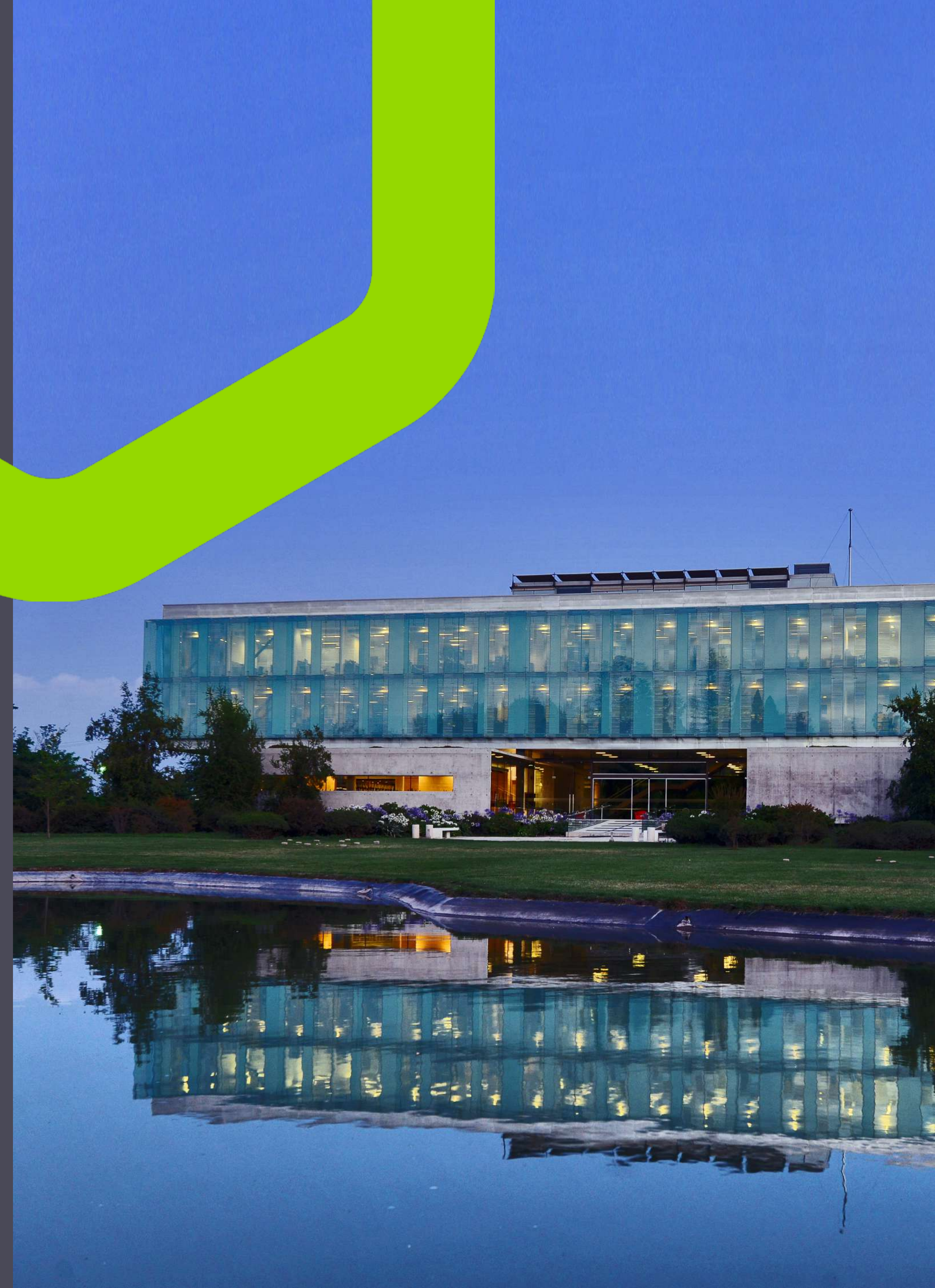
In order to create value for the community it is vital for each Company to understand the local context through diagnostics that display the particular characteristics of each territory. The intention is to implement action plans according to the real needs and expectations of the community, be they environmental, educational, financial, or otherwise. These action plans should have a budget for social investment.

GOAL:

To have a Corporate Social Responsibility (CSR) Policy

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07 Authorities





Regulatory systems are different in each country; however, our goal is to achieve the highest management standards in every one of our subsidiaries

aimed at sustainable development while going beyond mere baseline regulatory compliance. We want to build an environment of trust that can serve as an example for the industry.

01

Beyond regulatory compliance

A sustainable company inspires its stakeholders to promote sustainable and socially responsible conduct. It is always at the forefront of regulatory compliance, which is viewed as the foundation of a business model geared toward excellence with an innovative vision.

GOAL:
To have a system of regulatory compliance

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08 Environment





We are committed to our environment, adopting the necessary measures to reduce our negative impacts and strengthen natural ecosystems.

In order to ensure proper management, it is essential to adopt a systemic approach and to consider the variables that may be affected. We therefore focus our work on the following subjects:

01 Environmental Management System

Each operation must be managed with the highest standards and in full compliance with the environmental legislation in force in the Americas. At the same time, it is necessary to integrate a vision of the production process and its stakeholders, as well as the protection of biodiversity through management focused on ongoing improvement.

GOAL:
To have an updated Integrated Environmental Management System

02 Environmental Incident Management

A company that operates under a sustainable model must have effective mechanisms for preventing environmental incidents. In cases where prevention has failed, it must have guidelines for identifying, classifying and managing any incident.

GOAL:
To have a policy for environmental incident prevention and management

03 Energy Efficiency

Dependence on conventional energy sources is one of the most important challenges that companies must face, since it not only generates a significant expense associated with production processes, but it also creates negative environment impacts stemming from the use of fossil fuels. Sustainable companies manage to satisfy their energy requirements with the least possible consumption.

GOAL:
Integrate energy efficiency into the framework of a climate change policy



04 Integrated material and waste management

Negative environmental impacts, problems associated with resource availability, and the health and social problems caused by poor materials and waste management are well known. Therefore, a sustainable company must take responsibility for managing the materials they use and the waste generated by its productive processes. It should aim for a circular economy whose use of resources and the consequent minimization of waste at final disposal define a modern and integrated management in these matters. This also requires the relevant support of management in innovation to provide better scenarios for making progress on sustainable production management.

GOAL:
To integrate the management of materials and waste within the framework of a climate change policy

05 Water efficiency

Water is a vital natural resource that is becoming increasingly scarce, not only because of climate change, but also because of the constant increase in demand. That is why a sustainable company must adequately manage its water resources, always aiming for reduction, reuse, recycling and/or discharge. It must comply with high standard chemical parameters and enable resource provision in areas where it operates.

GOAL:
Integrate water efficiency within the framework of a climate change policy

06 Emissions

There is enough scientific evidence to conclude that greenhouse gas emissions have an impact on global warming, which is why a company that adheres to the sustainable business model must take care to permanently reduce its emissions in order to address climate change. Furthermore, the management of gas precursor emissions of particulate matter is a priority for Molymet, which is materialized in the establishment of high standards of emissions management that go beyond regulatory compliance and is part of the hallmark of our organization.

GOAL:
Integrate Emissions Reduction into a Climate Change Policy

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09 Customers





Our ambition is to continue being a first class Company, providing services and products that help us create value for our customers.

Our customers are people or entities that purchase the products and/or services offered by our Company, including mining suppliers.

01 Customer Satisfaction

The commitment to sustainability affects the results associated with customer satisfaction and consequently their loyalty. Customers are increasingly demanding and committed to sustainable development, so meeting their requirements and needs is imperative. A sustainable business knows, analyzes and defines objectives in relation to all the variables that a customer looks for at the moment of requesting a product or service, at the same time that it continuously improves the logistical processes.

GOAL:
To have a corporate policy of customer satisfaction

02 Sustainable Marketing

Sustainable marketing is an element that adds value and promotes competitive advantages to those who implement it. In a sustainable business, marketing must be planned, organized and implemented, controlling the use of resources to reduce negative impacts and increase value creation.

GOAL:
To define the guidelines that will govern marketing at Molymet

03 Eco-design and life cycle analysis

Eco-design seeks to solve a problem before it arises. A sustainable business approaches eco-design as the initial stage in developing a product or service through its quality, selection of less impactful materials, application of alternative processes, transport improvement, and minimizing impacts during the final processing stage.

GOAL:
To integrate eco-design into the framework of a climate change policy



Corporate Sustainability Strategy and our contribution to SDGs



Corporate Sustainability Strategy and **our contribution to SDGs.**

By implementing our Corporate Sustainability Strategy, we will be able to contribute to at least 12 of the 17 Sustainable Development Goals (SDGs) set out in Agenda 2030.



Annex1: Definitions

¹ Dow Jones Sustainability Index: A family of world-class benchmarks for investors who recognize that sustainable business practices are critical to generating long-term shareholder value and who want to reflect their beliefs in sustainability in their investment portfolios.

² Global Reporting Initiative: This guide for writing sustainability reports sets out the principles and indicators that organizations can use to measure and publicize their economic, environmental and social performance.

³ Mining Council Principles: These principles were developed by the International Council on Mining to define enhanced environmental, social and governance good practice requirements for the mining and metals industry.

⁴ ISO 26001: An international ISO standard that helps all types of organizations, regardless of their size, operate in a socially responsible manner by following the points indicated in the guidelines of this standard.

⁵ Great Place to Work: a global research, consulting and training company that helps organizations identify, create and maintain excellent workplaces through the development of trusted workplace cultures.





COMMITTED TO THE WELL-BEING OF ALL

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