



Sustainable MolyMet

4th Sustainability Report 2021

Committed to the present and future!

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Your opinion matters to us

If you have suggestions or comments about this Sustainability Report please email them to us at sustainability.corporativa@molymet.cl



01

Who we are

*We are the global leaders in the
Molybdenum and Rhenium industries!*



Message from our CEO

The disruption of Covid-19 has accelerated the role companies must play in driving positive social impacts. Right now, there is an urgent need to regain trust and this means our challenge of development across the entire industry has become more complex. We need to restore trust at all levels, attract talent, access new forms of financing and meet the highest international standards. This demands a new way of doing business in order to build the society we want and make it sustainable over time.

Looking back at 2021, Trust and Purpose have been dominant themes in driving a much larger strategic transformation at Molymet. As Aristotle observed

more than two thousand years ago, human beings are social creatures and social trust is the underlying foundation of relationships among work colleagues, individuals, groups, and communities. This conviction of being trustworthy has guided us since our origins and it continues today.

Equally important has been the journey of rethinking our company purpose. Purpose is not something that leaders can impose on their people. It has to come from within and from this profound work of reflection and sharing with more than 300 of our employees and leaders, our purpose emerged: ***‘to create value for the evolution of humanity, through products developed by people who think about the well-being of the planet’.***

Our purpose is:

“To create value for the evolution of humanity, through products developed by people who think about the well-being of the planet.”



Visions and missions may change as markets and geopolitical events change but purpose is our ‘Why’, our North Star. It is rooted in our values, distinctive to our brand, meaningful for the people who make our products and meaningful for those who use them. In short, purpose is about the value our company brings and about the role we play in the world.

Articulating our purpose has taken us to the next level of maturity and enhanced the integration of sustainability into our business. First, in 2018,

by adhering to a sustainable business model, then by developing a corporate sustainability strategy which started in 2019 and has already reached 77% compliance. Now we are taking our commitments to an even higher level by launching our 2030 Sustainability Agenda.

I invite you to review our 4th Sustainability Report and our recently released Molymet 2030 Sustainability Agenda. In future, these will be published together annually, allowing us to keep track of the progress we are making on each commitment.



People at the heart of what we do

Much is said about putting people at the centre of business but for us, this statement is totally genuine and we put these words into concrete actions within our company. I can say with absolute clarity that at Molymet, our people are at the heart of our organization. We believe that our employees are the main engine for reaching our purpose and they are the ones enabling our transition to the cultural change demanded by these current times.

Our work on our company purpose has been deeply reflective. In this past year our 40 purpose influencers shared our purpose among their colleagues and 90 conversations took place.

We have made real progress with our Strategy for Diversity, Equity and inclusion and our commitment to increase the percentage of female staff and the number of women in leadership positions. We have made investments to boost our talent management and training while also measuring the quality of our labor relations and evaluating the perceptions our employees and other stakeholders have of our company.



How to know if we are doing well?

Both sustainability issues and the needs of our stakeholders are evolving at a great pace. This is why we need to act quickly and assertively.

To this end we are participating in different indexes and rankings carried out by independent, reputable international 3rd parties, which allow us to move closer to best global practices. We have started with the Dow Jones Sustainability Index, Clarity AI and the Labor Relations Index and the SSI Index which gives us valuable information about how we are perceived by our stakeholders.



Economic Figures

With regards to production, at the close of December 2021, the total Molymet processing capacity was 147 million pounds of molybdenum oxide annually. This represents approximately 24,3% of world consumption. Our sales were 1.453 million USD, a 38% improvement on the previous year. With respect to EBITDA, by 31 December this reached 193 million USD, an increase of 69% on 2020 which was 114,15 million USD.



We invite you to review our 4th Sustainability Report which contains information about our sustainable performance from 1 January to 31 December 2021. It also contains our 2030 Sustainability Agenda which will be the engine and heart of our report and management here and going forward.

John Graell
CEO



The big numbers

Social	Environmental	Economic
1,305 employees	77 Thousand Tons of CO ₂ eq (SCOPE 1&2)	24% share of global molybdenum processing
23% women in leadership positions	7.5 M m ³ /MMlb Mo Water intensity	60% share of global rhenium production
35 training hours per employee	57% Water recirculation	US\$ 10 MM investment in innovation
7.5 Frequent Accident Index	18% Waste valorization	US\$ 193 EBITDA
US\$ 351 Thousand in Community investment	48% Renewable Energy Consumption	US\$ 1,453 MM Revenues

GRI [102-7]

Other economic figures:

Operational Margin US\$ 153 MM	Net Utility US\$ 97 MM	Stock Market Value US\$ 646 MM	Assets US\$ 790 MM	Net Debt US\$ 439 MM	Capex US\$ 39 MM
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Total annual Molybdenum production

Products	
Mo Oxide – technical and pure grades	146,8 MMLb

GRI [102-5]

Corporate structure – Main shareholders

For an updated overview of Molymet ownership, please click on the following link:

<https://molymet.com/en/inversionistas/accion-molymet/>

GRI [102-7]

Molybdenum figures by subsidiary

	Molymet	Molynor	Molymex	Molymet Belgium	Molymet Germany
Net income ¹ MUS\$	886	321	430	257	41
Total costs ² MUS\$	794	294	407	247	40
Total direct employees	759 ³	195	138	161	52

Nota 1: Information includes operations with related companies. Net Revenues include Ordinary Revenues and Other Revenues.

Nota 2: Total Costs includes Cost of Sales, Distribution Costs, Administrative Expenses, Other Expenses by function and Other Profit-Loss.

Nota 3: Include employees at our Corporate Headquarters & MolymetNos.

2021 Milestones

Received a favorable Environmental Qualification Resolution (RCA) to go ahead with the Modernization and Strengthening of Gas Cleaning Systems and Roasting Facilities at MolymetNos where we are voluntarily reducing MolymetNos' SO2 emissions by 40%.

Through a Conservation Right of Environmental, Molymet allocated 123 hectares of land for conservation of a cordón and green lung in the urban area of Nos in San Bernardo.

Created new Corporate Policies: Human Rights; Community Engagement; Diversification Investment; Project Investment; and Code of Conduct.

Obtained a patent issued by the United States Patent and Trademark Office which allows us to carry out processes to remove arsenic from copper concentrates.

First application to the Dow Jones Sustainability Index (DJSI) with 2020 information.

Launched our Molymet 2030 Sustainability Agenda.

Launched our Re imagine Challenge - the first innovation challenge for using rhenium in the development of Green Hydrogen.

Implemented the Labor Relations Index for the 1st time at our American subsidiaries and at our corporate headquarters.



Our mission

We are working to strengthen our global position in the molybdenum and rhenium markets through flexible processing capacity, innovative process optimization and the search for new business opportunities in strategic metals.

The values that inspire us



Transcendence

This means that our leaders open themselves up to new ways of seeing and interpreting the world. It means going above and beyond to bring positive change in our industries and the people we interact with.



Confidentiality

Our business knowledge is largely based on operational processes developed within the company. It is one of our most important assets and we use it responsibly.



Excellence

We continuously improve productivity and efficiency. We are a Lean company empowering our employees to solve problems and be part of the solutions.



Sustainability

We act to make a difference today and to leave a positive legacy for future generations.



People & Integrity

We are consistent in what we say and think. We keep our word. We promote respectful, tolerant relationships.



Innovation

We believe in research, innovative thinking and development of new technologies to bring positive contributions to our environment and our markets.



GRI [102-2]

Company and Subsidiary Activities

Molibdenos y Metales S. A. is a multinational company born in Chile in 1975. Our international expansion began in the nineties. Our main line of business is the processing of molybdenum, tolling and sales of by-products from molybdenum, like rhenium.

Own Sales

We purchase molybdenum concentrates (molybdenite) and use our processing technology to produce a wide range of molybdenum products like molybdenum oxide or pure products which are sold to different clients in the global market.

Tolling Line

We do business with several mining companies who send molybdenite to us. For a tolling fee, we transform the raw concentrates into molybdenum oxide and send them back as marketable products.

Byproducts

Through our roasting and oxidation processes we recover byproducts from molybdenum, like rhenium, copper cathodes and sulfuric acid which are sold in the market.

Subsidiaries not related to Molybdenum

Carbomet Energía generates renewable energy through run-of-river hydroelectric plants.

Inmobiliaria San Bernardo is an agricultural estate located in our green belt buffer zone. It plays a significant role in Molymet's efforts towards environmental conservation and carries out commercial production of organic walnuts.

GRI [102-3, 102-4, 102-6]

Introducing our company and its subsidiaries

Molybdenum has 5 productive subsidiaries located in Chile, Mexico, Belgium and Germany. We also have 5 commercial offices in 5 countries.

Our products are used by customers in steel, metallurgical, aerospace, chemical, electronic and medical device industries. Our main markets are Europe, Asia and North America.



Molybdenum Subsidiaries



MolybdenumNos,

San Bernardo, Santiago, Chile



MolybdenumNor,

Mejillones, Antofagasta, Chile



MolybdenumMex,

Cumpas, Sonora, Mexico



MolybdenumBelgium,

Ghent, Belgium



MolybdenumGermany,

Bitterfeld, Germany

Commercial Offices

Molybdenum Trading S.A. (Chile)

Camino Nos a los Morros 66 Nos - San Bernardo Chile
contacto@molybdenum.cl

Molybdenum Corporation (United States)

701 Brickell Avenue, Suite 1550, Miami FL 33131
info@molybdenumcorp.com

Molybdenum Brazil

Rua Amazonas 363, sala 43 São Caetano do Sul
contacto@molybdenum.cl

Molybdenum Beijing TC (China)

Lucky Tower No.3, North 3rd RE Road, Beijing 100027
info@molybdenumbj.com.cn

Molybdenum Services Ltd (England)

PO Box 474 Leatherhead KT22 2LZ
info@molybdenumservices.co.uk

Subsidiaries not related to Molybdenum



Inmobiliaria San Bernardo S.A.

San Bernardo, Santiago, Chile



Carbomet Energía S.A.

Puente Alto, Santiago, Chile

Our History

1930

1936

- Carburo y Metalurgia S.A. was founded by Antonio Gianoli and George Mustakis in Los Andes, Valparaíso Region, Chile the company that led to the birth of Molymet 39 years later.

1940

1944

- The Carburo y Metalurgia S.A. plant was relocated to San Bernado (Planta Nos) in Santiago.

1970

1975

- Ciro Gianoli and Constantino Mustakis, sons of the founders of Carburo y Metalurgia S.A., started planning how to add value to molybdenum and they installed the first roasting furnace.

1976

- Molibdenos y Metales S.A. was created by Ciro Gianoli and Constantino Mustakis following the division of Carburo y Metalurgia S.A. Trading as Molymet, the company took over production and sale of molybdenum oxide, ferromolybdenum and byproducts. A year later, Molymet acquired patents for these products.

1980

1987

- Molymet achieved the milestone of processing 13% of molybdenum consumption in the Western World.

1988

- Molymet began production of metallic rhenium and pure molybdenum trioxide.

1990

1994

- Our globalization began with the acquisition of a plant in Sonora, Mexico which became Molymex.

1995

- Molymet shares were listed on the Santiago Stock Exchange.

2000

2001

- Molymet's expansion into Europe began when we acquired Chemiemetall Alemania in Leipzig (now Molymet Germany) where mainly metallic molybdenum is produced.

2003

- Molymet acquired Sadaci in Ghent (now Molymet Belgium) and increased its roasting capacity by 30%.

2008

- Our first bonds were issued in Santiago for a total amount of USD 202 MM.

2009

- Our first bonds were issued in Mexico for a total amount of USD 52 MM.

2010

2010

- Production started at our 2nd Chilean subsidiary: Molynor S.A. Industrial Complex in Mejillones, Antofagasta. This increased Molymet's molybdenum roasting capacity by 22%.
- Molymet expanded into China after acquiring 50% of Luoyang Hi-Tech Molybdenum & Tungsten Material Co. Ltd. in China where molybdenum metal was produced.
- Our second issuance of bonds in the Mexico market sold for a total amount of USD 52 MM. We successfully raised additional capital of USD 274,5MM.

2011

- The Molynor Industrial Complex was inaugurated.

2013

- Construction began on the Molynor Ferric Chloride Concentrate Cleaning Plant. This investment allowed the conditioning of molybdenite with higher impurity to be transformed into commercial oxide. In addition, copper cement was obtained as a by-product.

2013

- The Molynor Capacity Expansion project was completed. The new facilities included a 2nd roaster; improvements to the Sulfuric Acid Plant; and a second seawater desalination train. These were carried out together with other works required for the company's expanded operation, giving Molynor a total installed roasting capacity of 60 million pounds of molybdenum per annum.

2016

- Two expansion projects were completed at our Belgian subsidiary, Sadaci :Roaster capacity was boosted to reach 33 MMlb/y and Briquette Plant capacity to 24.5 MMlb/y. Together, these projects increased group oxidation capacity to 207 MM pounds. Molymet Belgium.

2017

- Molymet continued to pursue the most optimal ways to enhance efficiency and productivity as well as ongoing technological development for perfection of our oxidation and molybdenum roasting processes.
- The project to build a new Pure Products plant at our Belgian subsidiary , Sadaci, was initiated.

2018

- The Modernization and Strengthening of Gas Cleaning Systems and Roasting Facilities at MolymetNos was approved by the Board. The rationale behind this, our biggest project in decades, was to ensure reliability and operational sustainability and to go way beyond current environmental regulations by voluntarily reducing MolymetNos' sulfur dioxide (SO2) emissions by 40%.

2019

- Built our corporate Sustainability Strategy and launched our Zero Emissions initiative. Started the process of implementing Lean philosophy and digital transformation towards Industry 4.0.

2020

2020

- Implemented new Corporate Policies: Health and Safety; Community Engagement; Diversification Investment; Project Investment.
- Received a favorable Environmental Qualification Resolution (RCA) to go ahead with the Modernization and Strengthening of Gas Cleaning Systems and Roasting Facilities at MolymetNos where we are voluntarily reducing MolymetNos' SO2 emissions by 40%.
- Our Company Purpose was launched.
- We found a use for ferrous chloride, achieving a breakthrough in circular economy.
- We became the world leader in molybdenum sales.
- Adaptation to the COVID-19 pandemic.
- Our Molymet brand was updated and consolidated worldwide and the names of our European subsidiaries were changed to Molymet Belgium and Molymet Germany.

2021

- Launch of the 2030 Molymet Sustainability Agenda.
- Launched our Code of Conduct.
- Launched our Human Rights Policy.
- First application of the Dow Jones Sustainability Index (DJSI).
- Implemented the Labor Relations Index for the 1st time at our American subsidiaries and at our corporate headquarters.
- First measurement of our progress against the Stakeholder Sustainability Index (SSIndex).



GRI [102-18, 102-19, 102-20, 102-22, 102-23, 102-24]

Sustainable governance

Molymet's corporate governance is aligned with our company purpose and values. This means we operate our business in accordance with the highest ethical standards. Molymet has built a reputation for strict compliance with laws, policies, standards, guidelines and procedures in all countries where we operate.

Our CEO and the Corporate Sustainability Committee lead sustainability matters and periodically present them to the board. They are responsible for the reporting process which is carried out each year with the support of our corporate sustainability management team who give ongoing strategic direction to Molymet's Economic, Social and Governance issues.

Each subsidiary also has its own sustainability team

which oversees the environmental and community issues at each operational plant. In total, 23 people are dedicated exclusively to driving and managing sustainability across the Molymet Group.

Our Board Directors play an active role in sustainability issues. This year in particular, they had ongoing involvement in the planning of our 2030 Sustainability Agenda where we had deep discussions about each one of the commitments we intended to make. Our monthly Board reports have a specific section dedicated to Sustainability issues in order to keep all the directors updated with the advances being made.

For more information on the following topics, please access our 2021 Financial Report.

GRI [102-12, 102-13]

Alliances & Associations

Chile		Mexico	Europe	Chile
Chilean Chemical Industry Association (ASIQUM)	Association of Miners of Sonora (AMSAC)	Euroalliance	San Bernardo Industry Association (AISB)	
SOFOFA HUB (Industrial Development Society)	National Chamber of the Transformation Industry (CANACINTRA)	Essencia (Belgium)	Foundation for Protection of the Little Tern species	
PROhumana Gender Alliance	Confederation of Employers of the Mexican Republic (COPARMEX)	Advocacy Storme Law	Mejillones Industry Association (AIM)	
PROhumana Business Network	Mining Cluster of Sonora	Vet Steven Verberckmoes	Pride Connection Chile	
Global Compact Network	Association of Public Accountants of Sonora	Chemserve K REACH registration	TACAL Foundation	
International Molybdenum Association (IMOA)	Mexican Institute of Finance Executives (IMEF)	International Molybdenum Association (IMOA)		
SOFOFA HUB	Hazardous Materials Management Committee of the State of Sonora	VCIG		
Chilean Institute for Rational Business Administration (ICARE)	Association of Environmental Safety Professionals (APSA)			
Center for Public Studies (CEP)	International Molybdenum Association (IMOA)			
Chilean-Mexican Chamber (CICMEX)	Cumpas Municipal COVID-19 Committee			



INTERNATIONAL MOLYBDENUM ASSOCIATION
THE VOICE OF THE MOLYBDENUM INDUSTRY

IMOA Alliance

As the global molybdenum leader, we work closely with the IMOA which not only seeks new applications for molybdenum and rhenium but also focuses on moving towards a sustainable certification model for these minerals. This is because the options currently available are labels or classifications that apply to copper mining and these do not necessarily generate the same impacts as our processes.

Within Chile, Mexico, Belgium and Germany we play an active role in industry associations, community and environmental organizations.

Industry Certification and Recognition

Certification

- In 2014 Molymet’s corporate building was awarded the prestigious Platinum LEED Certification for leadership in energy & environmental design.
- Our Crime Prevention Model has been certified since 2014 by BH Compliance. In 2020 it was recertified for the 4th time and will be valid for two years.
- AS9100: 2016 Certification.
- ISO 45001: 2018 certification, awarded by SGS Mexico.
- ISO 14001: 2015 Certification, awarded by SGS Mexico and Europe.
- ISO 45001 Certification, awarded by SGE valid from 15 February 2020 to 14 February 2023.
- ISO 50001: 2018 Certification, TÜV Rheinland, since 2015.

Awards

- HuellaChile Quantification Seal, awarded by the Chilean Ministry of Environment to Molynor and MolymetNos in 2021. The objective of this voluntary program is to support and encourage voluntary management of GHG emissions, carbon footprint calculation and standardized reporting formats.
- Certification of carbon footprint calculation scope 1 and 2 for Molymex, carried out by the company ECODES as of February 2021.
- For the 11th consecutive year, Molymex was awarded the Socially Responsible Company (ESR) distinction by the Mexican CBetween for Philanthropy (CEMEFI).
- COVID-19 Seal, awarded by ACHS to MolymetNos, December 2021.

Recognition

- Molymet was recognized in the “Ranking of Creativity and Innovation C3” in the category of Research and Development. (Prepared by consulting firm Brinca and the UDD).
- In 2020 Molymex received PROFEPA Clean Industry. Certification (performance level 2) for the 19th consecutive year. This is granted by the Mexican Federal Environmental Protection Agency (PROFEPA) under the Voluntary Environmental Audit Program.
- Great Place To Work Certification, awarded by Las Mejores Empresas para Trabajar, S.A.P.I. de C.V. since 2019.
- EBO (energy policy agreement) certification since 2018 for our European subsidiaries.
- Molymex received an Environmental Excellence Award from Procuraduría Federal de Protección al Ambiente (PROFEPA) in 2018.
- The Sonora Mining Cluster recognized Molymex’s commitment to Corporate Social Responsibility, where Dr. Alfonso Durazo, Governor of Sonora, presented the award for leaving a positive social, environmental and economic footprint in the community.
- In May 2021, Molymex was recognized by the Instituto de Empresa Inteligente ABA, S.C. (ISEI) for their positive social, environmental and economic footprint in the community. They also won first place in the 2021 ISEI Innovation competition.
- MolymetNos received a distinction for: “Commitment to Corporate Social Responsibility 2021” by the San Bernardo Industries Association (AISB).
- Molymet was placed 7th in the Industrial category of Recognition in Ranking Merco, Corporate Reputation Business Monitor.



GRI [102-40]

Our Stakeholder Groups

We build transparent, lasting connections with our stakeholders. We know that the stability and success of Molymet depends on how we impact and interact with them.



Shareholders

Our shareholders trust us to constantly seek excellence in the work we do and deliver top results. They trust us to manage risks and have sustainable governance in place.



Employees

At Molymet our people are at the heart of what we do and we offer them every chance to grow professionally, to learn new skills, to work internationally and to be part of a work environment that is rewarding and purpose-driven. This is why we attract and keep top talent.



Customers

Just as we are concerned about having a clean supply chain, our customers are too. They too are taking a close look at which suppliers they partner with. For us, this presents an opportunity not only to constantly improve our products but also to share our circular economy progress and cost-saving technology.



Communities

We are close to communities in all the countries where we operate. Open conversations enable us to understand their needs, expectations and concerns and act on them.



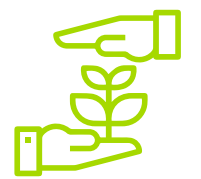
Suppliers

Our suppliers make our operations possible and we deal fairly with each of them, regardless of their size and scale. Our challenge is to steer our suppliers towards the development and implementation of sustainable management in their own businesses. To this end we sensitize them to our purpose and help them to develop a clean supply chain.



Authorities

We have a track record of strict compliance with regulations in every country where we operate. Throughout our 2021 report you will see how our environmental initiatives go far beyond simply complying with minimum requirements.



Environment

We view the environment as an interrelated system of natural and man-made elements which can be affected by what our company does. We are always looking at ways to do more with less, cutting down on the natural resources we use and demonstrating leadership in our industry.

Channels of communication most used with our stakeholder groups:

Communication Channel	Stakeholder Group (s)	Description	Frequency
Internal Surveys	Employees	Surveys that reveal employee attitudes and opinions about different topics related to their levels of satisfaction with the company	Ongoing
SSIndex Evaluation	Employees communities, clients, suppliers and authorities	We use an external provider to help us understand the expectations of our main stakeholder groups. *Inclusivity innovation is assured through a closed envelope with a QR code for employees who do not use email	Annual
Ethics Hotline / Whistleblowing Channel	All Stakeholder Groups	This is a complaint channel where any unethical, dishonest or other behavior contrary to our norms and code of conduct can be reported	Ongoing
Updated website	All stakeholders with a focus on investors and clients	Our corporate website where stakeholders can find updated information about our purpose, values and the main day-to-day activities the company is carrying out. It includes diverse information that is communicated externally like news, best practice, progress, development	Ongoing
Annual Report	All stakeholders with a focus on shareholders	Annual document which gives a detailed company vision, management, financial results with reflections by the CEO	Annual
Sustainability Report	All stakeholder groups with a focus on employees and investors	Allows us to report transparently on Environmental, Social and Governance issues in line with international standards	Annual

Communication Channel	Stakeholder Group (s)	Description	Frequency
Company Communication Channels	All Stakeholder Groups	We use a selection of print media, online platforms, radio and television channels, depending on the topic we want to highlight and the audiences we want to reach. The objective is to positively position Molymet and its corporate values. The aim may also be to share containment actions should there be an emergency situation	Ongoing
Social media	All Stakeholder Groups	LinkedIn, Instagram, Facebook and YouTube are used to officially report significant company milestones. The information shared through these channels is always aligned to internal company guidelines and is managed directly by the appointed agency	Ongoing
Quarterly Newsletter, Press Release and Conference to announce results to investors	Investors	To keep our investors informed about company activities on a regular basis	Quarterly
2021 - 2021 Strategic Sustainability Communication Plan for Employees	Employees	The overall objective of our communication is to promote Molymet's sustainability culture	Ongoing
Internal / External Communication Plan	Employees and stakeholder groups	Internal / External Corporate Communication Plans are related to Molymet topics consistent with our purpose, mission, strategic agenda and corporate values	Weekly

Channels of Communication used with our communities

Communication Channel	Stakeholder Group (s)	Description	Frequency
Intranet	Employees	Our internal digital platform, active both at corporate level and at Chilean subsidiaries, provides an ongoing flow of direct and timely communication. Here the objective is not only to create awareness of relevant company issues but also to train, motivate and strengthen the relationship between employees and the company. At the same time, our internal communication also aims to promote commitment and a sense of belonging	Ongoing
Supplier Financial Report	Suppliers	Highlights company financial management, stability, and addresses internal developments, future projections, industry developments and alliances	Quarterly
Supplier Payment Portal	Suppliers	Gives all our suppliers access to their payment information online	Ongoing

Stakeholder Group	Communication Channel	Description	Frequency
Neighborhood associations	<ul style="list-style-type: none"> • Telephone • E-mail • In person visits to the company • Invitations to neighbourhood associations • Community Social events • Website – Some subsidiaries have contact forms on their website 	Relationships with civic groups, social development committees, universities and training institutions, women's committees, senior citizens' clubs, kindergartens, schools, healthcare, sports clubs and other community organizations	Sporadic according to stakeholder. With the pandemic the frequency of interaction was reduced
Donation beneficiaries	<ul style="list-style-type: none"> • Telephone • E-mail • Delivered at building entrance • Delivered to premises • Offices • Site visits 	Each donation is coordinated with and delivered to the person who requested it	Sporadic according to requests received from stakeholder groups, the context and our company social programs
Municipal officials	<ul style="list-style-type: none"> • Telephone • Programmed visits and unannounced inspection visits • Site visits 	We maintain good, fluid relationships where municipalities regard us as a good neighbor they can count on	Sporadic
Other authorities	<ul style="list-style-type: none"> • Telephone • E-mail • Legislation Lobbying Platforms • Hosting authorities at planned events • Connection and conversations at Trade Union and Industry Meetings • Liaison with officials • Social Media 	Specific cases and generally related to industry health and environmental protocols with Seremi and regional authorities	Sporadic



Stakeholder Communication channels

As the building of our Purpose progressed, we also modernized our company brand. These changes required a renewal of our internal and external communications.

One of our first actions was to update the Molymet website, transforming it into an effective channel for contact and content sharing with different audiences, along with design aligned with our new brand.

Another significant move was the creation of a social media strategy focused on LinkedIn, Instagram and Facebook platforms. Our external communication work began in 2019 and matured throughout 2020 and 2021 as we gained more followers each year.



Employee Sustainability Communication Strategy

- Launch of CEO campaign
- Our leaders as spokespeople
- Employee spots: "Do you know what Sustainability is?"
- A mix of interviews, videos, capsules and spots featuring company leaders and employees

Employee Sustainability Communication Strategy

When Sustainability was first talked about some 30 years ago, it was about interacting with the environment in a way that ensures there will be enough resources for future generations. Over the years it has broadened to include a more people-centred agenda, especially after the Sustainable Development Goals adopted by the United Nations in 2016 brought together the three dimensions of sustainability: economic, social and environmental.

Molymet has developed a robust internal communication campaign, linked to our purpose to sensitize, motivate and connect all our employees to our new Sustainability Strategy.

The aim is for each employee to be a sustainability champion and to have the information that enables them to speak about the progress and milestones we have achieved over the years.

GRI [102-11]

Risk Management

Led by the Corporate Vice-Presidency of Compliance and Risk, integrated risk management is fundamental to achieving our business mission. It allows us to proactively identify, prevent, control and mitigate situations that could significantly damage our sustainability and company reputation.

Risk Management forms part of our Strategic Agenda and issues are managed across 6 columns:

- People
- Sustainability
- Excellence
- Core Business
- Growth & Development
- Innovation



One of our recent milestones was implementing our M-Risk digital platform to manage business risks and regulatory compliance. It has a database of 248 strategic risks which are categorized by impact and control. To promote self-management of risks, each company area has a risk manager who is in charge of designing concrete action plans through our platform.

Ethical Management

Sustainable management of our business requires us to operate with high ethical standards based on integrity in the way we undertake our activities and compliance with current legislation. Transparency and social responsibility are a central part of our company culture and guide the behavior of each one who is part of Molymet. At Molymet, ethical management is based on our company values and principles that provide a map for navigating how we act. It is in this light that we have launched our code of Conduct.

Code of Conduct

Beyond compliance, we deeply value the trust and respect we have worked hard to build. This is something we guard fiercely because once lost it is difficult to get trust and respect back. However, we cannot assume that everyone will instinctively know how they should behave in different situations. This is why in 2021, we drew up a formal Code of Conduct - to give all our employees across the world clear guidelines for how they are expected to interact with others at work.

It is not about policing employees. In fact, if anything, a code of conduct empowers employees. It makes them sure of what the limits are and how they should handle ethical dilemmas. Above all, when desired behavior is clearly articulated it tends to unify teams because they know they are part of an organization where everyone maintains certain standards of conduct and they feel proud to belong to it.



To sensitize employees to the new code, our Communication VP ran a "Play Fair" campaign highlighting that every employee has opportunity for development and we do not accept any kind of discrimination or harassment, whether cultural, racial, ideological, religious, based on sexual orientation or disability.

Our Code of Conduct aims to guide and unite employees around behavior that reflects the inherent Molymet culture.



"The creation of this Code of Conduct brings together the main values and principles defined in our internal policies. It is a tool that declares the type of behaviour required in our professional work and decision making. Its implementation is a strategic milestone, providing the framework for situations in our daily work."

Claudia Avendaño, Vice-president Corporate Risk and Compliance

Themes addressed by our Code of Conduct

- Labor Abuse
- Sexual Abuse
- Anticorruption
- Governmental Authorities and public groups
- Climate Change
- Fair Competition
- Internal and External Communication and social media
- Conflict of interest
- Taking care of our identity and activities
- Human Rights
- Diversity, Inclusion and No Discrimination
- Circular Economy
- Intellectual Property
- Gifts
- Respect for and contribution to communities
- Environmental responsibility and impact
- IT Security
- Health and Safety
- Selection and relationships with Suppliers and Contractors
- Transparency
- Business Trips



Protection against retaliation

Molymet's reputation for integrity is a valuable asset. Therefore, any suspected or actual violation of internal policies or the Code of Conduct must be reported. If any employee believes that he or she is being retaliated against for following the Code of Conduct, or questioned for reporting a violation, they should use the tools and resources outlined in the Code to report it immediately. Our company will not tolerate retaliation against those who are acting in the interest of upholding our integrity.



Ethical Culture

To ensure an ethical culture, we develop cross-cutting practices that seek to promote employee awareness and behaviour that matches our company values, principles and standards of conduct. Since 2017 this has been boosted by an intensive training and awareness campaigns aimed at raising awareness and facilitating adoption of good practices in areas like the safeguarding of information; knowledge of whistleblowing channels; compliance; risk and crime prevention. To make sure everyone is quite sure of what is expected of them, all newly hired employees go through an induction process to understand these practices.



Confidential Ethics Hotline

All employees, suppliers, customers, contractors and communities have access to a confidential ethics hotline - either by telephone or email.

<https://lineaeticamolymet.lineaseticas.com>

Through the hotline, our stakeholders can report possible irregular conduct occurring within the company or conduct that may have a potential impact outside the company.

Procedure to be followed for reporting an ethical situation

Every complaint about an incident that goes against our company ethics and Code of Conduct will be evaluated through a confidential, empathic, transparent and respectful process.



Whistleblowing Channel

This line is an anonymous communication channel where incidents contrary to our values and ethics can be reported in a secure and confidential manner. It is also a useful tool for alerting the company to possible fraud and corruption. At the same time, the channel has safeguards to prevent its inappropriate or malicious use to damage people's honor. It is also an accessible way for our stakeholders to express their doubts, concerns or discomfort about any aspect of our operations.

As a way of managing the absolute confidentiality and anonymity of this channel, we have outsourced this service to Fundación Generación Empresarial. Complaints are then referred to the Corporate Vice-Presidency of Compliance and Risk which initiates a process of investigation, conclusion and compliance with action plans or disciplinary measures, as appropriate in each particular case. Each existing conflict is flagged as a risk and if it is a risk which did not previously exist, a new one is created.

This line does not exclude the right of anyone to make in person or written complaints directly to the company or through relevant judicial channels.



How to file a complaint

Go to:

<https://molymet.ines.cl/molymet/formulario/>

The receipt of each complaint is strictly confidential, safeguarding the anonymity of the complainant and the impartiality of the investigation.

During 2021 there were five complaints. All were investigated and resolved, two of them with sanctions.

It should be noted that the whistleblowing cases were limited to our MolymetNos subsidiary. This is because currently, our Crime Prevention model is only certified at our Chilean subsidiaries. We have not yet extended this model to Molymex and our European subsidiaries but we are working on it.



*We work to keep maintaining
our leadership!*

Crime Prevention Model

In accordance with the provisions of Law No. 20.393, our Crime Prevention Model supports inductions and talks that address anti-corruption and ethical procedures so that we can share good corporate practices and the concept of integrity. This model has been recertified by BH Compliance for the fourth time in 2020, guaranteeing its correct functioning.



02

Purpose, Business and Innovation

We create value!



"To create value for the evolution of humanity, through products developed by people who think about the well-being of the planet."



Our Purpose

"Our purpose was already there, it is not something we invented but we had to delve into our history, looking at the impact of what we do, the role that each of us plays within the whole.." Carolina Lopez, MolymetNos People Manager

As Carolina says, our purpose was already there. Maybe unvoiced, it was nonetheless the essence of who we have always been as we moved from years of steady growth into a fully sustainable organization. But we wanted to go a step further, examining not only why Molymet exists but how it's culture could be transformed into the ingredients for building a purpose that could be clearly articulated and internalized by everyone who has a stake in our business.

In 2018 this led to the co-constructing a company purpose where we began to engage all our stakeholders around the topic, listening in particular to the opinions of our employees.

First, we looked back at where we had started. Then we looked forward to the difference we want to make in the

world today and the lasting legacy we want to leave for future generations.

We wanted to express this in plain language so that each employee and leader at our operations around the world could translate it into their daily actions, decisions and interactions.

After several rounds of workshops, small group discussions and interviews with our broader stakeholder groups, we voiced our purpose like this:

"To create value for the evolution of humanity, through products developed by people who think about the well-being of the planet."

This purpose statement echoes the voices and thoughts of all our employees. Everyone made a contribution to defining what characterizes us and what sets us apart. Most of all, our purpose expresses our lived belief that we want to be a company that makes a lasting difference over time.

1. How have we brought our purpose to life?

Part of our company challenge is to bring our purpose to each of our stakeholder groups and demonstrate its value – how our values and purpose are congruent.

Molymet seeks balance between economic, social and environmental performance. We build transparent, lasting connections with our stakeholders. We know that the stability and success of Molymet depends on how we impact and interact with them.

How do we add value to our Employees?

At Molymet our people are at the heart of what we do and we offer them every chance to grow professionally, to learn new skills, to work internationally and to be part of a work environment that is rewarding and purpose-driven. This is why we attract and keep top talent.

How do we add value to our shareholders?

Our shareholders trust us to constantly seek excellence in the work we do and deliver top results. They trust us to manage risks and have sustainable governance in place.

How do we add value to our suppliers?

Our suppliers make our operations possible and we deal fairly with each of them, regardless of their size and scale. Our challenge is to steer our suppliers towards the development and implementation of sustainable management in their own businesses. To this end we sensitize them to our purpose and help them to develop a clean supply chain.

How do we add value to our clients?

Just as we are concerned about having a clean supply chain, our customers are too. They too are taking a close look at which suppliers they partner with.

For us, this presents an opportunity not only to constantly improve our products but also to share our circular economy progress and cost-saving technology.

How do we add value to our communities?

We have close, mutually-beneficial relationships with communities in all the countries where we operate. Open conversations enable us to understand their needs, expectations and concerns and act on them.

How do we add value to the environment?

We view the environment as an interrelated system of natural and man-made elements which can be affected by what our company does. We are always looking at ways to do more with less, cutting down on the natural resources we use, reducing negative impacts and demonstrating leadership in our industry.

How do we add value to the Authorities?

We have a track record of strict compliance with regulations in every country where we operate. Throughout our 2021 report you will see how our environmental initiatives go far beyond simply complying with minimum requirements.

Some figures showing our positive impact on stakeholders

Clients

US\$ 120k

Investment in innovation, operational and sustainability projects as a result of our purpose and its internalization.

Communities

100%

Social Responsibility Programs in place in all of our communities.

Employees

970

Purpose Training Hours for leaders and influencers.

Shareholders

N° 1

Coverage of Social Responsibility programs in all our communities.

38%

Growth in income vs year 2020.

2. The journey to where we are today

At Molybdenum we have nearly 50 years industry experience. This is backed by a long-term vision and a consistent strategic approach in the daily work of the company's different subsidiaries around the world.

We are open to change and to breaking our own paradigms. We are open to new ideas that inspire us to continue our success. We stay close to the essence of who we are while evolving within the new contexts and challenges we are faced with.

This journey led to the co-construction of our corporate purpose – a collaborative process that gave deeper meaning to everything we do in contributing to the transformation the world needs to make industries and technologies more sustainable and people better off.

We want to play our part in leaving behind a much more sustainable world for the generations that will follow us and those who will lead Molybdenum in the future.

In this sense, our story, our market leadership, our fundamental values and our continued success are brought together through our collective purpose.

Over time, with careful reflection, this is the purpose that was defined to guide us through the years ahead:

“To create value for the evolution of humanity, through products developed by people who think about the well-being of the planet.”



During 2021, we continued to activate our purpose through various initiatives developed by our leaders and Employees.

Our purpose influencers have had a key role – sharing its everyday meaning across all areas of our company. They have created conversations that helped all our employees to reflect on the importance of their work, the value we create. This has also strengthened our sense of belonging as co-workers whose work is guided by a collective purpose.

With support from ICARE, we conducted a training program for our leaders to foster leadership that leverages purpose across Molybdenum and its subsidiaries.

Our internal communication was designed to help all our people get to know our purpose and the meaning it has for their work. Later we began to demonstrate the

link between our purpose and our projects. This steadily gave form to the company we want to be in the future and the role our people play in the transformation.

In our external communication during 2021, we worked closely with mainstream and social media to build awareness of our purpose and share it with municipalities and communities, in this way, positively positioning Molybdenum and its subsidiaries.

Over the years, Molybdenum has tended to be modest about its accomplishments but 2021 represented a new level of exposure for our brand and reputation. Our purpose journey has been covered by top mainstream media like El Mercurio, La Tercera, Diario Financiero and the magazine Minería Chilena. As awareness grew this in turn led to interest from other media outlets.

Our purpose gives meaning not only to our business, but to every decision we make and above all, to the role we play in society. It is a clear statement about sustainable development that goes beyond the environment. It also means we will take good care of our resources, assuring their availability and it highlights how we want to be agents for the transformation and wellbeing of people.

Our purpose guides the way we want to be recognized in each interaction with our different stakeholders. It gives us a framework for strategies, projects and initiatives.

It is a purpose that echoes the voices and ideas of all our employees who put careful time and thought into developing it and bringing it alive.

Everyone made a contribution to defining what characterizes us and what sets us apart. Most of all, our purpose expresses our lived belief that we want to be a company that makes a lasting difference over time.

Looking to the future

During 2022, we will continue to discuss and align our purpose with our strategic agenda and build in key purpose indicators.

In this way, we want our purpose to come to life through different activities and strategies that together aim to create value for the evolution of humanity.

Our business decisions are increasingly based on considering the planet and we have concrete examples of how we have contributed to the development and well-being of all our stakeholders.



3. Our purpose was born from our leadership and shared among every one of us

We are conscious that personifying purpose and situating it within our organization depends largely on our leaders and their role has been fundamental in leading our people through the discovering and articulation of our purpose.

In 2018, Led by our CEO and the HR VP, we began co-constructing a company purpose, engaging all our employees around the topic and listening to their opinions.

Once our purpose was ready for sharing, our influencers went through training to have the tools to share our purpose across the company and link it to the work that they and their colleagues do every day.

In 2020 and 2021 with support from consultants: The Purpose Institute and ICARE, our leaders participated in training workshops aimed at transforming Molymet through a purpose that everyone could embrace and live. We explored what purpose means, what the best practices are, how purpose influences the decisions we make, how it makes us more accountable and how purpose can give employees a sense of belonging. We also considered the role of purpose in finding and keeping the best talent.

Hours of training and workshops:

Purpose Training	HR Team	Leaders	Influencers
Participants	45	69	40
Hours per participant	7,5	12	7,5
Training Evaluation	4,7	4,5	4,7
Total training hours	338	828	300

4. Influencers, who inspire the lived experience of our purpose

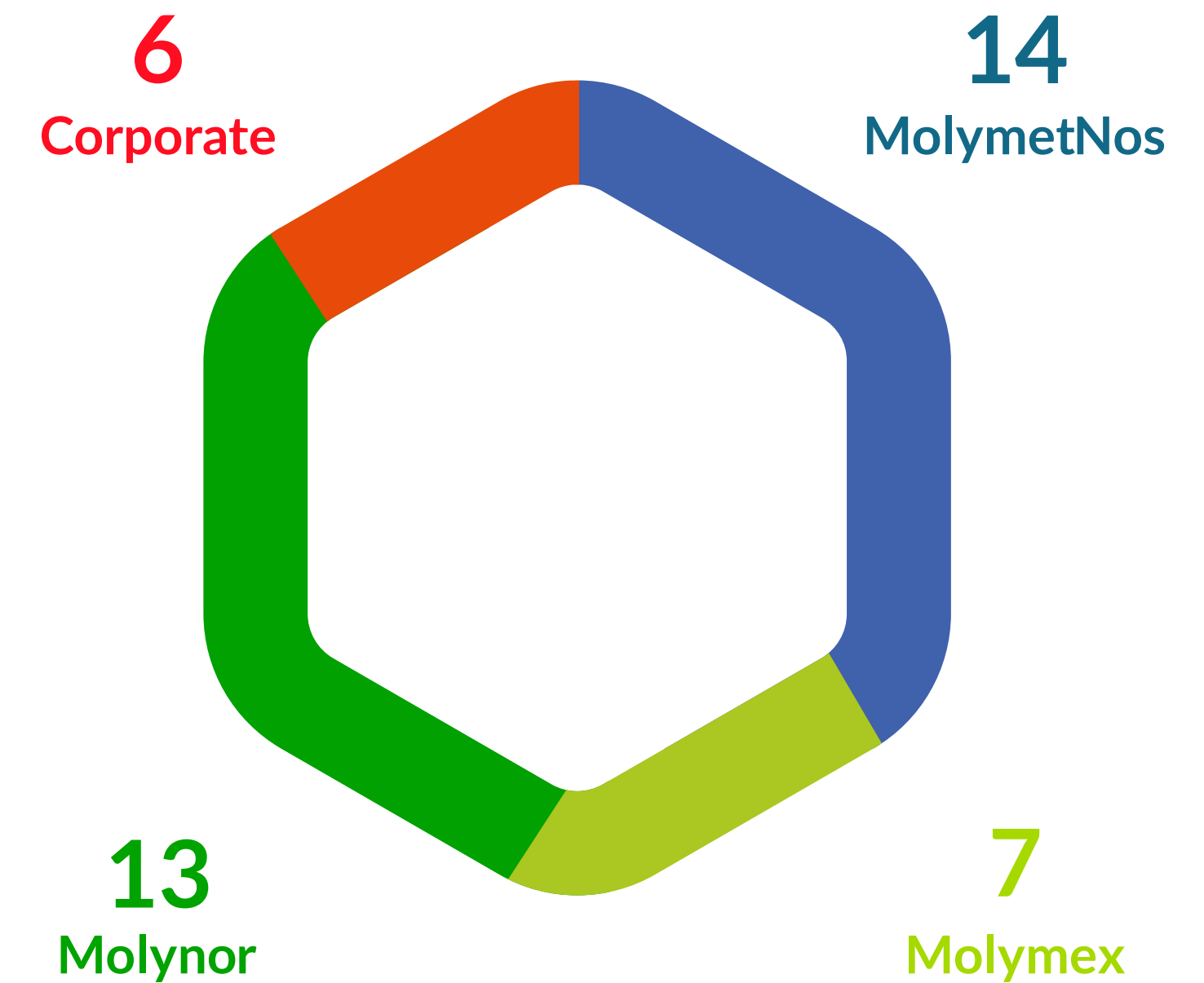
After an intensive process involving our corporate and subsidiary employees we got to the point where we were able to define our purpose and start sharing it.

40 Molymet employees responded to the call to serve as influencers and participated in a training program specially designed for them.

The aim was to equip them with the best tools and training to inspire their colleagues, share experiences that have

personal and professional meaning and show how purpose plays out in the work we do and the decisions we make.

Influencer-led conversations facilitated reflection on what it means to be part of Molymet and this has strengthened a sense of belonging.



Their mission is to:

- Represent and share Molymet’s purpose
- Lead conversations about purpose
- Bring together information about purpose activities and actions and share with colleagues at work

Testimonials

"Today we want to belong to companies that look after the present and the future. It is also important to feel a sense of belonging and identification, to be part of a company where interests are shared."

Esteban Toledo, People and OHS Manager, Molynor.

"We are all part of the same chain and we need to be closely linked to fulfill our purpose – a purpose that reminds us how important each of us are in the chain."

Roberto Sanchez, Director HR & Business Affairs, Molymex.

"Our purpose is the company's *raison d'être*. The reason why each one of us is here. Everything we do as a company flows from our purpose."

María Inés Gómez, Corporate Vice-president HR & Communication.

"For me it was really important to listen to the rest of my colleagues. Our conversations were enriching and valuable. Not all companies are so concerned about the opinions of their employees."

Daniel Urra, Electrical Instrument Maintenance.

"It's essential to be aligned with the purpose and understand that each one of our actions contributes in different ways to fulfilling our own purpose."

Pablo Hidalgo, Mechanical Engineer, projects, Molymet.

Today we have a common purpose that commits us to solid, sustainable values, innovation and excellence as outlined in our strategic agenda, always with our people at the center. The positive transformations that we seek to generate in everything we do is the basis for a better planet.

"In some way and without knowing it, we have always applied the purpose in our work. But since we started this conversation, I have been gradually changing certain practices to better apply the purpose to my work."

José Pérez, Roasting Assistant at Molynor.

"The training we had and my role as an influencer have helped me to live the purpose, to apply it in my role and reflect on it with my colleagues."

Mitzy Cataldo, Ass Deputy Manager of Administration & Insurance, Molymet.

Consistent Communication

We implemented an internal corporate communication plan that could be customized by our overseas subsidiaries. It incorporated both Spanish and English language messaging to connect our purpose with our updated Molymet brand. Executives spoke about purpose, making their role in the process more visible. We created a range of audio-visual material, covered the activities of our CEO and positioned our employer brand.

Then, with support from consulting firms, The Purpose Institute (2020) and ICARE (2021), our CEO and the Corporate VP of HR & Communication led the process of consolidating our purpose internally. This had the full backing of the board and senior leaders.

Once articulated, we moved to activating our purpose among all our stakeholders. audiovisual. We included our executives as spokespeople to bring us show their leadership in the purpose process. Our CEO was also featured in multiple publications to stimulate interest in and support the employee brand.

"The support of our influencers is essential to broaden the scope of the purpose in all subsidiaries. The initiative has been developing within the established program, starting with the talks and the subsequent implementation of the corresponding communication plan." **Álvaro Toro, MolymetNos.**

Our CEO, John Graell spoke about Mobilizing Conversations at Acción Empresas, highlighting the importance of purpose and new business challenges.

<https://molymet.com/experiencia-y-trayectoria/>





Our Business at a glance

The geographical spread of our installations and the variety of molybdenum and rhenium processes allows us to offer our clients the maximum flexibility globally.

"The world market volume is in the order of 550 million pounds of consumption. Our license to operate rests on us having around 200 million pounds of processing capacity at a standard that is higher than what we have seen in China and higher than what you can get in the West." Gonzalo Bascuñán, Vice President Commercial and Market Development.

1. Business Lines



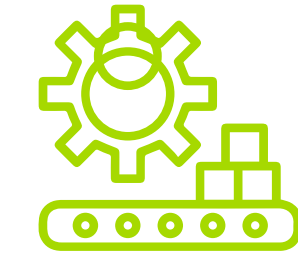
Own Sales

We purchase molybdenum concentrates (molybdenite) and use our processing technology to produce a wide range of molybdenum products like molybdenum oxide or pure products.



Tolling Line

We do business with several mining companies who send molybdenite to us. For a tolling fee, we transform the raw concentrates into molybdenum oxide and send them back as marketable products.



Byproducts

Through our roasting and oxidation processes we recover byproducts like rhenium, copper cathodes and sulfuric acid.

2. Products

Our Molybdenum (Mo) and Rhenium (Re) products are used by customers in steel metallurgical, aerospace, chemical, electronic and medical device industries.



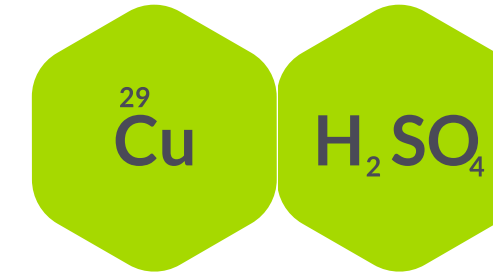
Molybdenum

Oxide, ferromolybdenum, molybdenum sheets and other products.



Rhenium

Rhenium metal-powder and briquettes.



By-products

Copper Cements and sulfuric acid.



[What is molybdenum and where is it found?](#)

[What is Rhenium and where is it found?](#)

[GRI 102-6]

3. Market

Our leadership in the international market sustains our competitive sales. It is achieved through our operational management, the highest standards of technology and efficiency and a wide profile of products and services focused on solutions for our mining, industrial and rhenium clients. In this way, our worldwide productive and commercial presence enables us to offer the best integrations for diverse markets, suppliers and customers.

24.3%

Global market share
Molybdenum processing

60%

Global market share
Rhenium production

[GRI 102-6]

4. Diversification

We want to continue investing in our industry to develop new markets and grow our company. To this end, we have developed specific criteria for the analysis of collaborative, joint or investment projects and also for the acquisition or licensing of new technologies.

The criteria for collaboration and investment are:

- Business in the area of chemistry, metallurgy and material sciences
- Significant market position in one or more niches
- Needs of our existing customer base
- EBITDA

Criteria for acquisition or licensing of new technologies:

- Process development and/or optimization
- New products for our target markets
- Technologies that are at laboratory and/or pilot plant level that need industrial scale-up

We have created an indicator to measure our level of diversification over the coming years. For more details, see Chapter 3.



5. Productive processes

Across our industrial plants we have complex processes which have been developed mainly through our own internal company know how.

In general terms, molybdenite (MoS_2) and technical molybdenum oxide (mainly MoO_3) are processed and later transformed into different grades of purity of molybdenum trioxide and other products as per customer demand.

As part of this process rhenium content is recovered as a byproduct and we additionally recover other byproducts like sulfuric acid, copper cathodes and copper cement.



Molybdenum concentrate is processed in the Roasting Plant: the chemical element molybdenite (MoS_2), is obtained as a byproduct of copper.

The roasting process generates a stream of combustion gases that also contain fine solids which are sent for treatment at the Gas Cleaning Plant.

The gases resulting from the Gas Cleaning Plant are transferred to the Acid Plant where SO_2 is transformed into sulfuric acid (H_2SO_4) in order to obtain a gas compatible with the environment which respects and complies with the standards of the current regulations.

This process generates products like technical molybdenum oxide where, depending on their composition, impurities like copper and iron can be removed in the leaching plant.

Certain molybdenum concentrates are treated hydro-metallurgically through an oxidation and cleaning process to get the best purity.

Through a pyrometallurgical process of molybdenum oxide and iron, the alloy ferromolybdenum (FeMo) is obtained.

The FeMo crushing with different granulometries is packaged in drums and maxi sacks for commercialization. The slag heap is stored and later goes through a process of metallurgical recovery and the remnants are finally disposed.

6. Economic value added & distributed

Economic Value Added 2021		Amount in K US\$
Revenues	Net sales	1,456,230
	Income from financial investments	516
	Income from asset sales	-
	Total revenues EVA	1,456,746
Total economic value added (EVA)		1,456,746

Economic Value Distributed 2021		Amount in K US\$
Employees (not including contracted staff)	Salaries	71,363
	Benefits	-
	Total Employees	71,363
Operational costs (payments made to third parties for raw materials, product components, facilities and services purchased)	Supplier payments	1,124,132
	Contractor payments	24,660
	Operational costs	37,847
	Total operational costs	1,186,639

Economic Value Distributed 2021		Amount in K US\$
Government	State Payments	38,460
	Municipal Payments	2,806
	Total government costs	41,266
Community investment	Voluntary donations	-
	Community Investment funds	-
	Total donations	-
Capital Suppliers	Financiers	11,614
	Shareholders	46,548
	Total funding suppliers	58,162
Total Economic Value Distributed (EVD)		1,357,430

Economic Value Added (EVA -EVD) "Economic value directly generated " less "economic value distributed"		Amount in K US\$
Economic Value Added (EVA-EVD)		99,316
Economic Value Added Chile		63,441
Economic Value Added Mexico		16,893
Economic Value Added Belgium		15,704
Economic Value Added Germany		2,689
Economic Value Added other		589

Innovation

We are a company, long known for its innovative and pioneering spirit. A world leader in our field, we were the first to develop the know-how to recover molybdenum in Chile and then rhenium. Innovation drives our sustainability, excellence and profitability.



1. Our history of innovation

Our growth is a consequence of innovation which has been fundamental to our positioning as industry leaders. We are inspired by future developments, continuously challenging ourselves to search for the best way of doing things so that we can generate maximum value for our stakeholders.

Historically we have had professionals dedicated to the development of knowledge and over time we have consolidated a group of people specialized in studying the complex problems and opportunities in our industry.

Today Molymet has a rate of 7.9 researchers per 1000 employees which puts us very close to the OECD Average.



2. What does innovation mean for us?

At Molymet, innovation is aimed at balancing business profitability and our impact on people and the planet. While we believe in the ongoing development of new technologies, we see innovation as much more than just technology. Instead, innovative thinking runs through all our processes, products and services. For us, innovation is how we make our operations more resilient, unlock new business opportunities and attract the best talent.

"We want innovation to lead us to new ways of doing things, to be something that each area of our company reflects on as we constantly question the status quo." Edgardo Cisternas, Research and Development Manager.



3. Innovation Committee

Innovation requires constant effort and a long-term vision. It is overseen by our Innovation Committee from the top of our corporate structure and aims to:

- Look for innovations and opportunities are in line with our purpose
- Move from a culture of learning to a culture of creativity and innovation
- Implement cross-cutting innovation systems
- Strengthen open innovation initiatives
- Review budget to ensure funding for innovation projects



**Molymex: Molymex
Rewards and promotes
employee innovation.**

At Molymex, we promote innovation and the continuous improvement of our processes through a program aimed at encouraging our employees to bring innovative proposals for different operation areas. A committee of employees evaluates and rewards the best innovations which are then implemented.

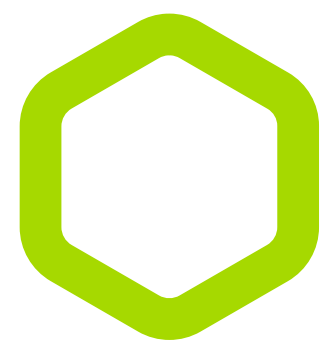
In this way, Molymex, recognizes people who carry out their work thoughtfully and intentionally. It highlights how our people constantly look at how we can boost processes, reduce times and impact positively on our work setting and the natural environment.

4. Our capacity to innovate

Innovation has been part of Molymet since its inception but over recent years we have clearly visualized how and why we are pursuing innovation. Today we feel really proud of the culture of innovation that has been created within our company. This is reflected in the way it permeates far beyond technological advances.

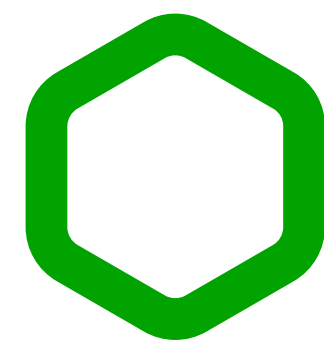


Innovation Capacity



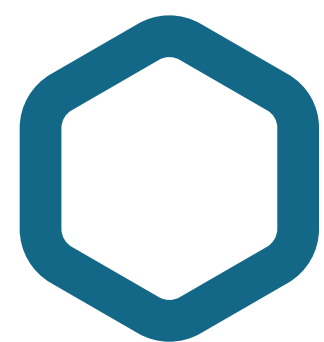
R&D Team

We have a team of 17 professionals, 1300 sq m. of laboratory, offices, library, pilot plant space and a budget of US\$ 1.4 MM.



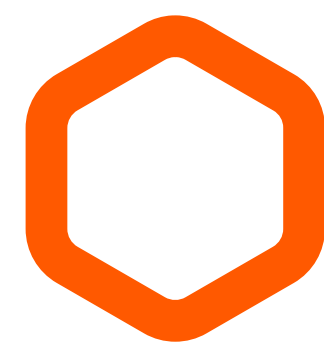
Excellence

The VP of American Operations has teams on the ground dedicated to Lean process improvement and increasing innovation in our processes.



Market Development

The VP of Commercial and Market Development has a team dedicated to exploring new business opportunities for molybdenum, rhenium and other metals.



Digital Transformation

The VP of Strategic Management, Technologies and DX executes an innovation with digital technology.



Intellectual Property

This year we protected our knowledge by registering a patent for “High pressure cleaning of Mo concentrates (CL 2021)”.



C3 Diagnosis of Creativity and Innovation

In April 2021 we carried out a C3 Diagnosis of Creativity and Innovation with the Universidad del Desarrollo (UDD) across Corporate, MolymetNos, Molynor and Molymex. The results showed that our culture is open to learning. However, we still need greater openness to new ideas and stronger interpersonal trust in order to achieve the highest levels of creativity and innovation.

5. ACC Innovation

We have innovated through our "ACC" Concentrate Conditioning Process enabling us to process off-grade materials into pure oxide of high solubility.



Investment in Innovation

Annual Consolidated	2019	2020	2021
Budget dedicated to innovation	US\$ 1.2 MM*	US\$ 1.2 MM	US\$ 10 MM
Innovation Projects developed	5	5	10

*The amount reported for 2020 is underestimated because only the R&D Management budget was reported. The actual amount estimated for 2020 was US\$1.9 million. The large budget increase in 2021 is mainly explained by the investment projects detailed below:

6. 2021 Innovation Projects

1. Waste Treatment Technology

The environmental impacts of waste generation and the high cost of waste treatment have led us to evaluate different ways of innovative management. It is not enough to change the form of final disposal but to achieve our goal of Zero Waste, we need to intervene in the waste production process.

For two years now, our R&D team has been working on a technology to separate effluents of different composition with the aim of recovering by-products and optimizing ammonia consumption. The Vice-Presidencies of Operations and Engineering have played a key role in this project.



Molynor participated in Roundtable on Circular Economy challenges

Molynor was invited to share its experience in the Round Table "Sustainable Supply Chains for the Challenges of a Circular Economy" organized by Slimstock. Business leaders shared success stories and different visions around sustainability, circular economy and renewable energy. Held online, the event brought together more than 100 industry leaders from Chile and Latin America. Sustainability Manager, Eduardo Riquelme was asked to share Molynor's transition from a linear economy to a circular economy and how Molynor looks at ways of valorizing liquid effluents which can be reused in the production processes of mining customers.



MolymetNos has advanced in waste recovery alternatives with its employees through composting.

2. Digital Transformation

2020 and 2021 have been years of dramatic personal and professional transformation on a level we could not have imagined before.

Innovation transcended being a buzzword and became essential as business moved online and people had to engage in a new way. Since the shift to more remote work, digitalization has been a great help in maintaining operational continuity. Our people rose to the challenge, quickly adapting to new technologies and this has made us more resilient in the face of external factors.

"Digital transformation implies a cultural change with people at the center. It is up to us to give meaning to the new tools" José Mengido, Corporate Manager of Digital Transformation and Industry 4.0.



Digital tools incorporated over the last few years:

SAP



MAXIMO



LIMS



PI System



QlikSense



Concur



SuccessFactors



VENA



Envirosuite



We find ourselves in an era where the incorporation of technologies makes companies more resilient against external factors and gives focus to a sustainable future.

“Purposeful Digitization gives us huge scope for innovation. It helps us to be more productive, to identify new opportunities and spaces for improvement.” Juan Cristóbal Valenzuela, Vice President of Corporate Strategic, Technologies and DX.



3. Robotic Process Automation

Our Robotic Process Automation (RPA) project was launched in 2019. This initiative allows the transfer of repetitive activities into automations that can perform them quickly and without errors. Most importantly they free up people's time so that they can focus on strategic activities that add value to the business and where human creativity cannot be replaced.

In 2020, our VP for Digital Transformation and Industry 4.0 contracted a consultant to help assess our company's digital transformation opportunities. After seeing the enormous potential, we created a strategy for achieving greater efficiency through intelligent selection of technology. Our initial survey looked at more than 30 processes which could potentially be automated and we are continuing to evaluate these. To date, five processes have already been automated, including IVV and VAT Exchange Rate Statements. As automation opportunities arise, we will generate new BOTS to support us in our daily tasks.



4. Lean Philosophy

Based on the success record of Lean in various industries around the world, we started our major transformation to becoming a Lean company and launched its adoption in 2021. We see Lean as a key enabler of our movement from a phase of sustained growth to a phase of sustainable development and it will continue throughout 2022.

Our main aim going forward is to empower more and more employees to maximize the

multiple benefits of Lean culture. Not only does it standardize the way problems are solved but it also gives our people a range of tools to create the most value with the least consumption of resources.

To date, the savings from applying Lean philosophy to operational excellence have been US\$ 3.2 million.

5. Green Hydrogen

One of the main challenges for the production of green hydrogen is to achieve cost-competitive production, and this is where we are convinced that rhenium can play a relevant role. Science shows that rhenium has the potential to act as a catalyst for electrolysis at a much lower cost than the platinum groups metals (PGMSs) currently used as catalyst materials.

The promotion of green hydrogen as clean energy therefore presents an opportunity to innovate and create new business for Molymet. Apart from its cost advantages, Rhenium has emerged as an excellent alternative to PGMs, due to its remarkable electrochemical properties and its stable and sustainable sourcing.



Molymet has joined the H2 Chile association to promote the use of rhenium in the production of green hydrogen.

*"Reducing the costs of green hydrogen is imperative for achieving competitiveness against fossil fuels. Rhenium could be a perfect fit, not only because of its excellent electrocatalytic properties but also from an environmental point of view, because it has a lower carbon footprint as a by-product of copper mining." **Gonzalo Bascuñán, Vice President Commercial and Market Development.***

6. Arsenic Removal in the circular economy

A growing problem for large mining companies around the world is the treatment of copper impurities, especially arsenic which is naturally present in copper concentrates. Molymet has addressed through innovation thanks to the development of an unprecedented process that removes arsenic without altering the content and quality of the copper. This process also allows the arsenic to be safely stabilized for subsequent disposal in accordance with increasingly stringent environmental regulations.

Molymet is looking to commercialize this technology with potential partners and/or customers.



7. Global Rhenium Re-IMAGINE Challenge

In 2021 we collaborated with NineSigma to launch a Global Open Innovation Challenge in as part of our Rhenium Market Development Program. This was undertaken in the spirit of open-source science and our purpose to generate value through products developed by people who care about the planet.

We kicked off with our Re-IMAGINE webinar in June 2021, sparking world-wide interest from scientists, researchers, startup and companies related to the production and use of green

hydrogen. It was a Molymet milestone because this is the first time we have run an open participation competition.

*"One of the main advantages of making an open call is the greater speed with which an initiative can be developed and the higher success rate of the projects. Also, by highlighting the opportunity for co-creation, this challenge increased global awareness of our company and our products." **Mario Lama, Market Development Manager.***





Green hydrogen is considered the clean energy of the future and we want to make our contribution to the environment. We are also well placed geographically: Chile has been identified by the international community as one of the countries in the world where green hydrogen can be produced more economically due to its abundant solar and water resources.

One of our main challenges for the production of green hydrogen is to achieve cost-competitive production and this is where we are convinced that rhenium can play a relevant role.

The Re-Imagine Challenge initiative awarded US\$20,000 to the best proposals. We are also looking at collaboration agreements with some of the prize winners to promote and develop their proposals. The 4 winners were:



Congratulations winners!



**GREIN
RESEARCH**

Iceland



**SPARK
CLEANTECH**

France



IONOMR

Canada



**SUN GREEN
HYDROGEN**

Singapore

For more information <https://www.ninesigma.com/s/Molymet-Rhenium-Challenge>



03

Molymet 2030 Sustainability Agenda

We can do it!



The Molymet 2030 Sustainability Agenda marked a milestone year for Molymet and is, without a doubt, the heart of our 2021 Report. With this Agenda we want to move towards the next level of corporate sustainability strategy with concrete commitments that will enable us to step up to the challenges of the decade ahead.



CEO's introduction

While sustainability has always been integrated into our business, our 2030 Sustainability Agenda is the milestone marking our next level of evolution towards sustainable development. It allows us to prioritize, manage and measure 12 concrete commitments as part of our strategy for facing the medium and long-term challenges of this decade.

Companies must demonstrate to their stakeholders through tangible actions that people, communities, suppliers, customers, authorities and the environment are indeed at the center of our decisions: That we understand the environmental, social and governance impacts of our business and that we are taking clearly defined steps to address them.

Sustainability issues must be approached with a sense of urgency and this will only happen when we

give them the same priority as financial issues and above all, when we understand that they are not issues that can be viewed separately or dissociated from our strategy. From now on we will continuously monitor our advances in the investments and projects carried out to reach our planned targets. We will also make every effort to surpass these before 2030.

Our 12 commitments

Our Sustainability Agenda contains 12 commitments with specific goals that seek to generate long-term value for our different stakeholders but mainly and directly for our employees, communities and the environment. Indirectly, our sustainable management will benefit our customers who are also looking for suppliers with responsible practices; and our investors who expect the highest standards of quality, integrity, sustainability, and ongoing economic value from us.

The selected indicators address themes like:

- Positive working environment
- Professional development
- Diversity equality and inclusion
- Community relations
- Innovation
- Diversification
- Efficient management of water, energy and waste

Our biggest step forward has been in setting concrete goals. However, this does not prevent us from advancing in parallel with even more ambitious plans. In the medium-term this will allow us to aspire to goals like carbon neutrality or zero waste.



The Dynamic nature of sustainability

Our strategy has been designed to guide us through the next 9 years and therefore all indicators point to the year 2030. While thinking far ahead is essential for a stable strategy, we recognize that there is an implicit dynamism in sustainability issues which implies constant revision and updating of our Agenda.

Our 2030 Commitments

Sustainable Development Goals (SDGs)

The United Nations SDGs are the frame of reference for our choice of indicators and definition of metrics to meet our 2030 Agenda because we believe private sector efforts must be aligned with national and global strategies.

This Agenda is a new step that maps out our long-term sustainability journey and our role in undertaking a task that can no longer wait.

We invite you to view the details of our 2030 Sustainability Agenda by clicking on the link below.

 <p>8 DECENT WORK AND ECONOMIC GROWTH</p> <p>Increase the Labor Relations Index by a total of 10 points</p>	 <p>4 QUALITY EDUCATION</p> <p>Increase training hours per employee by 15%</p>	 <p>5 GENDER EQUALITY</p> <p>Improve by 10% the indicator of positive perception of Diversity, Equity and Inclusion</p>	 <p>5 GENDER EQUALITY</p> <p>Ensure 30% of leadership positions are held by women</p>	 <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p> <p>Invest at least 1% of net income in community development</p>	 <p>13 CLIMATE ACTION</p> <p>20% greenhouse gas emissions</p>
 <p>6 CLEAN WATER AND SANITATION</p> <p>Recycle 64% of our water</p>	 <p>6 CLEAN WATER AND SANITATION</p> <p>Reduce water intensity by 10%</p>	 <p>7 AFFORDABLE AND CLEAN ENERGY</p> <p>Convert 60% of our energy consumption to renewable electric energy</p>	 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> <p>Recover and valorize 40% of our waste</p>	 <p>9 INDUSTRY, AND INNOVATION INFRASTRUCTURE</p> <p>Increase the EBITDA contribution from Diversification to 5%</p>	 <p>9 INDUSTRY, AND INNOVATION INFRASTRUCTURE</p> <p>Increase innovation investment to at least 1% of total revenue</p>

We invite you to view the details of our 2030 Sustainability Agenda by clicking on the link below.

[Download the complete 2030 Sustainability Agenda here](#)

Our 2021 Results

Sustainable Development Goals	Commitment	2020	2021	2030 Goals	Sustainable Development Goals	Commitment	2020	2021	2030 Goals
 8 DECENT WORK AND ECONOMIC GROWTH 	By 2030, increase the Labour Relations Index (LRI) by 10 points, based on 2021.	N/A	62.7	72.7	 6 CLEAN WATER AND SANITATION 	By 2030 increase water recycling to 64%, based on 2020.	54%	57%	64%
 4 QUALITY EDUCATION 	By 2030 increase training hours per employee by 15%, based on 2020.	36	35	42	 6 CLEAN WATER AND SANITATION 	By 2030 reduce water intensity by 10%, based on 2020.	7.2	7.5	6.5
 5 GENDER EQUALITY 	By 2030 improve the indicators of positive perception of Diversity, Equality and Inclusion (DEI) by 10%, based on 2021.	N/A	59.4	65	 7 AFFORDABLE AND CLEAN ENERGY 	By 2030 increase consumption of renewable electric energy by 60%, based on 2020.	41%	48%	60%
 5 GENDER EQUALITY 	By 2030 increase the number of women in leadership positions by 30%, based on 2020.	17%	23%	30%	 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	By 2030 increase waste recovery by 40%, based on 2020.	20%	18%	40%
 11 SUSTAINABLE CITIES AND COMMUNITIES 	By 2030, Molymet's investment in community projects should be at least 1% of the moving average net income from the last 5 years.	0.3%	0.5%	1%	 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 	By 2030, Diversification should contribute 5% to EBITDA, based on the moving average net income of the last 5 years.	0%	0%	5%
 13 CLIMATE ACTION 	By 2030 decrease greenhouse gas emissions by 20%, applying carbon footprint measurement methodology with scope 1 & 2, based on 2020 (Ton CO ₂ eq)	76 thousand	77 thousand	60 thousand	 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 	By 2030, investment in innovation will account for at least 1% of moving average revenue over the last 5 years.	0.3%	0.9%	1%

Previous Commitments

Completion status of sustainability commitments made from 2018 to 2021 of our report shows the status of the commitments declared in previous Sustainability Reports and our Corporate Sustainability

Strategy. Although these commitments are not contained in the 2030 Agenda, we would like to report on them and also point out that they will continue to be the focus of our work until they are fully met.

COMPLETION STATUS OF SUSTAINABILITY COMMITMENTS MADE FROM 2018 TO 2021



Completed



Ongoing work



In process of completion

Sustainable Management

Have a Corporate Sustainability Strategy (2018-2019)	Create a Corporate Sustainability Committee (2018) (2018-2019)	Implement the Corporate Sustainability Strategy (2019)	Define Sustainability Management Indicators (2019) (2020)	Position sustainability on the Molymet Strategic Agenda (2019-2020)	Measure performance with the Dow Jones sustainability index. (2020)	Measure stakeholder perception of sustainable management (2020)	Have a Sustainability Strategy aligned with the Purpose (additional) (2020)	Have a Stakeholder Engagement Policy (additional)	Communicate our social, economic and environmental performance (additional)
--	--	--	---	---	---	---	---	---	---

Governance

Implement a Sustainability Training Plan, DEI (Diversity, Equity and Inclusion) (2018-2019)	Recertification of responsible conduct through ASIQUIM (The Chilean Chemical industry Association) (2018) (2018-2019)	Implement a digital platform to manage business risk and regulatory systems (2019-2020) (2020)	Have an Ethical Management System in place (additional)	Have a Crime Management System in place (additional)	Have a manual for Risk Management and Economic, Social & Environmental Crisis Management (additional)	Put a Corporate Human Rights Policy in place (additional)	Have a Board of Directors that is managed in a sustainable way (additional)
---	---	--	---	--	---	---	---

Employees

Prepare and share a new Code of Conduct (2019)	Sensitize and train all employees in sustainability matters (2018)	Obtain SA8000 scertification for socially acceptable practices in the workplace (2018) (2019)	Design a 2020 Inclusion Plan (2019-2020)	Have all our employees complete Code of Conduct certification and evaluate the extension of this to other stakeholder groups (2020)	Have a corporate DEI Plan which includes a 2020 Diversity Plan (2020)	Obtain SA8000 scertification for socially acceptable practices in the workplace at MolymetNos (2020)	Have a Flexible Compensation and Benefits System (additional)	Have a Talent attaction, development and retention Strategy (additional)	Promote organisational commitment through an Employee Relations Strategy (additional)	Have a Performance Management System in place (additional)	Strengthen the company brand as a good place to work (additional)	Have a Quality of Life Strategy (additional)	Have a Policy and Integral Plan for Occupational Health & Safety (additional)
--	--	---	--	---	---	--	---	--	---	--	---	--	---

COMPLETION STATUS OF SUSTAINABILITY COMMITMENTS MADE FROM 2018 TO 2021



Completed



Ongoing work



In process of completion

Suppliers	Have a Corporate Supplier Policy (additional)	Implement an Evaluation System based on sustainable criteria (additional)	Give preference to contracting local suppliers (additional)	Have a policy for the development and nurturing of small and micro enterprises (additional)				
Communities	Continue to strengthen links with our communities (2019)	Have a Community Engagement Policy (additional)	Have a Support and Donation (CSI) Policy (additional)					
Environment	Maintain and improve environmental indicators (2018)	Move towards the use of clean energy (2018)	Assess Feasibility of windmill construction at Molymet Belgium Sadaci (2018-2019)	Improve integrated waste management system towards the goal of zero waste (2019-2020) (2020)	Improve water efficiency by 1 to 3% and increase the use of renewable energies (2020)	Have an updated Integrated Environmental Management System in place (additional)	Have a Policy for Prevention and Management of Environmental Incidents (additional)	Put a Climate Change Policy in place that integrates energy and water efficiency, emission reduction and eco-design (additional)
Clients	Have a Corporate Policy for Client Satisfaction (additional)	Have a Corporate Policy for client evaluation (additional)	Define the guidelines that will give direction to Molymet's marketing (additional)					



04 Our People

The most important!

Cultivating transcendent relationships

These last two years have been very different. We faced unprecedented uncertainty, which has affected us at every level but it has also made us grow as people and as a company. This uncertainty will continue for some time but it no longer takes us by surprise because the resilience we have acquired has made us more adaptable to whatever comes our way.

In this chapter we describe the progress we have made in keeping the focus on our people, who are the essence of who we are.

The specific commitments regarding employees, with indicators and metrics, can be reviewed in our Sustainability Agenda 2030 in chapter 3.

1. Employees

GRI [102-8]

1,305 Total employees

	Molymet Corporate	MolymetNos	Molynor	Molymex	Molymet Belgium	Molymet Germany
Category						
Executives	27	10	6	5	7	6
Middle Managers & professionals	130	126	75	35	26	5
Administrators & operators	16	450	114	98	128	41
Contract						
Permanent	173	566	184	135	152	48
Temporary	---	20	11	3	9	4
Type of Contract						
Full-time	172	586	195	138	143	43
Part-time	1	---	---	---	18	9

GRI [102-8, 401-1]

New hires

We have an internal mobility policy which means we only look for external talent when we are unable to fill vacancies with our own employees.

Employees	Gender	Age	Molymet Corporate		MolymetNos		Molynor		Molymex		Molymet Belgium		Molymet Germany		Total
			N°	%	N°	%	N°	%	N°	%	N°	%	N°	%	
New contracts (earnings)	Women	Up to 30	1	33.3	6	37.5	1	33.3	3	100	1	100	---	---	12
		31-50	2	66.7	8	50	2	66.7	---	---	---	---	---	---	12
		Over 50	---	---	2	12.5	---	---	---	---	---	---	1	100	3
	Men	Up to 30	---	---	27	39.1	9	50	2	50	18	66.7	---	---	56
		31-50	11	84.6	36	52.2	9	50	2	50	9	33.3	---	---	67
		Over 50	2	15.4	6	8.7	---	---	---	---	---	---	1	100	9

GRI [401-2]

Employee turnover

Molymet has talent mapping, individual development plans, internships, foreign postings and succession plans in place. Our leaders in each area of the company actively participate in people development. All these factors contribute to our low employee turnover.

Employees	Gender	Age	Molymet Corporate		MolymetNos		Molynor		Molymex		Molymet Belgium		Molymet Germany		Employee turnover
			N°	%	N°	%	N°	%	N°	%	N°	%	N°	%	
Employee turnover (departures)	Women	Up to 30	---	---	8	38.1	3	27.3	1	100	2	100	---	---	14
		31-50	5	100	11	52.4	8	72.7	---	---	---	---	1	50	25
		Over 50	---	---	2	9.5	---	---	---	---	---	---	1	50	3
	Men	Up to 30	---	---	36	27.3	9	22	2	40	15	55.6	2	33.3	64
		31-50	8	72.7	74	56.1	25	61	1	20	8	29.6	1	16.7	117
		Over 50	3	27.3	22	16.7	7	17.1	2	40	4	14.8	3	50	41

GRI [401-2]

Employee benefits

Molymet is a place where managers’ office doors are open and teams chat over lunch in the canteen. The pandemic changed that. So as part of the Employee Assistance Program, led by the Quality of Life area, a series of talks were given during 2021 to give our people tools as they juggled their work, their children and their personal needs and also, to create a sense of togetherness despite the social distance we have been living with.

In response to these realities, we implemented a new category of corporate flexible benefits to meet the changing needs of our people. Some of the new benefits: Employees can now take three days off a year for personal matters; reduced working hours on Fridays; and our Home Office Policy allows for working remotely one day a week.

The cycle of workshops dealt with the following:

- Who are you since 2020?
- Assertive Communication with teenagers
- How to handle debt in a healthy way?
- Dealing with transitions. Strategies for adapting to change
- Healthy nutrition
- Return: New routines and goodbyes
- Genuine collaboration
- Gratitude
- Discovering what we are good at
- End of the Beginning “The contribution of Positive Psychology to Wellbeing”

Benefits and percentage of employees covered:

Benefit coverage	Molymet Corporate	MolymetNos	Molynor	Molymex	Molymet Belgium	Molymet Germany
Life insurance	92%	72%	91%	43%	100%	13.5%
Complementary insurance for employees and their families	92%	72%	91%	59%	100%	13.5%
Health insurance	92%	72%	91%	100%	100%	3.8%

2. Our Employee Brand

Molymet Attitude

Apart from being a great place to work and building the teams we already have, we also want our employees to be part of creating value with innovative ideas. This led to a new focus on positioning our Employee Brand through storytelling called "My Molymet Story" and "Molymet Attitude". Through this project, we want to make ourselves better known in the marketplace and showcase who we are and what it is like to work at Molymet.

Several employees have given us their testimonials, giving us the opportunity to communicate their Molymet experience as inspiration for these stories.

"Our objective is to position ourselves as an attractive company for talent and also to share our employee brand with everyone inside the company. After all, the best people to be ambassadors for our employee brand are our own people who already experience it every day."

Valentina Visentini Talent Attraction and Employer Branding Consultant

Code of Conduct

This year we launched our Code of Conduct that we worked on collaboratively with the consultancy, ProHumana. To make the contents known by all our employees we launched a campaign called "Fair Play". This explained the required conduct rules that we need to follow in order to keep creating value through products developed by people who think about the well being of the planet and society.

At Molymet we promote equal opportunities and meritocracy. We want to ensure the personal and professional development of each employee, and this is reflected in each of our people management policies and procedures. We do not accept any kind of discrimination or harassment, whether cultural, racial, ideological, religious, sexual orientation or disability. This code, in addition to a set of rules defining employee actions presents a guide to help us build relationships with the highest ethical standards and promote best practice in everything we do at Molymet and its subsidiaries.



Claudia Zúñiga

Finance Analyst, was the first person to be invited to Actitud Molymet (Molymet Attitude)

"When they invited me to be part of this project, it brought back so many memories of my 10 years at Molymet. A big part of our lives is spent here in this wonderful company, a workplace where we are valued as people and cared for. I feel this has been key to what has inspired our growth."



David Magnere

Manager Corporate Strategic Management, Molymet

"The key to development in the company is having a positive attitude and adding value. At Molymet there is much to be done. We have a unique global position from where we can bring value from different perspectives."



Javier Guevara

Sales Manager, Molymet.

"Living and working in a different country has been tremendously enriching for me and for my family. England is one of the most cosmopolitan countries in the world and it has given me respect and appreciation for other cultures and a wider global perspective."

"Accountability and integrity have always been fundamental to Molymet and its subsidiaries, and we know that everything we have achieved has been thanks to the valuable contribution of the people who make up this organisation."
John Graell, CEO, Molymet.

More information about our Code of Conduct in Chapter 1: Governance.

Purpose Influencers

[Read more about this initiative in Chapter 2](#)

Molymex Great Place to Work 2021

For the 2nd consecutive year, Molymex was recognized as one of the best places to work by Great Place To Work (GPTW) Mexico, the institution that highlights business relations and commitment to their employees.

GPTW certifies companies as a "best place to work" through a survey of all employees that accurately measures behaviour and work environment by assessing 5 dimensions: credibility, respect, fairness, pride and camaraderie.

"Without a doubt these results are a reflection of the actions and behavior of our leaders in this organization. They also represent the efforts made by the company to provide training and guidance for people. We must not forget that it is the employees themselves who evaluate and deliver these results."
Roberto Sánchez, HR & Business Affairs Director, Molymex.



3. Labor Relations

Molymet maintains strong, ongoing dialogue with unions and each subsidiary has a local Employee Relations Committee.

As at 31 December 2021, Molymet has 2 collective bargaining agreements in process and 5 closed negotiations. Collective bargaining is how we seek to improve conditions for our employees. Processes in each subsidiary are carried out in accordance with country legislation and local circumstances. Negotiations can be conducted directly between the organisation and employees, or through mediation led by a third party, always based on transparent and respectful dialogue.



Employee Relations Committee

A few years ago, we began to significantly strengthen labor relations with employees beyond collective bargaining.

Since 2020, the Employee Relations Committee has been in place to define the strategy and process for collective bargaining. It is led by the Corporate Vice-Presidency of HR and Communication and meets every two months. Its objectives are to strengthen commitment of our teams to Molymet's culture and purpose to build long-term benefits.

This year we participated in the measurement of the Labor Relations Index (IRL). This Sustainability indicator will allow us to integrate, devise and enhance action plans that underpin Molymet's Employee Relations Strategy.

Our 2030 Sustainability Agenda commitment is to Exceed the Labor Relations Index industry average by 10 points.

GRI [102-41]

Unions and Collective Bargaining

Unions	MolymetNos	Molynor	Molymex	Molymet Belgium	Molymet Germany
N° of Unions	2	2	1	NA	NA
N° Unionized Employees	412	112	55	NA	NA
N° of Employees covered by collective agreements	412	101	55	NA	NA

*At Molymet Belgium & Molymet Germany we are governed by European Union laws which protect union membership data therefore we do not have exact information for these subsidiaries.

As at 31 December 2021, Molymet had 2 collective bargaining agreements in process and 5 closed negotiations.

4. Diversity, Equity and Inclusion (DEI)

In line with our Employee Relations Strategy and Purpose, we foster a diverse and inclusive culture. Within this context we are designing a Diversity, Equity and Inclusion Strategy for Molymet and its subsidiaries working in consultation with our leaders and teams to support each other on this journey. In 2021 several training sessions were held including "Hire with Diversity, Equity and Inclusion" by the Human Capital Institute and Diversity, Equity & Inclusion for Human Resources.

GRI [405-1]

Number of Women and Men per subsidiary

Age	Category	Molymet Corporate	MolymetNos	Molynor	Molymex	Molymet Belgium	Molymet Germany	Total
Under 30	Executives	---	---	---	---	---	---	---
	Middle Managers & professionals	12	12	7	4	9	1	43
	Administrators & operator	7	36	23	16	19	2	103
	Sub-total	19	48	30	20	28	3	146
Between 30 y 50	Executives	20	9	5	1	3	5	43
	Middle Managers & professionals	97	92	59	30	22	5	305
	Administrators & operator	7	287	76	71	57	14	512
	Sub-total	124	388	140	102	82	24	860
Over 50	Executives	7	1	1	4	4	6	23
	Middle Managers & professionals	21	21	9	1	16	1	69
	Administrators & operator	2	128	15	11	31	18	205
	Sub-total	30	150	25	16	51	25	297

Other DEI indicators

DEI Indicators	Molymet Corporate	MolymetNos	Molynor	Molymex	Molymet Belgium	Molymet Germany
% Foreign employees	7%	3%	7%	1%	8%	%
% employees with different capacities	%	1%	1%	1%	%	2%



Gender Equity

Our DEI focus is on gender equity. We want more women in leadership roles, more female hires across the group and we want to close salary gaps. Beyond the workplace we have introduced policies like supporting parenting co-responsibility and balancing work and family life. These issues are especially relevant in traditionally male dominated industries like ours and we are addressing them step-by-step. In 2021, 5 women were appointed in leadership roles.

Our 2030 Sustainability Agenda Commitments to women:
 Reach a female staff complement of 20%
 Increase the number of women in leadership positions to 30%

GRI [405-1]

Staffing by Gender and Position

Gender	Category	Molymet Corporate	MolymetNos	Molynor	Molymex	Molymet Belgium	Molymet Germany	Total
Women	Executives	6	2	---	1	2	4	15
	Middle Managers & professionals	39	20	14	8	15	5	101
	Administrators & operator	10	28	8	14	3	7	70
	Sub-total	55	50	22	23	20	16	186
Men	Executives	21	8	6	4	5	7	51
	Middle Managers & professionals	91	103	61	27	31	2	315
	Administrators & operator	6	423	106	84	105	27	751
	Sub-total	118	534	173	115	141	36	1,117

GRI [405-1]

Promotion of women to leadership roles

	Molymet Corporate	MolymetNos	Molynor	Molymex	Molymet Belgium	Molymet Germany	Total
Management	---	1	---	---	---	---	1
Deputy Management	---	1	---	---	3	---	4
Superintendents	---	1	---	---	---	---	1
General	---	1	---	---	---	---	1

Promotion of women to leadership roles is one of the commitments we have made in our 2030 Sustainability Agenda. Please see Chapter 3 for more information.

Pay Equity

Our Compensation Policy introduced in 2020 has been an essential tool to identify and mitigate Gender bias. We want to ensure pay equity based on position levels and the corresponding levels of competitiveness in the market.

Our compensation practices are based on HAY Methodology which links position level, band and performance, regardless of gender to prevent possible unjustified salary gaps between men and women.

We have gradually phased in different monetary and non-monetary initiatives towards a quality, safe and inclusive work environment.

GRI [405-2]

Base salary average: ratio women to men

Position	Gender	Corporate	MolymetNos	Molynor	Molymex
Executive	Men	US\$12,047	US\$8,738	US\$8,227	US\$6,911
	Women	US\$9,335	US\$6,071	0	NT
	Ratio	29%	44%	---	NT
Middle Management	Men	US\$3,928	US\$3,077	US\$3,671	US\$1,623
	Women	US\$3,834	US\$3,481	US\$3,469	US\$1,881
	Ratio	2%	-12%	6%	-14%
Professionals	Men	US\$3,112	US\$2,320	US\$2,519	US\$823
	Women	US\$2,287	US\$1,759	US\$2,185	US\$797
	Ratio	36%	32%	15%	3%
Administrators & operators	Men	US\$1,051	US\$1,035	US\$1,545	US\$763
	Women	US\$1,801	US\$967	US\$1,787	US\$839
	Ratio	-42%	7%	-14%	-9%

* Molymet Belgium: In Belgium, proof of gender neutrality has to be submitted to the Labor Council every two years

* Molymet Germany: A comparison is not possible as job tasks and training are too different to other subsidiaries

** Molymex: it is not possible to deliver the information, since this amount corresponds to the salary of an executive.

GRI [401-3]

Parental Co-responsibility

We promote co-parenting because studies and practice show that it is the most effective way to boost the role of women in business.

The challenge is the equal sharing of family responsibilities particularly caring for children. Our policies and benefits encourage men and women to develop new perspectives on traditional roles to aid self-fulfillment in all areas of their lives.

One of the practical things we did this year was the opening of a breastfeeding room in the Corporate building. We have also extended parental leave to all subsidiaries in accordance with the legal regulations of each country.

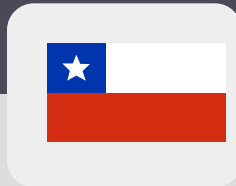
Interestingly, the biggest obstacle has been to get men to take this leave. They are entitled to it by law but often do not take it because it is not usual in many cultures.



Return to work rate after taking parental leave = Women 72.7%
Men 100%

Right to Parental Leave

Employees	Corporate	MolymetNos	Molynor	Molymex	Molymet Belgium	Molymet Germany	Total
<i>N° with right to take parental leave</i>							
Women	6	2	2	---	1	---	11
Men	---	3	5	2	38	---	48
<i>N° who have actually taken parental leave</i>							
Women	6	2	2	---	1	---	11
Men	---	3	---	2	9	---	14
<i>N° who have returned to work after taking parental leave</i>							
Women	1	4	2	---	1	1	12
Men	5	---	---	2	9	9	26
<i>N° who took parental leave and are still employed 12 months after their return to work</i>							
Women	0	2	1	---	---	---	3
Men	4	---	---	---	---	---	4

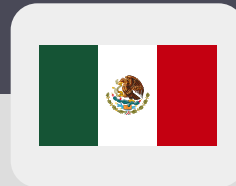


Chile

The working mother is entitled to 12 weeks maternity leave after the birth of her child.

As a result of the pandemic and during the period of the constitutional state of disaster was in place, this postnatal benefit to the mother was extended by 30 days on leave license authorized by a doctor. This could be extended twice (90 days maximum) and changed to the respective health insurance. This extra benefit ended at the end of the state of disaster on 30/09/2021.

In the case of the working father, he has the choice of taking paternity leave from the 7th week or at the end of the period. This leave only applies if both the mother and the father are employed at the company.



Mexico

The working mother is entitled to 6 weeks maternity leave before the birth of her child and 6 weeks after the birth.

At the request of the mother and with previous written authorization by a doctor at the health insurance institution, she may transfer 4 of the 6 weeks prenatal leave to after the birth.

In the case of the father, following the birth of a child, Federal Labor Law allows for permission of paternity leave for 5 working days with full pay on certification by a medical doctor. The same applies in the case of adoption of a baby.



Belgium

The working mother is entitled to 15 to weeks maternity leave (up to 19 weeks for multiple births) which is divided into prenatal and postnatal leave. The first is obligatory prenatal leave that must be taken before the birth. In the case of the father, paternity leave is 15 days. Employees can also apply for other types of leave in addition to the maternity and paternity leave.



Germany

The working mother is entitled to 6 weeks prenatal maternity leave and 8 weeks postnatal. Parental leave may be taken for up to 36 months (for each baby) and this is possible for both the father and the mother. The leave is divided into 3 shorter periods up until the child is 8 years old. In the majority of cases in Germany, the mother takes 12 months' leave and the father takes 3 months.

5. Training and Sustainable Leadership Development

At Molymet we believe that if people are to find purpose in their work, they must be given every possibility to grow within the company and to fulfill themselves professionally.

In 2021 we designed a new Talent Management Strategy aligned with company purpose and global trends to prepare our people for the future and ensure succession readiness.



Corporate Training Policy

Artificial intelligence, robotics and machine learning is are changing how we work and what we need to know. Our corporate training policy is designed to develop employees and senior executives in a range of competencies and skills to better equip them for a global setting where want to strengthen our market leadership.

Going forward we will act on the findings of a survey conducted by COE Centre of Expertise to design a training program for young professionals in our Corporate office.

During 2021, the average number of training hours per employee was 34.6.

Our 2030 Sustainability Agenda commitment is to increase training hours by 15%.

GRI [404-1]

Total Training Hours by Gender and Position

	Category	Molymet Corporate	MolymetNos	Molynor	Molymex	Molymet Belgium	Molymet Germany	Total
Gender	Woman	390	1,205.5	596	1,517.5	3,539	104	7,352
	Men	1,912.5	10,285.5	4,167	5,331.75	15,786	264	37,746.75
Position	Executives	473.5	282	164.16	324	17	80	1,340.66
	Middle managers & superintendents	659.5	5,140	875.77	2,189.5	24	24	8,912.77
	Professionals	1,135.5	3,478.5	1,351	794.5	3,748	112	10,619.5
	Administrators & operator	34	2,590.5	2,372.19	3,541.25	15,536	152	24,225.94



GRI [404-2]

Training Programs carried out 2021

Subsidiary	Description	Subsidiary	Description
Corporate	Tools and knowledge to support strategic challenges of each area Leadership Programs: emerging leaders and senior executives Purpose internalization workshops Coaching skills for leaders Technical skills Language skills Digital platforms and E-learning incorporated	Molymex	Ongoing Topics: change management, environmental conservation, managing psychosocial risks, leadership, creating a culture of high trust, Lean philosophy, Molymex Business University: professional training in Molybdenum. Transformation Foreign Trade training for Employees in Commercial Management Tax Diploma for Employees in the Accounting Division Theoretical and technical skills in handling manual loading equipment in Production areas
MolymetNos	Training focused on Maintenance staff, mechanics, electricians and instruments technicians Certification in: Managing Elevadora Platform, IPAF, NFPA 70e Electrical Safety and Radiological Protection.	Molymet Belgium	Training was focused on getting our PurOx Plant ready for startup: PurOx operator training, on-the-job training for internal promotion and new hires, new lab equipment, leadership training program and safety training updates.
Molynor	Daily checks on emotional wellbeing during Pandemic Closing skills gaps Alliance with SOFOFA allows us use of the SENCE training subsidy. This enabled us to double the number of training hours compared to 2020.	Molymet Germany	Training: First aid and fire protection, Electricity, Air Cargo Security Laboratory, Welder, Cargo securing Customs.



Performance Appraisal and Feedback process

Performance appraisal is an essential element of communication between leaders and their teams giving them space to work together on aspects that need improvement and to celebrate great work and innovation. This year, 23 executives participated in a program to learn how to coach their teams, presented by the renowned international Coach, Damián Goldvarg. A key theme was the methodology and practice of feedback with a view to team performance and development.

In 2021, a total of 974 Employees received their performance evaluations (75% of our total staff). For the second consecutive year, the performance management process was administered through the SAP Success Factors platform, which has allowed us to standardize both the methodology and the activities carried out in the process. One of the advantages of using this system is that it now provides applicable information for making cross-cutting decisions on talent management, like internal mobility, succession, development.

GRI [404-3]

Training programs carried out

Gender	Molymet Corporate	MolymetNos	Molynor	Molymex	Molymet Belgium	Molymet Germany	Total
Men	97%	86%	38%	100%	23%	36%	75%
Women	93%	77%	76%	100%	20%	14%	73%
Total	96%	93%	42%	100%	22%	40%	75%

Percentage of people evaluated by position

Category	Molymet Corporate	MolymetNos	Molynor	Molymex	Molymet Belgium	Molymet Germany	Total
Evaluated executives	100%	100%	100%	100%	100%	55%	89%
Middle Managers & professionals	93%	91%	90%	100%	40%	100%	93%
Administrators & operators	92%	94%	15%	100%	18%	24%	64%
Total	96%	93%	42%	100%	22%	40%	75%

Universidad Empresarial Molymex

The Molymex Business University is an internal educational institution within Molymex that is currently training the fourth generation of Molybdenum Transformation Professionals. With innovation as its basis, the University continuously strengthens and develops employee competencies, knowledge and skills, deepening the production processes through an online platform that allows trainers from all over the world.

While the university programs are presently limited to Employees, Molymex's vision for the future is to include external workers to foster joint collaboration with all the industry players around them.



6. Occupational Health and Safety Management (OHS)

Our Corporate OHS policy complies with the highest standards and as operators have the highest risk for accidents it considers: Leadership, Legality, Prevention, Training, Operational Safety, Continuous Improvement, Participation and Consultation.

All our subsidiaries have Joint Health and Safety Committees made up of employees elected by direct vote. They carry out scheduled inspections in different areas to assess working conditions, monitor and propose improvements or corrections.

In our American and European subsidiaries, the OHS Management System is based on a model that incorporates safety, health, hygiene and ergonomics. We are governed by the international standard ISO 45001, which is monitored and evaluated by the Integrated Management System..

Transversal principles

Our Corporate Occupational Health and Safety Policy reaffirmed our commitment to meeting the highest standards of health and safety.

We have declared 7 transversal principles:



We are regulated by the international ISO 45001 standard which is monitored and evaluated by the Integrated Management System.

Safety Conscious Program: MolymetNos

In 2021, MolymetNos began a campaign to take safety awareness to a higher level. The Safety Conscious Program was created and led by Ricardo Araya, Operations Manager, and Juan Fuentealba, Safety and Occupational Health Superintendent.

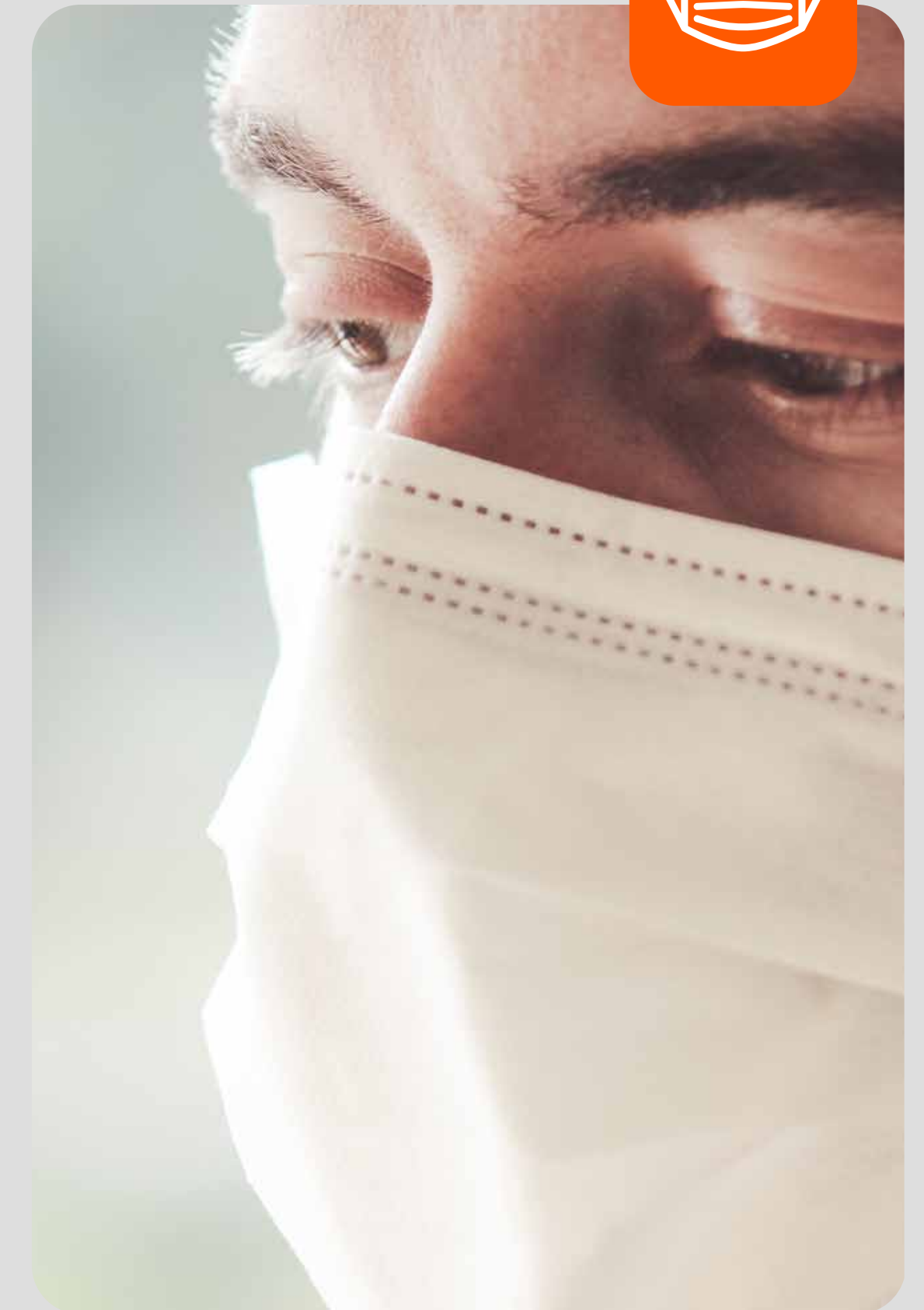
"Our main objective is to make safety awareness the starting point for all work undertaken. We want our Employees to value their lives over anything else." Juan Fuentealba, Superintendent Occupational Health and Safety

Apart from employee safety, where each person is accountable for self-care and compliance with safety standards, the obvious benefits from this program are reduction of lost days and unscheduled interruptions of plant processes. These translate

into sustainable results and operational excellence. The customized program gives predictive indicators and visualizations that mean we can now broaden our safety awareness to external contractor staff.

Injury, disease and illness at work

Daily, in line with our Corporate Occupational Health and Safety Policy, we boast an organizational culture based on selfcare, individual responsibility. We believe in the capacity of each employee to protect themselves physically and psychologically. All our employees are conscious of working sustainably and arriving at work and going home healthy and safely. This is reflected in how we have implemented and met the highest industry safety standards.



GRI [403-9, 403-10]

Injuries, deaths, accidents Employees

	Corporate	MolymetNos	Molynor	Molymex	Molymet Belgium	Molymet Germany
Hours worked	395,280	1,026,877	451,714	297,730	232,135	100,506
N° serious injuries	0	2	0	0	1	0
Rate*	0	1.9	0	0	4.3	0
N° injuries reported	0	13	0	1	1	2
Rate*	0	12.7	0	3.4	4.3	9.9
N° fatal accidents	0	0	0	0	0	0
N° diseases reported	0	3	0	0	0	0
N° accidents	1	13	0	1	7	2
Accident rate	0	2.3	0	3.4	36.6	2.79
Frequency Index*	2.5	12.7	0	3.4	4.31	9.9
Serious Accident Index *	0	227.3	0	33.6	116.31	139.3

*Calculated per 1.000.000 hours worked

Injuries, deaths, accidents Contractors

	Corporate	MolymetNos	Molynor	Molymex	Molymet Belgium	Molymet Germany
Hours worked	45,081	2,583,599	287,522	173,147	76,636	NA
N° serious injuries	0	0	0	0	0	NA
Rate*	0	0	0	0	0	NA
N° injuries reported	1	15	2	0	2	NA
Rate*	22.2	5.8	7	0	26.1	NA
N° fatal accidents	0	0	0	0	0	NA
N° diseases reported	0	0	0	0	0	NA
N° accidents	1	15	2	0	0	NA
Accident rate	0	2.1	0.06	0	2.7	NA
Frequency Index*	22.2	5.8	7	0	26.1	NA
Serious Accident Index *	0	6.4	24.3	0	0	NA

*Calculated per 1.000.000 hours worked

* In 2021 there were no contractors at Molymet Germany

GRI [403-8, 403-4]

Joint Committees : Hygiene and Safety

All our subsidiaries have Joint Health and Safety Committees made up of employees elected by direct vote. They carry out scheduled inspections in different areas to assess working conditions, monitor and propose improvements or corrections.

In our American and European subsidiaries, the OHS Management System is based on a model that incorporates safety, health, hygiene and ergonomics. We are governed by the international standard ISO 45001, which is monitored and evaluated by the Integrated Management System.

	MolymetNos	Molynor	Molymex	Molymet Belgium	Molymet Germany
Committee name	Joint Committee of Hygiene & Safety	Joint Committee of Hygiene & Safety	Joint Committee of Hygiene and Environment	Committee for Prevention and Protection at Work (CPBW)	Occupational Safety Committee
N° Employees represented	586	195	138	Not known	50
% Employees represented	100%	100%	100%	Not known	100%
N° Employees participating	6	12	19	5	5
N° of direct employees	6	0	0	2	1

GRI [403-5]

Health and Safety Training

Our Health and Safety Program is focused on providing ongoing training to employees so that they can recognize and assess the risks associated with the activity they carry out and are able to take preventive action.

In total, we dedicated 7,409.5 hours of training on health and safety issues to our corporate and subsidiary employees, distributed over 613 activities.

	Corporate	MolymetNos	Molynor	Molymex	Molymet Belgium	Molymet Germany
Corporate No Health & Safety Training Activities	2	427	42	18	108	16
% Employees who participated in training activities	70%	42%	85.8%	100%	90%	100%
Training Hours	544.5	2,986	1,520	58	2,482	359

Molymet awarded COVID-19 Seal

The Chilean Safety Association (ACHS) awarded us the COVID-19 Seal in recognition of a series of measures we developed and implemented to prevent infection, promote self-care and safety among our employees, since the pandemic began. This Seal is awarded in accordance with requirements established by the Ministry of Health and the Superintendency of Social Security (SUSESO). Our certification process began in March 2021 and we were found to be 100 compliant with all performance indicators and the control measures recommended by the ACHS.

This certification is testimony to the enormous work and effort that has been put into managing the health of all our employees in all our subsidiaries.

Preventative Sanitary Measures

As they were declared essential business activities, Molymet and its subsidiaries were able to continue operating throughout the pandemic with the exception of Molymex where operations were halted for one month due to a government decision.

To a large extent, work has been carried out on site and we adapted office space and operational areas to comply with social distancing requirements and employee safety. In 2020 our Employee Assistance Program provided free, voluntary support and advice for psychological, legal and financial concerns employees had.

In 2021, we continued with preventive measures in all our subsidiaries to avoid the spread of COVID-19, including internal and external dissemination of protocols designed according to the scenario of each subsidiary, formation of internal committees

to analyze, review and implement preventive measures, access filters, sanitary stations, increased cleaning and sanitization routines, lunch shifts and, in general, compliance with all labor regulations and legislation relating to preventive measures. It should be noted that an important milestone in this area was the implementation of teleworking to avoid the accumulation of people in common spaces, implementing a hybrid mode, which has borne fruit with no cases of occupationally-caused COVID-19. As additional benefits, a COVID-19 bonus was given to all workers in the operational area, we implemented a home PCR examination program, we improved the complementary health insurance coverage plan contracted for this disease and we contracted a new COVID-19 insurance policy in the event of death and medical expenses.



We create value!



05 Environmental Performance

Let's think about the wellbeing of the planet!



1. Climate Change

Climate change poses one of the most critical challenges for humanity and as businesses we have an essential role to play in combatting it. Today our company has an Environmental Management System based on policies of continuous improvement, created to guarantee care of the environment throughout our operations.

Our journey has started with ongoing improvement processes since 2020 and we are now working on our first Corporate Climate Change Policy which will be our route to adapting to and mitigating against climate change and will help us to establish clear, concrete targets over time. With the focus that is being placed on this we expect to complete this during the 1st quarter of 2022.

Our 2030 Sustainability Agenda Emissions Commitment is to reduce greenhouse gases by 20%



GRI [305-1, 305-2, 305-3]

Carbon footprint

We constantly monitor our carbon footprint looking to reduce our emissions. During 2021, all our subsidiaries completed greenhouse gas inventories for Scopes 1 and 2 direct and indirect impacts on the atmosphere. In addition, our MolymetNos, Molynor, Molymex and Molymet Belgium subsidiaries have carried out measurements for scope 3 indirect greenhouse gas emissions.

During 2021, the total scope 1 and 2 emissions at Molymet correspond to 76,646 tons of CO₂ equivalent.

Direct Emissions (Scope 1)	TonCO ₂ eq				
	MolymetNos	Molynor	Molymex	Molymet Belgium	Molymet Germany
Liquefied gas emissions	143	1,601.3	1,316.7	---	1.5
Diesel emissions	4,034	5,045.1	1,827.7	157	10.1
Emissions from other combustion processes	17,066	---	---	4,772	---
Total direct emissions	21,243	6,646.4	3,144.4	4,929	11.6

Indirect Emissions (Scope 2)	TonCO ₂ eq				
	MolymetNos	Molynor	Molymex	Molymet Belgium	Molymet Germany
Emissions from electricity generation	18,279	6,373	5,740	6,968	1,045
Heat-generated Emissions	---	---	---	---	1,450
Emissions from chemical treatment	---	---	---	---	817
Total indirect emissions	18,279	6,373	5,740	6,968	3,312
Total Scope 1 & 2	39,522	13,019	8,884	11,897	3,324



The above calculations followed the Greenhouse Gas protocol and were compiled on the basis of data for 2020, and in 2022 we will continue with the quantification for 2021. The Scope 3 calculation will be published once we have verified the 2021 carbon footprint data.



MolymetNos and Molynor received “Huella Chile” certification for quantifying Greenhouse Gas emissions

Huella Chile, a program of the Chilean Ministry of Environment was developed in response to provide appropriate support and tools to public and private organizations for the reporting and management of Greenhouse Gas (GHG) emissions

The objective of this voluntary program is to support and encourage voluntary management of GHG emissions, carbon footprint calculation and standardized reporting formats

In this context in 2021 the HuellaChile Quantification Seal, was awarded by the Chilean Ministry of Environment to Molynor and MolymetNos for having achieved quantification of their greenhouse gas emissions. For us as company, this is the first step towards initiating actions to reduce our GHG emissions.

GRI [305-3, 305-7]

Other significant emissions

Today our SO₂ emissions are 77.7% below the minimums established by current permits.

Our reduction commitment considers all types of emissions from Nitrogen Oxides (NO_x), Sulfur Dioxide (SO₂) and Ammonia (NH₃). In 2021 our emissions totalled 25.7 tons of NO_x and 620.4 tons of SO₂, generating a reduction of 28.6% and 24.1% respectively compared to 2020.

We also maintain 98% efficiency in SO₂ recovery at our scrubber plants where we generate sulfuric acid (H₂SO₄) as a by-product. This is then sold or used in our own operations.



	MolymetNos	Molynor	Molymex	Molymet Belgium
Regulation	Environmental Qualification Resolution (RCA) 435/2005 of the Environmental Assessment Service (Servicio de Evaluación Ambiental) Chile	Environmental Qualification Resolution (RCA) 018/2010 of the Environmental Assessment Service (Servicio de Evaluación Ambiental) Chile	Operating License No Bitácora: 26/AF-0075/11/09 de la Delegación Federal en Sonora	VLAREM (Flemish Environmental Permitting Regulation) based on "Industrial Emissions Directive" Large Volume Inorganic Chemicals
Permit in effect ton/year	984	839.6	410	552.3
Permit in effect ton/year	167.6	184	179.6	89.2

Zero emissions at Molymet Germany

Unlike our other subsidiaries, Molymet Germany does not produce any emissions at all because it does not have roasting processes. The values indicated in previous years for SO₂ and NO_x correspond to emissions generated in the production of electricity and natural gas.

Other emissions in Tons	MolymetNos	Molynor	Molymex	Molymet Belgium	Total
NOx	15.1	4.8	1.9	3.9	25.7

To be precise, we note that the lower SO₂ y NOx emissions were mainly due to lower production in 2021. Nonetheless we are committed to voluntary reduction of our emissions via various initiatives, one of which is detailed below:



GRI [305-1, 305-2, 305-5, 305-7]

MolymetNos Project to reduce SO₂ emissions

Approximately US\$60 Million has been invested in:

The Modernization and Strengthening of Gas Cleaning Systems and Roasting Facilities at MolymetNos.

The rationale behind this, our biggest project in decades, was to ensure reliability and operational sustainability and to go way beyond current environmental regulations by voluntarily reducing MolymetNos' sulfur dioxide (SO₂) emissions by 40%. In 2021 we received a favorable Environmental Qualification Resolution (RCA) to go ahead with this project. Site work has begun and Phase 1 is Scheduled for completion in 2024.

2. Responsible use of resources



GRI [301-1]

Raw Material: Molybdenite

Our raw materials are the first part our processing change where mineral contents of molybdenum go through various transformation processes to produce products and byproducts mainly destined for metallurgical, chemical and metal industries. By the end of our processes, we deliver products of the highest quality, meeting the highest sustainability standards and parameters. We act responsibly seeking to reach 100% reutilization of molybdenite and minimize waste generation through valorization.

Raw Material per subsidiary in Millions of pounds	Molybdenite
MolymetNos	58.5
MolyNor	31.8
Molymex	29.3
Molymet Belgium	26.5
Molymet Germany	3.1

GRI [302-1, 302-3, 302-4]

Energy



Our Corporate Energy Policy guides our ongoing search for more sustainable energy systems. This past year we made a specific commitment to convert to 60% renewable energy use by 2030

In our Strategic Agenda, we set ourselves the goal of reducing energy consumption per unit processed and each subsidiary defined a specific reduction target between 1% to 3%, according to their local realities.

After carrying out a series of initiatives to meet the proposed targets, our subsidiaries achieved a total energy reduction of 5,408.7 GJ in 2021.

Energy Consumption por Source type in GJ

Energy Sources	Molymet Corporate	MolymetNos	Molynor	Molymex	Molymet Belgium	Molymet Germany
Consumption of non-renewable fuels						
Diesel	14	57,364	33,861	24,994	1,908	161
Liquefied petroleum gas	---	8,818	21,582	22,960	---	---
Liquefied natural gas	---	325,883	---	---	140,326	20
Total non-renewable fuels	---	392,065	55,443	47,954	142,234	181
Other fuel sources						
Electricity	3,220	165,919	58,476	40,553	160,375	8,303
Heating	---	---	---	---	---	19,652
Total other fuel sources	3,220	165,919	58,476	40,553	160,375	27,955
Total Energy	3,234	557,984	113,919	88,506	302,609	28,136
Renewable energy consumption	---	---	107	---	---	5,123

Energy Intensity	MolymetNos	Molynor	Molymex	Molymet Belgium	Molymet Germany
Total consumption (GJ)	557,984	113,919	88,506	302,609	28,136
Unit processed (MMLbMo)	58.5	31.8	29.3	26.5	3.1
Energy intensity ratio of the organisation Consumption / Production	9,538	3,581	3,017	9,447	9,017

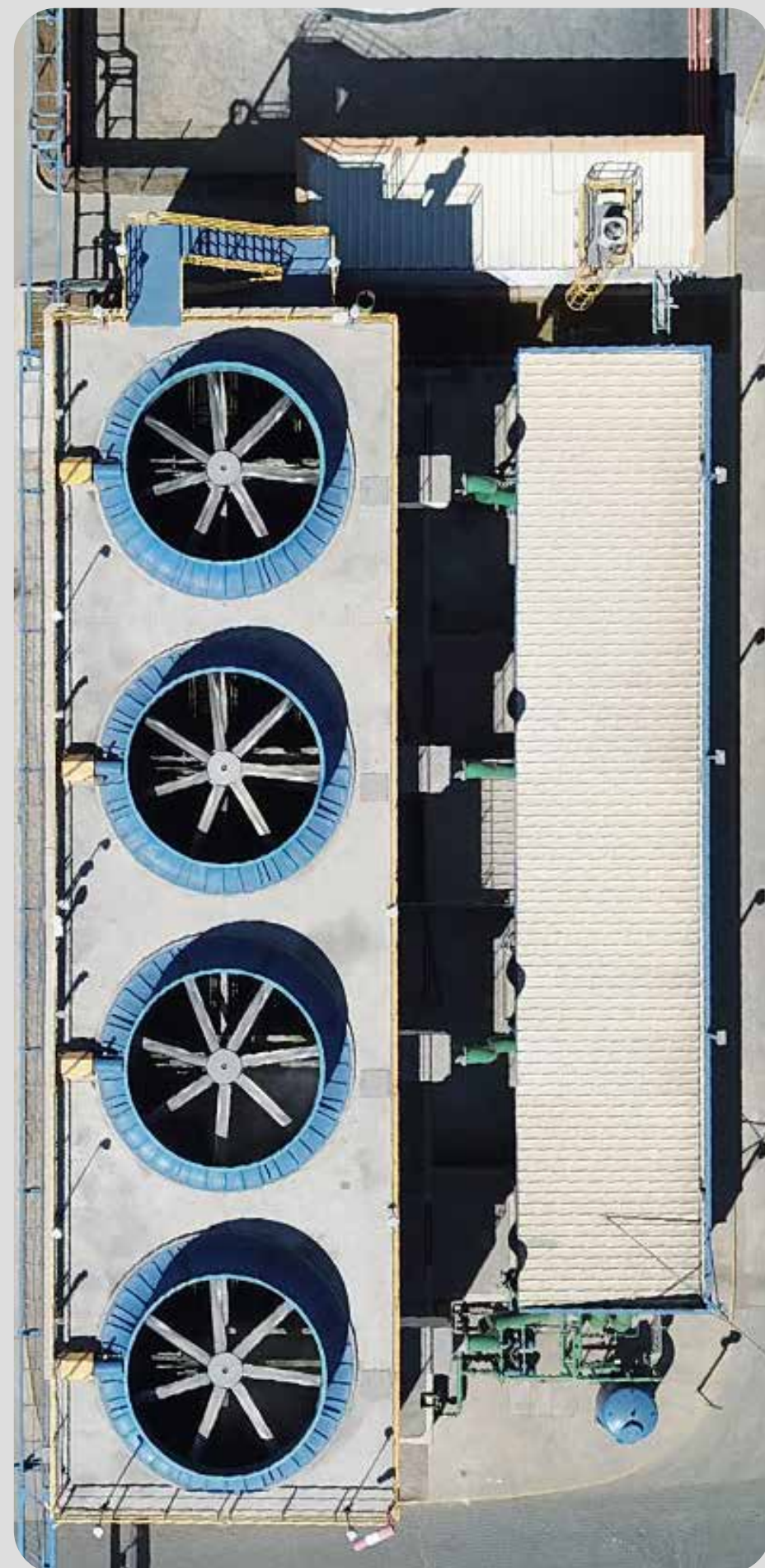


Progress on ISO 50001 Energy Efficiency Certification

The ISO 50.001 standard establishes an international framework for improved energy performance, reducing energy consumption and greenhouse emissions.

The Chilean Energy Sustainability Agency (ASE) awarded our subsidiaries, Molynor and MolymetNos co-funding for the implementation and certification of an Energy Management System based on the ISO 50.001 standard. This benefit enables us to prepare for compliance with the new 2021 Chilean Energy Efficiency Law.

Molymet Germany has been ISO 50.001 certified since 2015. Molymex is evaluating its implementation and since 2018 Molymet Belgium has participated in the Belgian government's EBO energy reduction agreement.



GRI [303-1, 303-3, 303-5]

Water

Water is an increasingly scarce resource, especially in countries like Chile due to their geographical characteristics and exposure to climate change.

Given the importance of this resource and its efficient use, it has become one of our main environmental priorities. To this end, we are working on cutting our water consumption at all our operations by recycling and recirculating water and developing specific plans aligned with this objective. In this sense we have made steady progress with water recirculation at our productive plants, currently having achieved 39% and 18,2% respectively at a consolidated level.

Here we highlight our water treatment at MolyMetNos and its ongoing optimization as well as the use of seawater at MolyNor by means of desalination.

In this respect, we have made a specific commitment relating to the efficient use of this resource – increasing the percentage of recirculated water and reducing intensity. For more detail, please take a look at our 2030 Sustainability Agenda in chapter 3.

*Our 2030 Sustainability Agenda Water Commitments are to:
Recirculate 64% of water used
Reduce water intensity by 10%.*

Water as a shared resource

	MolyMetNos	MolyNor	MolyMex	MolyMet Belgium	MolyMet Germany
Main Extraction sources	Maipo River Aquifer and Service Providers	Seawater abstraction station	Two groundwater extraction wells	Canal water and service provider	Local service providers for potable (drinking) water
Principal uses	People, production processes and garden irrigation	Operational processes and irrigation water	Process cooling systems, irrigation of green areas and sanitary services	Process cooling water, leach water	People Water cooling in processes
Impacts	Water scarcity due to drought, cleaning and maintenance of ditches/ canals and user conflicts	No significant impacts	No significant impacts	No significant impacts	No significant impacts
How we manage our impacts	Communication with all players to coordinate activities, support and collaborate	Ongoing monitoring and reporting	Ongoing monitoring, information sharing and internal awareness	Water is treated physico-chemically and discharged into the Gante-Terneuzen canal	Regular inspections and evaluations

Water Extraction in m³ / year

Source	MolymetNos	Molynor	Molymex	Molymet Belgium	Molymet Germany
Surface water	---	---	---	1,597.500	---
Underground water	24,466	---	118,300.3	372	---
Seawater	---	292,991	---	---	---
Stormwater*	---	---	---	157,894	2,905
3rd Party Water Suppliers (public potable water network)**	151,673	---	---	53,482	734
Total	392,139	292,991	118,300.3	1,809.248	3,639

* Industrial water from third parties.

**Municipal water suppliers, municipal wastewater treatment plants.

This indicator does not include water used by the Corporate Building which corresponds to a volume of 4.259 m³.



Water Recirculation

All our subsidiaries have water recirculation systems, allowing us to reuse this resource while reducing its consumption in our operations:

MolymetNos

1. Carried out a water balance to determine the recycled and recirculated water, resulting in all the treated water being reincorporated into the process.
2. Consolidated a Long-Term Water Management program with actions to secure external supply and new non-conventional sources; digital transformation; and the establishment of Water Committee made up of professionals with expert knowledge in this field.

Molynor

Automated its wastewater treatment plant, allowing pH control and improved measuring with both remote and on-site operation.

Molymex

Continued with the recirculation of water from toilets and evaporation capture from cooling systems resulting in a 9% increase in recirculation.

Molymet Belgium

1. Conducted a water flow audit this year where all water flows were investigated and possible reduction and reuse measures were assessed.
2. The Purox plant due for startup at Molymet Belgium will use several recirculation loops and all cooling water will be reused through closed cooling towers.
3. Joined the "Blue Circle Water" project, a three-year initiative to look at models of collaboration between different stakeholders like universities, neighboring companies and other entities aiming to reuse water and reduce consumption.

Water consumption in m³ / year

	MolymetNos	Molynor	Molymex	Molymet Belgium	Molymet Germany
Water consumption m ³	817,880	103,460	118,300	86,145	734
Unit processed (MMLbMoS ₂)	58.5	32	29.3	26.5	3.1
Water consumption / unit processed	13.980,9	3.253	4.032	3.250,8	236,8

Molymet Belgium committed to good use of water resources

At Molymet Belgium we know that consciously looking after water became even more important in the context of the pandemic. This is why we decided to participate in the “Blue Circle Water” project with this as a focus for the years’ planned activities.

This initiative of three years duration, researches ways of collaborating with different interested parties like universities, neighboring businesses and other entities to reutilize and reduce water consumption. For instance, the use of rainwater. In addition, the project shares pilot installations for the study of water reutilization, the valorization of residual water and the use of treated rain water. This network for learning about water was an industry initiative. In essence, having this kind of network is highly valuable and we have already participated a lot in different instances. At one of the monthly meetings held in Ghent we shared and discussed experiences and problems with all the other companies, sharing projects underway and previous projects aimed at reusing water and reducing consumption. There was also discussion about legislation relating to water.



Molymex, Clean Industry

In 2020 Molymex received PROFEPA Clean Industry Certification (performance level 2) for the 19th consecutive year. This is granted by the Mexican Federal Environmental Protection Agency (PROFEPA) under the Voluntary Environmental Audit Program.

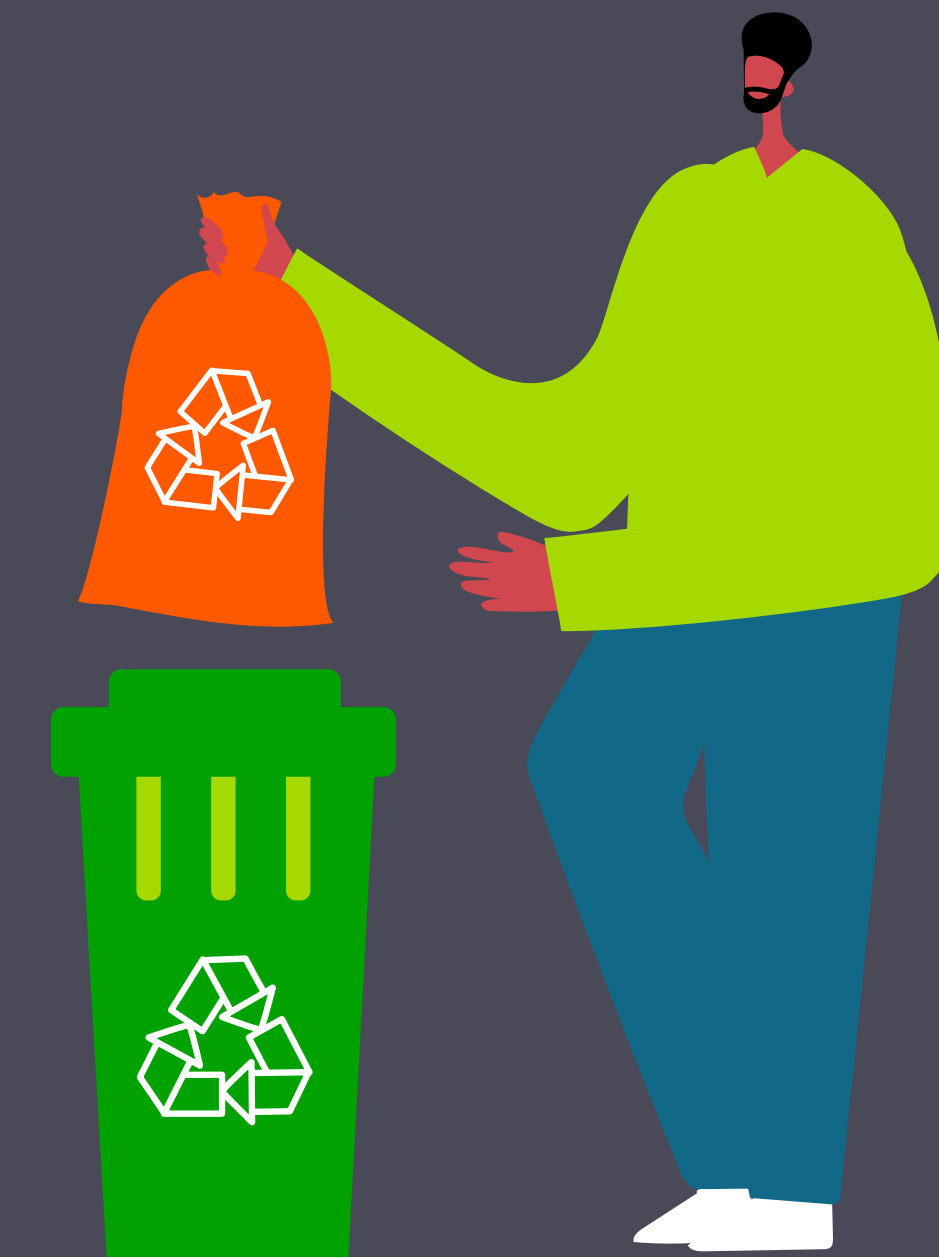
The certification involves an integrated, systematic, objective and documented evaluation with respect to the way a company, its employees and teams operate with the goal of protecting the environment.

3. Waste Management

GRI [301-2]

Reutilization and recycling

All subsidiaries actively carry out procedures to recycle and/or reuse waste from operational processes. This means we are able to significantly reduce overall expenses relating to primary materials, transport and energy.



MolymetNos		Molynor		Molymex		Molymet Belgium		Molymet Germany	
Valorized material	Weight or volume used (Tons)	Valorized Material	Weight or volume used (Tons)	Valorized Material	Weight or volume used (Tons)	Valorized Material	Weight or volume used (Tons)	Valorized Material	Weight or volume used (Tons)
Wooden Pallets	240	Molydenite recuperated by vacuuming maxi sacks	4.267	Wooden pallets esp.kcct	18.79	FeSi	3,124	High purity Molybdenum trioxide	1,394
Maxis Sacks	33.6	Scrap metal	464	Wooden pallets for cans	40.03	Al	498	Batteries	28.1
Cartons	4.98			Rolls of plastic flex wrap	2.25	Scrap metal	777	Maxi sacks	0.1
Plastics	6.76					Walspellen	3,468	Pallets	18.99
Scrap metal	329.53					FeSiMg	2,368		

Note: The total weight or volume of materials recovered at all the subsidiaries corresponds to 12,358.52 Tons.

Waste Valorization

Molynor

In 2021 Molynor reached an important circular economy milestone. We managed to avoid dumping 107 tons of waste by recycling material derived from steel, maxi sacks and unused batteries. Similarly, we recycled molybdenite via vacuuming particles, thereby extending its use.

MolymetNos

As part of the continuous search for waste recovery alternatives, MolymetNos gave each employee a 6-liter biodegradable bag of compost generated from disused pallets. This equates to more than 250 tons of waste not dumped in landfills.

Similar recycling initiatives underway include the reuse of maxi sacks, electronic equipment and devices, lime slurry, scrap metal and plastic drums.



GRI [306-3, 306-4, 306-5]

Waste Generation

Producing molybdenite invariably implies the build-up of solid waste, which is separated into categories and independently managed according to respective hazards and valorization potential. We strive to minimize negative environmental impact by either valorizing or disposing of waste in environmentally-friendly sites. This is outlined in the tables opposite:

Waste generated in Tons

Waste Generation	MolymetNos	Molynor	Molymex	Molymet Belgium	Molymet Germany	Total
Hazardous Waste	2,249.9	317	17.7	1,356.7	1,888	5,829.3
Non-Hazardous Waste	117,191.1	374	35.7	17,204.7	4,537	139,342.5
Total Waste Generated	119,441	691	53.5	18,561.4	6,425	145,171.9

Waste by disposal method in tons

	MolymetNos	Molynor	Molymex	Molymet Belgium	Molymet Germany	Total
Waste for disposal						
Authorized Landfills	118,233.9	494	36.8	62	---	118,794.7
Waste not for disposal (valorized or reused)						
Recovered	183	4.3	---	---	---	187.3
Treated	321	52	33.0	1,001.1	1,891	3,298
Reutilization	240	107	1.9	629	34	1,011
Recycled	462.8	145	2.1	1,967.4	4,489	7,066
Composted	---	---	2.3	---	---	2.3
Energy Valorization	---	---	10.3	153.4	---	163.7
Secondary Raw Materials	---	---	---	14,810	6.2	14,816.2
Total	119,441	802	49.6	18,622.9	6,420.2	---

GRI [303-2, 303-4]

Effluents

Prior to being released, all water waste must be adequately treated to limit contamination as far as possible. We only discharge water waste at three of our five subsidiaries in

compliance with local environmental regulations and the effluent discharge parameters stipulated in the Waste These parameters are continuously tested and analyzed by external laboratories.

Significant spills occurred at two subsidiaries in 2021

Source	Molynor	Molymet Belgium	Molymet Germany
Surface water	---	1,597,500	2,905
Underground water	---	372	---
Seawater*	186,833	---	---
Stormwater	---	53,482	734
3rd Party Water Suppliers	---	157,894	---
Total	186,833	1,809,248	3,639

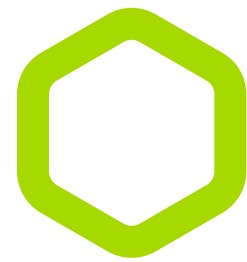
** Brine produced in the reverse osmosis process is discharged into the sea

At Molynor, there were three Ferrous Chloride spills deemed serious as per the Hazardous Substance Storage Regulation (SUSPEL). The spills totaled 20m³, 3m³ and 5m³ respectively and caused contamination of the surrounding soil. In order to prevent such incidences from taking place in the future, we continue to follow the guidelines presented in PR-SIGNOR-014, "Hazard Management Procedure", and investigate each incident.

At Molymet Belgium there were five spills deemed serious, totaling 2.400 liters of hydrochloric and sulfuric acid. Three of these spills occurred at the Purox plant and were thoroughly cleaned to prevent significant damage. However, the 4th spill – containing liquid with molybdenum residue - leaked into a nearby sewerage system. This caused a slight increase in the Molybdenum content of our wastewater in terms of legal limits. The 5th incident was a sulfuric acid spill onto a paved area at the main Purox building. No serious impact was reported. Despite these unfortunate occurrences, Molymet continues optimizing it's contingency plans around protecting people and the environment.

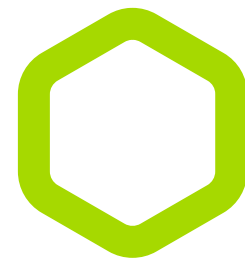
GRI [306-2]

Managing Waste Impacts by Subsidiary



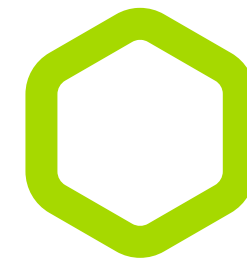
Molymet Corporate

To cut down on waste generated within the value chain we have reduced printing and digitalized the majority of our documentation. The use of disposable glasses and plastic containers has been replaced by reusable alternatives in our cafeteria.



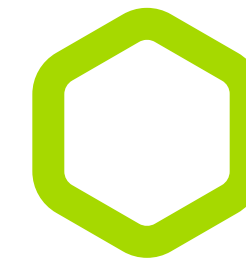
MolymetNos

Through analyzing the composition of all disposable materials we have adopted measures to reduce waste accumulation. Waste is reused and/or recycled in collaboration with external companies. We have also set up multidisciplinary research teams to study new ways in which to cut back on waste production.



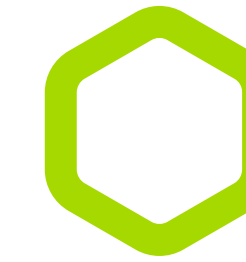
Molynor

We embrace LEAN methodology in optimizing processes which could generate excess waste and/or provoke environmental damage. Currently, integral waste management is conducted by Cosemar Industrial Services, who are in charge of internal collection, sorting, storage and transport of all waste materials to sites authorized by the Ministry of Health.



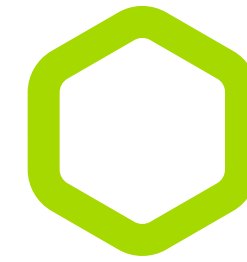
Molymex

We presently run environmental programs related to the management of potential environmental impact, particularly on how to deal with dangerous waste materials. All product packaging and containers are carefully inspected to reduce contaminants.



Molymet Belgium

Waste products are sorted and passed on to other companies. For instance, metal slags are utilized to make cement and wooden pallets, paper and plastic are recycled. Options are being assessed to recycle maxi-sacks and potentially extract energy from burning them. Much of this recycling has been outsourced to maximize efficiency in waste management.



Molymet Germany

Almost all imported packaging material is used to pack final products shipped to clients. Drums and maxi-sacks are inspected prior to being used for shipments. Excess packaging materials are reused internally, which further reduces overall waste accumulation.

GRI [304-1, 304-2, 304-3, 304-4]

4. Biodiversity

Biodiversity plays an important role in the functioning of ecosystems, including nutrient and water cycling, soil formation and retention, resistance to invasive species, plant pollination, climate regulation, pest control and pollution.

We want to leave a positive environmental legacy for future generations as we operate and grow our business. Here are some of the ways the Molymet Group helps to conserve the ecosystems and green spaces we share with others.



Foundation for the protection of the Little Tern

As Molynor, we want to proudly highlight our contribution to the conservation of the Little Tern, a migratory bird Gaviotín chico (Gaviotín chico) which is in critical danger of extinction. At Molynor, we continued our activities as co-founders of the Foundation for the Protection of the Little Tern. During 2021, we invested US\$ 49,710 in the protection of this species in accordance with Chilean Environmental guidelines.

Although the conservation focus is on the Little Tern, the bird coexists with other fauna among archaeological sites of great importance. This is why in an initiative led by the former Minister of the Environment, Carolina Schmidt, we have begun the process of declaring the nesting area of the little tern as a nature sanctuary.

	Molymet Corporate	MolymetNos	Molynor	Molymex	Molymet Belgium	Molymet Germany
Hectares of green areas	5.0	7.9	0.1	18.8	6.0	1.9
Hectares of reforestation	---	---	---	2.0	2.8	---
Amount in US\$ of investment in green areas	202,500	900,000	68,750	109,092	38,266	---
Hectares restored with native species	---	---	---	1.0	---	---

Currently no negative impacts on biodiversity have been identified.





The Real Right of Environmental Conservation

Concluded by our subsidiary Inmobiliaria San Bernardo S.A in 2021, this is a legal instrument which has formalized our efforts to conserve the environmental and ecological heritage within the San Bernado urban area surrounding our corporate building and the MolymetNos operational complex. Under this agreement, the landowner permanently restricts the development and future use of their land, to ensure its protection and conservation. We are proud to be the first company to implement this conservation right in the Nos Community.

Read more in Chapter 7: Inmobiliaria San Bernardo S.A.



We are committed to the environment

06

Communities & Suppliers



Committed to the wellbeing of all!

Community Connection



In the communities where Molymet operates we have lasting connections based on trust, respect and transparency. We know that wellbeing is greatly determined by where you live and we are deeply conscious of our responsibility to make positive impacts and investments that strengthen the development and health of our neighboring communities.

Our relationships are permanent and flexible at the same time, since rather than imposing a particular way of contributing, we want to contribute in line with the reality and needs of each community. Our relationship is based on closeness, constant listening, dialogue and ongoing mapping of our social and environmental impacts.

For us, the concept of 'the community' extends beyond our adjacent neighbors as we are also accountable for the impacts we can have on all those who are in some way affected by what we do.

- Presence in 5 communities
- 0.5% of moving net income invested in community development
- 95% of payments made to SMMEs are paid in less than 30 days
- 80% local suppliers

1. Communities share in our company's success



Positive annual returns mean we can continue to invest in community development and make donations in line with our purpose and policies. That is why we have chosen to quantify our community contribution a percentage of net income averaged over five years. This will progressively increase over time to 1% of net income by 2030. Unlike a metric put in absolute terms of money, a percentage metric allows us to demonstrate the company's contribution relative to its financial results and to involve the community in the company's success.

For more detail see Chapter 3 Molymet 2030 Sustainability Agenda.

3. Our Neighbors



The first step in working with communities is to get to know each other and we interact with groups like: civic groups, municipalities, neighbourhood associations, social development committees, universities and training institutions, women's committees, senior citizens' clubs, kindergartens, schools, healthcare, sports clubs and other community organizations. We also engage with national and regional authorities around health and environmental protocols.

How we connect with Communities

- E- mail and letters.
- Site visits.
- Visits to neighborhood gatherings.
- Participation in Community Social Events.
- Contact via website – some subsidiaries have contact forms.
- Lobbying Platforms.
- Connection and conversations at Trade Union and Industry Meetings.
- Social Media

2. Community Engagement



Our Community Engagement Policy defines the principles of engagement with our communities.

[To view the policy, please click here.](#)

The principles stated in our policy are:

- | | |
|---|--|
|  Recognize and empathize with the need |  Legitimacy |
|  Accountability |  Common Good |
|  Credibility |  Presence and participation |
|  Transparency |  Prudence and honesty |
|  Integrity |  Volunteering |

4. Community Projects



Communities play an active role in the design, design, development and implementation of projects which fall into four categories:

- Educational support
- Cultural and natural heritage
- Community funds
- Covid-19 initiatives

TOTAL COMMUNITY INVESTMENT

US\$ 351.896,00

[GRI 413-1]
**Highlighted
Community Project**

Molymet Corporate

TOTAL COMMUNITY INVESTMENT

US\$26.150,00



Heritage Sites

Molymet is located within an urban area on a property with heritage sites like La Casona Las Lilas and Fundo Las Lilas de Nos that were once part of an agricultural estate but were damaged by earthquakes and neglected for many years. We have now fully restored La Casona Las Lilas (the manor house), maintaining its classic style and it has been legally protected as a Historic Conservation Building since 2006. Beyond this our aim is to also integrate protection of Las Lilas Park and in this way, extend green buffer zone the property provides.

Support to Fundación Clínica Familia

Consistent with our purpose and our contribution to well-being, we approached Fundación Clínica Familia, a hospice specialising in providing palliative care to low-income patients with terminal illnesses, to explore how we could support their work. In the years ahead we will continue to partner with the foundation through a set of actions that have been defined.



Employees raise Funds for the Fundación Mission Golden

The Golden Mission Foundation in San Bernardo provides shelter to 20 homeless men and helps them improve their quality of life. This year, 43 corporate employees helped raise US\$ 1,300, which was used to buy mattresses and a microwave.

MolymetNos

TOTAL COMMUNITY
INVESTMENT

US\$ 211.000,00



Organic Community Vegetable Gardens

Together with Molymet, Inmobiliaria San Bernardo and community participation, MolymetNos developed "Organic Community Vegetable Gardens" in the communities of Cinco Pinos, Carbomet and Rinconada de Nos. This project gave our neighbors the know how to produce their own food in a healthy and sustainable way. It was later extended to senior citizens where vegetable growing was used as part of occupational therapy.

Four greenhouses were built with the capacity to produce 20kg of organic food per m², which translates into 500kg of vegetables per greenhouse per year. It benefitted 45 people (15 per neighbourhood council) and 18 senior citizens in the Rosita Renard Home. More than 640 hours of training were carried out in the theory and practice of organic production, irrigation methods, seeds, bio-remedies, fertilizers, environmental education and healthy eating.

Online Teacher Training

The pandemic changed our ways of relating and learning to an online format overnight. To help with adaptation to the digitalization of our lives, we implemented two educational courses in e-learning format that trained teachers in how to adjust to new ways of classroom management and apply bridging (leveling) courses for the 3rd and 4th years of secondary education. The neighborhood councils who benefitted were:

Cinco Pinos, Santa Filomena de Nos, 58 Norte, San Adolfo, Las Dalías, Carbomet, Micro Barrio Estación Nos, Lo Herrera and Rinconada de Nos.

Online courses

Due to pandemic protocols the plumbing and baking courses we had offered communities were reduced. We then looked at what we could offer online and added an accounting course which was easily accessible.

Proyecto QUIK

We supported the Fundación Educacional Choshuenco in strengthening pedagogical teams at kindergartens. We also have a support plan for industrial high schools, which includes technical visits to MolymetNos facilities and the possibility of carrying out internships and work experience.

Sanitization of public spaces

The COVID-19 pandemic remains an ongoing concern for us. To lessen its impact in our communities we worked together with our Corporate Social Responsibility team and Inmobiliaria San Bernardo to sanitize public spaces, streets, passages and squares in San Bernardo, using tractors that spray a chlorine solution.

The operation was initiated at the beginning of the lockdowns in San Bernardo and was carried out in a wonderful spirit of teamwork with 33 Neighborhood Councils who helped us design the routes. So far we have sanitized more than 450 kms.

Siempre por Chile project

In the context of COVID-19, we supported Siempre por Chile (Always for Chile) with the distribution of Food boxes for neighbors living around our MolymetNos Plant.



Cleaning of ditches and canals

MolymetNos teamed up with the San Bernardo Municipality, the Asociación de Canales de Maipo, Empresa de Ferrocarriles del Estado (The State Train Transport company), Molymet Corporate and Inmobiliaria San Bernardo S.A. to keep irrigation ditches, canals and siphons clean of debris and sediment. This work carried out in the Nos Sector and in JJ.VV.58 Norte ensured the flow of irrigation water from the Maipo River to communities.

Road improvement

We invested in the improvement of two roads: Calle Los Suspiros and Portales Oriente benefitting around 30,000 residents.

Cinco Pinos Community

We contributed funds for the construction and maintenance of the Cinco Pinos Social Centre and carried out works to upgrade the Cinco Pinos School, benefitting 5,000 people.

Competitive Funds

As has become a tradition, we provided competitive funds for 10 neighbourhood councils and 10 senior citizens' clubs, benefitting 11,000 people with a donation of US\$ 18,000.00.

Donations

We made donations to 34 neighbourhood councils, 11 senior citizens clubs, 2 sports clubs, 3 public institutions, 4 public schools and 1 education and health organization.

Molynor

TOTAL COMMUNITY INVESTMENT

US\$ 60.245,00

A Tailor-made plan

It is important to highlight the work carried out to design our 'Acciona Molynor Plan'. This is a new community relations plan, which seeks to act on recommendations raised with our stakeholders to standardize community projects and agree on activities to be developed during 2022. This has led to new and innovative initiatives, like 'Molynor Open Doors', 'Molynor Competitive Funds' and 'Bipartite Meetings'.



Protection of the Little Tern

Through our purpose, we think about the wellbeing of the planet and as we do every year, we want to proudly highlight our contribution to the conservation of the Little Tern, a migratory bird Gaviotín chico which is in critical danger of extinction. At Molynor, we continued our activities as co-founders of the Foundation for the Protection of the Little Tern. During 2021, we invested US\$ 49,710 in the protection of this species in accordance with Chilean Environmental guidelines.

Although the conservation focus is on the Little Tern, the bird coexists with other fauna among archaeological sites of great importance. This is why in an initiative led by the former Minister of the Environment, Carolina Schmidt, we have begun the process of declaring the nesting area of the little tern as a nature sanctuary.



Mejillones Hospital Classroom

Our sponsorship of the Mejillones Hospital Classroom begun with the donation of species. An agreement was also developed with the health areas of universities in the region for the development of clinical visits to the homes of those who use the Hospital Classroom.

Donations

We made donations to the Mejillones Municipal vaccination centre; the Mejillones Community Hospital (medical supplies); and to DIDECO Mejillones for entertainment for Children's Day entertainment for 12 children chosen by lucky draw.

A donation has been committed for "Summer School 2022", which is aimed at children and young people.

Molymex

TOTAL COMMUNITY INVESTMENT

US\$ 53.966,00

Cumpas Comprehensive Social Responsibility Program

Molymex has been a real example of community involvement in Cumpas where its operations are based. This ongoing comprehensive program encompasses health, education, environmental care and outreach.

Specifically, our contribution has translated into internships at our subsidiary, environmental campaigns, clean-up initiatives, reforestation, accident prevention and opening the doors of our recreational centre for community sports and recreation.

Some of our best recognized programs are:

- Professional internships: For students from different universities in Sonora state, developing skills they need to meet the expectations of companies in our sector.
- Rescuing your school: The objective of the 'Rescatando tu Escuela' program coordinated by the Sonora Ministry of Education and Culture is to complement the efforts of the public sector with the active and voluntary contribution of companies and organized civil society. The program focuses on comprehensive improvement of schools and quality education for the young people of Sonora.
- 2021 Recycling Campaign: This annual campaign aims to raise awareness and promote a culture of waste recycling and environmental conservation with the support of the community. It consists of collecting plastic waste, household appliances, aluminium cans and tyres from the community and from schools in the Cumpas Municipality. Molymex recognizes and rewards the 3 schools that collect the most waste.



Communities & Suppliers



Molymex Summer

In 2021 we successfully held these fun recreational and sporting activities online. It lasted 2 weeks and was attended by our employees' children and children from the wider community.

Support for Sports Leagues

We support community teams by sponsoring sports equipment and/or uniforms for participation in different leagues in the region.

Support to the Cumpas Municipality

As part of our ongoing support, we make an annual donation to the Cumpas Municipality for an amount equivalent to US\$30,000 which can be used by the Municipality according to its own priorities. Usually our donation is used for maintenance and/or renovation of equipment in public buildings.

COVID-19 Preventative Measures

Molymex has maintained constant strategies that contribute to the prevention and care of people's health and positively impact the community. We launched the Campaign: 'Depende de ti, no te relajés' (It's up to you, don't relax) focused on employees, families and the general community to encourage them to take preventative measure to avoid Covid-19 infection. As part of this campaign, we installed tarpaulins in different parts of the community and also shared information through Molymex's social networks.

Other donations:

- Christmas gifts
- Sanitary materials for the program 'Rescatando tu Escuela' (Rescuing your school)
- Sanitization of educational institutions
- Telethon Campaign

Molymet Belgium

TOTAL COMMUNITY INVESTMENT

US\$ 535,00

Controlling our Community Impact

Our work with communities is closely linked to local people and farmers. The focus this year has been to report on the effects of molybdenum on human health and to monitor the possible effects of our plant on neighbors.

On each visit, a veterinarian accompanies our team to take samples and study the livestock. In addition, grass, hay and crop samples are taken to analyse the molybdenum content in the surrounding meadows. This year in particular, due to some concerns from farmers about the health effects of molybdenum, beet, potato, maize, grass and milk crops were sampled. The results of the analyses were transparently shared with the farmers and showed that molybdenum was not present above the limits.

Eco² project and Green Agreement

We participated in the Eco² project together with local farmers and authorities and in the Green Agreement with the Belgian government. Our aim is to participate in projects to reduce energy consumption and in the blue circle, to reduce water consumption or collaborate with other companies.

Sponsorships

We sponsor AED equipment for resuscitation in case of heart attacks for EDUGO schools.

Due to the pandemic, many events that we normally sponsor were cancelled.

[GRI 413-2]

Operations with significant potential or actual negative impacts

Below we describe significant negative impacts, whether actual or potential, on local communities:

Impact	Pollutant	Potential	Actual 2021	Measurement actions	Mitigation actions
Unpleasant odors	Ammonia and sulfur dioxide	All subsidiaries	MolymetNos	Continuous monitoring of all pollutants and processes that can generate impact	Implementation of Ecosorb (2020)
Noise pollution	Trucks / machines	All subsidiaries	-		Procedures to mitigate noise
Air pollution	Sulfur dioxide and particulate matter	All subsidiaries except Molymet Germany	-		Gas Treatment Plant with at least 98% de efficiency
Soil contamination	Chemical spills	All subsidiaries	-		Improvements in process control and acquisition of new generation measuring technology
Water contamination	Chemical spills	All subsidiaries	Molynor & Molymet Belgium		
Environmental Emergency	Any unassessed contaminant	All subsidiaries	-		Policy on prevention and management of environmental incidents

[GRI 102-9, 102-10]

Relationships with Suppliers

The success and sustainability of a company like ours is intrinsically linked to its suppliers and one of the main challenges for Molymet is to build a circular supply chain. Thus, in line with our purpose, we are accompanying our suppliers towards the implementation of sustainable management in their own businesses.



[GRI 102-9]

Supply Chain

The raw material of molybdenum concentrate has two main origins: our own purchases from suppliers linked to copper mining; and from tolling agreements where we transform raw material or semi-finished products into marketable products for another company.

Traceability of our supply chain is carried out for the vast majority of the products used in our plants. These are both the raw materials and the elements used for packaging and transporting our finished products. The main origin of our products are Chile, Mexico, Peru and the United States. All these materials are purchased directly from the manufacturers without intermediaries

and are either picked up at the place of origin, brought into the country or received at the final destination. During the production of molybdenum, all information on the materials used is catalogued in the different production batches. In this way, when the finished product arrives at its end destination, it is possible to trace it and identify all the products that were used in its production.

Previous commitments

In our Corporate Sustainability Strategy we had committed to certain targets as part of our Corporate Supplier and Contractor Policy. The progress against each of these targets is set out below.

Goal	Achieved
Have a Corporate Supplier and Contractor Policy in place	100%
Implement an evaluation system based on sustainable criteria	30%
Give preference to local suppliers	100%
Have a policy for the development and promotion of micro and small businesses	100%

[GRI 414-2]

Evaluation of suppliers based on social impact criteria

	MolymetNos			Molynor			Molymex			Molymet Belgium			Molymet Germany		
	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021
Total suppliers by subsidiary	1300	1300	1376	279	278	243	330	394	85	804	1200	1313	249	187	212
N° of Suppliers whose impact has been evaluated	197	147	152	271	277	243	28	N/T	85	42	123	136	80	62	68
Suppliers who have a negative social impact	6	0	0	3	2	1	0	N/T	0	0	0	0	0	0	0

The case of the supplier assessed as having a negative social impact on Molynor was due to non-compliance with conditions for hiring staff to the detriment of workers. Corrective measures were applied, the situation was regularized and fines and sanctions were established. This supplier represents 0.4% of the total number of companies assessed.

Selection of sustainable suppliers at Molymex

At Molymex, the first stage of the supplier register (web platform) has been completed in line with selection criteria for suppliers, based on the Corporate Human Rights Policy and Code of Conduct. These criteria are:

Compliance with international commitments and local regulations; Rejection of child labor; Rejection of forced or compulsory labor and human trafficking; Ensuring safe working environments; Ensuring a diverse and inclusive environment; Promoting a working environment free of harassment and sexual harassment; Fair working conditions; Freedom of association and Risk management.

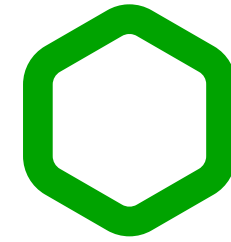
From 2022 onwards, new suppliers will be registered on this platform. We are also working towards AEO certification which will enable us to have suppliers that meet social criteria. In addition, we will start the process of stage II of the Supplier Register which will help us to have a classification of suppliers, as well as a better organisation of the information and to have a large number of options for quotations. This platform will bring together all the suppliers offering their services.



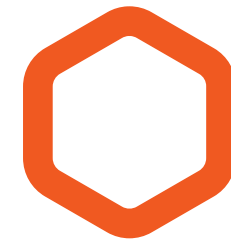
[GRI 102-10]

Adjustments due to the pandemic

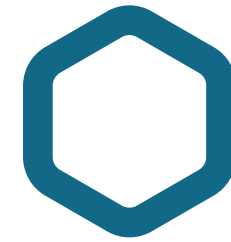
In general, pandemic related adjustments included: increased costs in meeting health protocols, supplier delays and some suppliers were unable to meet their commitments.



At Molynor, 46 out of 192 companies evaluated did not meet requirements.



At Molymex, the Commercial area evaluates social criteria every six months (existing and new suppliers). However, the Purchasing and Services area does not yet apply sustainable criteria to supplier selection. This is planned from 2022, after the Supplier Register has been modified to include these criteria.



At Molymet Belgium several suppliers have been evaluated and raw material suppliers will be included in 2022.

[GRI 414-1]

New Suppliers evaluated on social impact criteria

	MolymetNos			Molynor			Molymex			Molymet Belgium			Molymet Germany		
	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021
N° of New Suppliers	179	107	99	134	118	146	1	0	2	125	N/T	130	29	17	25
New suppliers evaluated against social impact criteria	179	107	99	134	118	146	1	0	2	42	N/T	130	0	0	0
(%)	100%	100%	100%	100%	100%	100%	100%	0%	100%	33.6%	N/T	100%	0%	0%	0%

The main services provided by our supply chain are:

- ✓ Food, cleaning, purified water, security, transport.
- ✓ Maintenance: gardening, waste removal, pest control and fumigation.
- ✓ Basic services: energy and drinking water.
- ✓ Industrial services: preventive, timely and corrective maintenance of equipment and machinery that form part of the production process.
- ✓ Specific professional advice and certifications.
- ✓ Raw materials and transport.

The main services are executed through permanent contracts and with raw material suppliers through long-term commercial agreements.

Suppliers classified by location and size

	Corporate			MolymetNos			Molynor			Molymex			Molymet Belgium			Molymet Germany		
N° per location	Location	Multi national	Total	Location	Multi national	Total	Local	Multi national	Total	Local	Multi national	Total	Local	Multi national	Total	Local	Multi national	Total
		10	–	10	1302	74	1376	255	20	275	261	157	418	767	462	1229	205	7
N° per size	SMME	Big Company	Total	SMME	Big Company	Total	SMME	Big Company	Total	SMME	Big Company	Total	SMME	Big Company	Total	SMME	Big Company	Total
	8	2	10	932	444	1376	224	51	275	270	148	418	448	781	1229	128	84	212

Molynor: only contractor companies supplying permanent services are considered, with a total of 10 and from the supply area, a total of 17 suppliers of the most important materials are considered.

Molymet Germany: only suppliers based on annual purchases are considered.

How do we regulate our relationships with suppliers?

Corporate Supplier Policy

Provides the general guidelines for the relationship we establish with our suppliers of products and services.

Procurement and Services Policy

Guides establishment, negotiation and administration of commercial relationships between the company and its suppliers and contractors.

Policy of Purchases and Services

Provides the guidelines in respect to establishment of commercial relations with our suppliers and contractors and establishes responsibilities for the preparation, negotiation and administration of the service.

Supplier management regulatory body

Aimed at complying with legal obligations and market regulations allows. This allows us to incorporate into our value chain strategic partners who share our sustainable development ethics and respect for labour rights.

Provisions for Contractors (DISCON)

Internal regulations for contractors with operational procedures and instructions aimed at accident prevention and care of the environment.

Special Regulations for Chilean contractors and sub-contractors at MolymetNos and Molynor

These are procedures that must be adopted to ensure adequate health and safety conditions for all workers, whether employees or contracted workers, in order to comply with Law No. 16,744 on occupational accidents and occupational diseases; and the provisions of S.D. 594.

Supplier Payment Portal website

To manage payments.

Service Audits

Are carried every time a supplier is contracted. In this way, we accredit the company's track record of legal, commercial and labour performance in terms of compliance with current legislation governing occupational health and safety and the environment. Once the contract is concluded, we accredit the social security payments of all contractor and subcontractor workers who provided the service.

Promoting Molybdenite supply from smaller mines

In 2019, Molymet commissioned a market study about molybdenum producers in Chile. The findings showed that small-scale mining companies viewed the molybdenum contained in copper concentrates as a waste product and did not recognize its potential commercial value.

This led to the recent 'Native Molybdenite' initiative by our R&D area to make SMMEs aware of the potential of extracting Molybdenite and selling it to larger companies. We are developing a process that allows small mines to concentrate molybdenite and meet the necessary quality requirements so that Molymet can purchase the material at a fair price.

Molymet began the conversation with a webinar called "Molybdenum recovery in small and medium mines in Chile" where the process of helping smaller mines to recover and commercialize molybdenum concentrates was explored.

This is a win-win solution as the small miner is able to profit from a waste product and Molymet will have an additional source of molybdenum in years when supply from the bigger mines is lower.



Webinar to promote Molybdenite supply from smaller mines in Chile

In January 2021, Molymet held its first Webinar on "Recovery of Molybdenum in small and medium Chilean mines", where the initiative was launched to help smaller sized mines to recover and commercialize these concentrates which are present in copper.





07

Subsidiaries not related to Molybdenum

Together we are more!



Within the Molybmet group of companies we subsidiaries whose focus is not related to the production of molybdenum but on other sustainable activities. The first is an agricultural company producing organic nuts on 123 hectares and the second is a hydroelectric company which generates renewable hydroelectric energy through plants with an installed power capacity of 10,7 MW. We share details of how each subsidiary functions below.

Inmobiliaria San Bernardo S.A. (ISBSA)

Inmobiliaria San Bernardo is an agricultural estate with commercial production of organic walnuts on 123 hectares. Located in our green belt buffer zone around our MolybnetNos plant it helps mitigate the impacts of our industrial activity on the surrounding communities.

We frame our business as one of ecology and stewardship and a milestone in 2021 was the signing of a Real Right of Environmental Conservation on our land. This has formalized our efforts to conserve the environmental and ecological heritage of the orchards within the San Bernardo urban area.

Marketed under the Geonuts® brand, the nuts are mainly exported to Austria, Italy, Germany and Japan.

2021 numbers

Employees	27	% Women employed	26%	Training hours per employee	25.49	Water Intensity	13,091 m ³ of water /ha
Tons of own nuts	159	New Suppliers evaluated according to social criteria	100%	Employee Turnover	9%	Energy Intensity	18 GJ/tons of nuts
Organic hectared planted	123	Man hours supporting the local community	1,264	Unionized Employees	29.6%	Composting	99.3%
Organic Management	100%	Tons of nuts from 3rd parties	98.8	---	---	TON CO ₂ equivalent	323

2021 Highlights



Investment

The installation of an artificially intelligent optical sorter (Sortbox) enabled us to discard defect products quicker which improved final product quality and reduced waste. This innovation allowed us meet delivery deadlines despite operational difficulties caused by the COVID-19 contingency.

We invested in irrigation security with the construction of a dam with 15,000 m³ effective storage capacity and a decanter for the elimination of mud with a capacity of 60 litres per second.

We investigated in equipment for the control of salts and excess chlorine in walnut irrigation water. This equipment radiates low-frequency waves into the irrigation water, modifying the arrangement of the water molecules and facilitating greater water efficiency by transferring salts to depths beyond the root zone.

We invested in automated remote management of an irrigation house and a flow meter to measure incoming flow. This improved control and management of water resources used for irrigation of walnut trees and water management in the face of the drought affecting the Santiago Metropolitan Region.



Community engagement

Using specialized personnel with fumigation equipment, we helped sanitize streets and common spaces in our neighboring communities for the prevention of Covid-19. With assistance from the MolyMetNos subsidiary, the municipality and different neighbourhood councils, we sanitized around 5 km of streets and squares each day that the San Bernardo commune was in phase 1 of the COVID-19 step-by-step plan.



Organic Vegetable Garden Project

Together with MolyMet, MolyMetNos and community participation, we developed and executed an "Organic Community Vegetable Gardens" project in the communities of Cinco Pinos, Carbomet and Rinconada de Nos. The project helped us to get to know the communities surrounding the MolyMetNos plant and raised awareness of how our organic nut production has a positive impact on the local environment. This project gave our neighbors the know how to produce their own food in a healthy and sustainable way. It was later extended to senior citizens where vegetable growing was used as part of occupational therapy.

Four greenhouses were built with the capacity to produce 20kg of organic food per m², which translates into 500kg of vegetables per greenhouse per year. It benefitted 45 people (15 per neighbourhood council) and 18 senior citizens in the Rosita Renard Home. More than 640 hours of training were carried out in the theory and practice of organic production, irrigation methods, seeds, bio-remedies, fertilizers, environmental education and healthy eating.





Annual Certifications

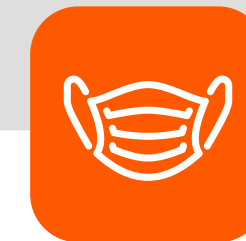
- National organic certification for production, processing and export to the: EU, USA, Brazil, Switzerland and Japan (Ecocert) and China (Grit Cert)
- GlobalGap good agricultural practices certification (NSF)
- HACCP food safety certification (NSF)

All these certifications are issued annually and need to be renewed in March each year



COVID-19 measures

Our careful measures for social distancing, sanitizing of workspaces and strict compliance with the step-by-step plan enabled continuous operations during the harvesting season.



Carbomet Energía S.A. (CESA)

Our subsidiary Carbomet Energía S.A. (CESA) is located in Puente Alto in the Santiago Metropolitan Region. This subsidiary generates renewable energy through two run-of-river hydroelectric plants. The two generating plants have nominal power of 5.6 MW and 5.1 MW each. For energy transmission, we connect to the National Electric System through the distribution network of Empresa Eléctrica de Puente Alto (EEPA) and Compañía General de Electricidad (CGE) respectively, under the modality of Small Means of Distributed Generation (PMGD).

Both the power plant and the rest of our facilities are located on land owned by the company and third parties. These were awarded via concession (DS 4350 of July 1944) with their corresponding easements. We also have water rights for 24 m³/s of water not for consumption that is returned to the water course after being used in the turbine.

In 2021, three major factors impacted what we do at Carbomet Energía:

- 1) Central Chile has been facing water scarcity for more than a decade
- 2) Volatility of energy prices due to different factors throughout the year
- 3) A national electricity system with increasingly tight capacity as a result of the water crisis, the low availability of gas and the unavailability of power plants

Despite these factors, we achieved the following results:

2021 numbers

Employees	32	% Women employed	6.25%	Employee Turnover	0	Water intensity	10,846 m ³ /MWh
Electrical Energy Generated	46,026 MWh/year	New Suppliers evaluated according to social criteria	100%	Unionized Employees	75%	GJ of renewable energy consumption	1,646
Installed Capacity	10.6 MW	Training hours per employee	10.4	---	---	Waste valorized	5.3%
Organic management	US\$ 5,826 MM	Electrical Power Generated	57.2 MW	---	---	TON CO ₂ equivalent we avoid emitting into the atmosphere	14,456



2021 Highlights



Advances made in Occupational Health and Safety

- We have made progress with implementing the management system for occupational health and safety, incorporating new training for all company employees and updating the risk matrix in our Operations and Maintenance area.



Adaptation to COVID-19

- Even though we had to adapt to the new reality presented by the pandemic and modify our normal behavior, this had no impact on meeting our objectives.



Evaluation, analysis and associated impacts on climate change

- Due to the water scarcity affecting the Maipo River, we saw the need to revise and adapt the frequency of maintenance and operational activities. In addition, working together with members of the Supervisory Board of the First Section of the Maipo River, we participated in a diagnostic study of the operation of the water resources of the basin, which incorporates the variables of scarcity, water quality and sedimentology, operational variables along the river and its tributaries, in order to optimize and improve the information for each of the actors and the optimal use of the available flows by the different water users in the basin (Agriculture, Sanitary, Hydroelectric).



Operational Efficiency

- We upgraded the monitoring system of our hydroelectric power plants, incorporating technologies that enable real-time remote operation management. This has allowed us to increase our cyber security measures and facilitate the operation of the plants. In the future this will also mean implementation of additional innovation measures for the remote operation of company assets.



Supporting out neighbors

- We provide electricity supply for farmers located in the sectors adjacent to our Central Maipo operation. This is an area that is not currently serviced by a distribution company and while the community is negotiating with the distribution company GCE, we will continue this support providing a total of 65.15 MW per year until the community finalizes the regularisation process.



COVID-19 Measures

- Our efforts have been aimed at maintaining the operation of our plants with the highest safety standards. Among others, we developed : sanitary operational protocols for internal and external employees at company facilities and COVID-19 control tools and record keeping of all cases. We introduced prevention measures associated with transport, food, visitor access and sanitization services in the workplace. Employees with morbidities and administrative personnel changed to working remotely from home. Throughout this time, we also maintained a constant education and reinforcement program creating awareness of risks and the use of correct protection measures. These measures allowed us to meet our planned 2021 objectives and maintain continuous operation of the plants while also carrying out maintenance work and committed projects. As we are an essential company (basic supply - Energy), we always have the corresponding ministerial authorizations for continuous operation based on special collective permits and safeguards when required by the step-by-step plan.



08

Sustainability Indexes

We are continuously improving!

Our sustainability progress is measured annually. In this way, our aim is to provide an objective and independent view and also make sure we get available information about global best practices. These measurements will let us know whether we are moving at the necessary speed and whether we are on the right track.

We have chosen four sustainability indices that can provide us with quantifiable information and help us with targeting our different stakeholder groups.



Both the Dow Jones Sustainability Index and Clarity AI are highly relevant for our shareholders and investors and provide comprehensive coverage of environmental, social and governance (ESG) issues. We use the Labor Relations Index to create and improve future action plans for relationships with our employees.

The SSIndex is a central tool for Molymet and its subsidiaries, rather than an index or a ranking in itself, as it provides us with a cross-cutting view of the perception of our different stakeholders.

Main Findings of DJSI and Clarity AI

We recently closed measurement of the indices for 2021 and already, we have a general analysis of the main strengths and opportunities for improvement we need to work on in the short and medium-term:

Strengths

- 1**
Corporate Governance
- 2**
Capital Development
- 3**
Corporate Citizenship and philanthropy
- 4**
Use of resources

Opportunities to improve

- 1**
Incorporate sustainable policies in the Board
- 2**
Diversity of the board members
- 3**
Transparency in relation to risk management and tax matters
- 4**
Identify community impacts and minimize them
- 5**
Verify sustainability and emissions reporting to demonstrate commitment to climate change



Labor Relations Index

The embodiment of Molymet's purpose requires a review and update in all our management areas, especially inside the organization. This index allows us to diagnose and manage our labor issues in three areas relevant to our organization:

- 1) Organizational trust
- 2) Labor relations with unions
- 3) People management policies

2021 was the first year we measured ourselves against this index. Having started with started with Molymet Corporate and our American subsidiaries, we can already draw some useful conclusions for moving forward.

During 2021, our Labor Relations Index was 62.7 points.

Strengths

- 1**
High levels of trust and good interpersonal skills
- 2**
Prestige, stability and technical quality
- 3**
Recognized industry leadership and ongoing innovation

Opportunities to improve

- 1**
Increased integrated development of Employees (human, professional and productivity)
- 2**
Enhance innovation capacity
- 3**
Promote development systems in leaders and teams

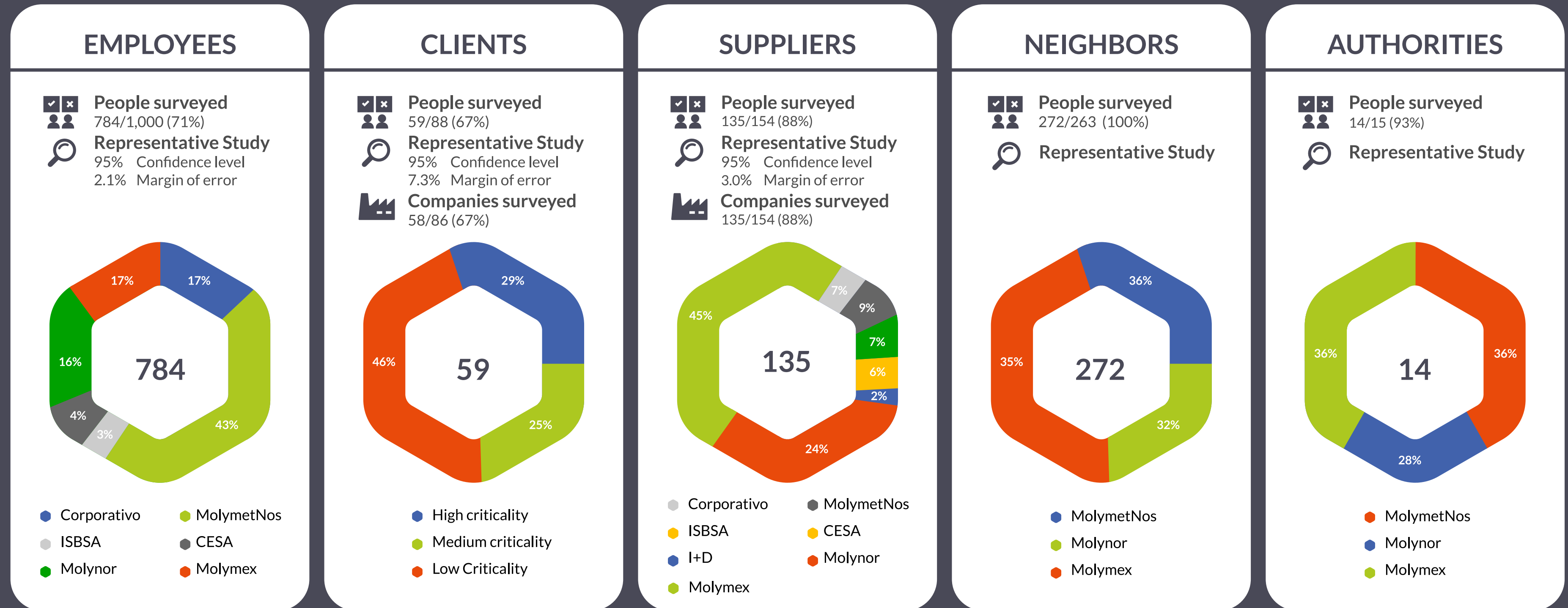


Stakeholders Sustainability Index

The SSIndex helps to assess risks associated with the behaviors of employees, customers, suppliers, neighbors and authorities by connecting our purpose, values and corporate sustainability strategy with the expectations and perceptions of our stakeholders.

The process is conducted on an annual basis, using on-line, paper, anonymous links and telephone surveys. Representativeness is fundamental to successful measurement and the level of participation by each stakeholder group is detailed below:

Sample Representation by Stakeholder



The results show that 72% of the people surveyed (1,264) are committed to Molymet's risk management and sustainability.

The findings show that in relation to each individual stakeholder group, the perceptions of our suppliers and customers is that we have excelled, while the perceptions of our neighbors and employees show that there are still more opportunities to improve.

Corporate governance, internal social and external social pillars show the same levels, while the environmental pillar represents the main opportunities to improve.



09

About
our report

A commitment to transparency!



[GRI 102-44; 102-46]

Material Topic

In order to define the key material issues - those that reflect significant impacts and which are most important to our stakeholders - we aligned this report with the reporting principles established by the Global Reporting Initiative (GRI). The process of information gathering and enquiry was as follows:

1. Identification

- Interviews with 18 executives.
- Review of internal documentation, policies, Sustainability Strategy and Sustainability Agenda 2030.
- International and industry benchmarking.
- News articles and information in mainstream and social media.
- Analysis of information gathered by the SSIndex for employees, customers, suppliers, neighbors and authorities.

2. Priorization

This stage resulted in 17 topics, which were categorized according to a criterion of frequency and emphasis given to each topic. These issues were positioned in a prioritization matrix according to the impact and influence they have on both the company and its stakeholders.

3. Validation

The Executive Presidency and Corporate Vice-Presidency of Operations validated the topic matrix and the 17 issues raised.

[GRI 102-47]

Materiality matrix

1. Closeness to communities

2. Purpose and innovation for sustainable development

3. Health and safety

4. Work climate

5. SO₂ Plant (Modernization plan)

6. Responsible waste management

7. Climate change

8. Clean water and sanitation

9. Ethical management

10. Relationships with partners

11. Biodiversity

12. Diversity, Equity and Inclusion

13. Professional Development and Self-Realization

14. Our suppliers

15. Responsible use of energy

16. Molymet 2030 Sustainability Agenda

17. Communication and feedback

[GRI 102-49; 102-50; 102-51; 102-52; 102-54; 102-56]

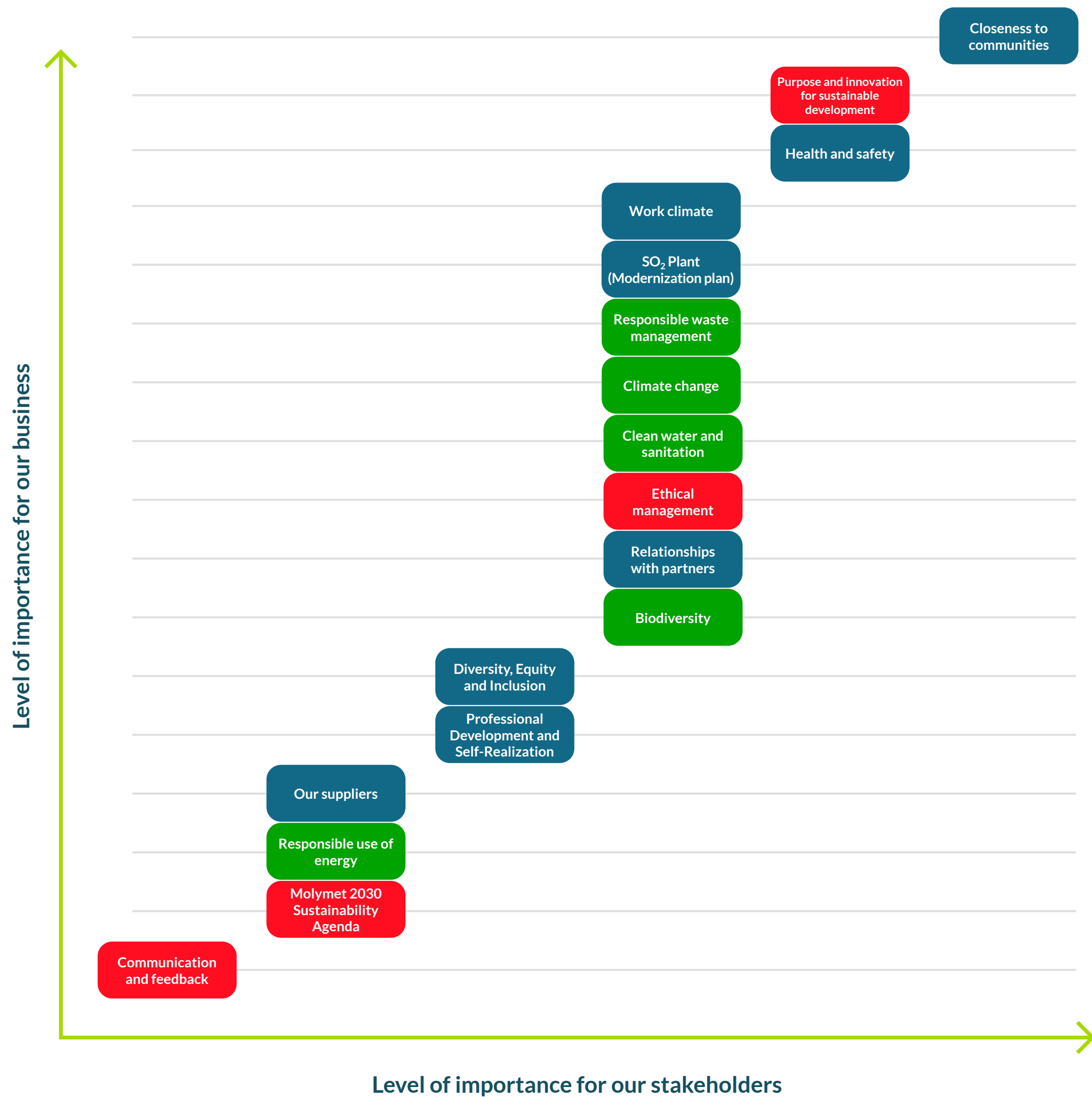
About our report

This, our latest Sustainability Report covers the period from 1 January to 31 December 2021. It is a transparent exercise which we carry out annually. The previous Sustainability Report was published for the 2020 financial year.

The scope of this report covers the management of Molymet Corporate and all our subsidiaries.

This document was coordinated by the Corporate Vice-Presidency of Operations, with the support of different divisions at Molymet Corporate and subsidiaries. In order to ensure compliance with the reporting principles of the GRI standards, we received methodological advice from PwC.

Our report was prepared in accordance with the GRI standard "essential" format - unlike last year - and was not subject to external verification.



[GRI 102-12; 102-13; 102-42; 102-43]

Our Stakeholder Groups

Over 2017- 2018 we worked on characterizing and prioritizing our stakeholders and formalizing a stakeholder engagement strategy with communication channels relevant to their characteristics. This process was complemented with information gathered during the process of developing our corporate purpose.

Since then, we have defined our priority stakeholders according to the impact and influence they have on the sustainability of our company.

These groups are: shareholders, employees, customers, community, suppliers, authorities and the environment.

The SSIndex analysis was conducted on the basis of these groups.



[GRI 102-55]

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	102-5 Ownership and Legal Status	1 – Who we are	07
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Stronger together!



Exhibit ESG document

This document has been elaborated to complement the information



1.1 Corporate Governance

1.1.6 Board Average Tenure

Average tenure of our board members: 9.54 years



1.4 Business Ethics

1.4.4 Corruption & Bribery

The company does not make contributions and donations as a means of bribery and corruption.

1.4.8 Reporting on breaches

Molymet has a system in place to monitor and investigate the complains and has defined an action plan to mitigate risks.

During 2021, there were 5 complains, all of them were investigated and resolved. Two of these 5 complains required a sanction.

Complaints Topics

Labour relations		2
Forms of leadership		1
Conflict of interest		1
Covid-19 protocol missing		1

Reported data considers: Corporate, MolymetNos and Molynor.

1.5 Policy Influence

1.5.1 Contributions and Other Spending

USD	2018	2019	2020	2021
Lobbying, interest representation or similar	0	0	0	0
Local, regional or national	0	0	0	0
Trade associations or tax-exempt groups (e.g. think tanks)	145,354	111,271	128,309	136,133
Other (e.g. spending related to ballot measures or referendums)	0	0	0	0
Total contributions and other spending	145,354	111,271	128,309	136,133
Data coverage: Percentage of operations	84	84	84	84

Reported data considers: MolymetNos, Molynor, Molymex, and Molymet Belgium.

1.5.2. Contributions and Expenditures

Main contributions made during 2021, regarding Trade associations or tax-exempt groups.

Type of Organization

Foundation for the Protection of the Little Tern – USD 42,255

Is a foundation in which public and private entities participate, whose objective is to contribute to the conservation of a bird in danger of extinction, the Little Gaviotín or Chirrió (Sterna lorata). As energy, mining and port projects in Mejillones coincide with one of the main known nesting areas of the Gaviotín Chico, a possible effect on the area is evident and, based on this, a work plan is formulated, led by the Fundación, to establish a balanced development, and thus protect and preserve the population of the Gaviotín Chico. The Board of Directors is made up of ten members, which are: The Illustrious Municipality of Mejillones and Companies Located in the area such as Mejillones Port Complex, Puerto Angamos, Molynor, Eléctrica Angamos, GNLM, Codelco, Kelar S.A., Minera Centinela and Molyb.

International Molybdenum Association (IMOA) – USD 31,806

The International Molybdenum Association (IMOA) is an organization that brings together the most important agents in the industry, which includes producers, consumers and traders of this mineral. Founded in 1989, its main objective is to promote and defend the use, research and the sustainable development of this product.

Mejillones Industrial Association – USD 20,766

Is the association of Mejillones's companies with the interest of working collectively to contribute to the sustainable development of the industry, the community and the country. Our role consists of articulating the different actors to share their objectives and develop projects that generate a positive impact in the social, environmental and economic fields.

1.6 Supply Chain Management

1.6.2 Critical Supplier Identification

As critical suppliers we consider the following elements:

- High-volume suppliers
- Critical component suppliers
- Non-substitutable suppliers
- Suppliers of essential raw material for our production process (by this we mean supplier that sell us raw material of molybdenum concentrate)

1.6.2 Critical Supplier Identification

For the implementation of our Corporate Policy for Suppliers and Contractors, we are committed to define specific compliance goals for this stakeholder during 2023, in order to progressively improve the percentage of local suppliers and *PYMES* and the assessment under sustainable criteria of our supply chain as well.



2.2 Environmental Policy & Management Systems

2.2.4 Return on Environmental Investments

Currency: USD	2018	2019	2020	2021
Capital Investments (CAPEX)	3,473,000	4,031,000	6,498,000	13,073,000
Operating Expenses (OPEX)	46,563,000	46,725,000	42,333,000	40,050,000
Total Expenses (= OPEX + CAPEX)	50,036,000	50,756,000	48,831,000	53,128,000
% of operations covered (basis for the coverage: operations).	100%	100%	100%	100%

Reported data considers: Corporate, MolymetNos, Molynor, Molymex and Molymet Belgium.

2.2.5 Environmental Violations

- We have not paid any significant fines (> USD \$10,000) related to environmental or ecological issues in the past four fiscal years.

Currency: USD	2018	2019	2020	2021
Number of violations of legal obligations/regulations	0	0	0	0
Amount of fines/penalties related to the above (USD)	0	0	0	0
Environmental liability accrued at year end (USD)	0	0	0	0

Reported data considers: MolymetNos, Molynor, Molymex and Molymet Belgium.

2.3 Operational Eco-Efficiency

2.3.1 Direct Greenhouse Gas Emissions (Scope 1)

Direct GHG (Scope 1)	Unit	2018	2019	2020	2021
Total direct GHG emissions (Scope 1)	Metric tonnes CO2 equivalents	25,703	34,826	29,940	35,974
Data coverage (as % of denominator)	% of operations*	69	100	100	100

*Considers all subsidiaries: MolymetNos, Molynor, Molymex, Molymet Belgium and Molymet Germany.

2.3.2 Indirect Greenhouse Gas Emissions (Scope 2)

InDirect GHG (Scope 2)	Unit	2018	2019	2020	2021
Total direct GHG emissions (Scope 2)	Metric tonnes CO2 equivalents	25,973	37,982	46,542	40,672
Data coverage (as % of denominator)	% of operations*	69	100	100	100

*Considers all subsidiaries: MolymetNos, Molynor, Molymex, Molymet Belgium and Molymet Germany.



2.4 Biodiversity

2.4.2 Biodiversity Exposure & Assessment

USD	Number of sites	Area (hectáreas)
a) Overall What is the total number of sites and the total area used for operational activities?	5	83
b) Assessment Have you conducted biodiversity impact assessments for sites used for operational activities in the past five years?	1	29.34
c) Exposure Of the sites assessed in the past five years, how many sites are in close proximity to critical biodiversity, and what is the total area of these sites?	0	0
d) Management plans Of those sites in close proximity to critical biodiversity, how many sites have a biodiversity management plan, and what is the area covered by these biodiversity management plans?	0	0



2.5 Climate Strategy

2.5.1 TCFD Disclosure

We are committed to integrating TCFD, but we do not yet report on any of the requirements. We plan to disclose on the requirements by year 2023.

3.2 Labor Practice Indicators

3.2.1 Discrimination & Harassment

Number of incidents of discrimination and harassment reviewed in 2021: 0 incidents.



3.2.2 Workforce Breakdown: Gender

Diversity Indicator	Percentage
Share of women in management positions in revenue-generating functions (i.e., sales) as % of all such managers (i.e., excluding support functions such as HR, IT, Legal, etc.)	0,13%
Share of women in STEM-related positions (as % of total STEM positions)	7.45%

Coverage of the data reported as a % of FTEs: 82.7% - Reported data considers: Corporate, MolymetNos, Molynor, Molymex.

3.2.2 Workforce Breakdown: Race/ Ethnicity & Nationality

Nationality	Share in total workforce (as % of total workforce)	Share in all management positions, including junior, middle and senior management (as % of total management workforce)
Chilean	83.2	72
Mexican	12.8	12.2
Venezuelan	1.8	0.5
Colombian	0.6	0
Peruvian	0.5	0.2
Haitian	0.1	0

Coverage of the data reported as a % of FTEs: 82.7% - Reported data considers: Corporate, MolymetNos, Molynor, Molymex.

3.2.4 Workforce Breakdown: Other Minorities

People with disability	% of FTEs
Corporate	0%
MolymetNos	0.34%
Molynor	1%
Molymex	0.33%
Consolidated	0.40%

Coverage of the data reported as a % of FTEs: 82.7%

3.2.5 Gender Pay indicators

Indicator	Difference between men and women employees (%)
Mean gender pay gap	17.4%
Median gender pay gap	18.3%
Mean bonus gap	59.6%
Median bonus gap	22.2%

Coverage of the data reported as a % of FTEs: 82.7%

3.5 Human Capital Development

3.5.1 Training & Development Inputs

During 2021, the average amount spent per FTE on training and development, with a 82.7% of coverage, was USD 1,164.58.

Reported data considers: Corporate, MolymetNos, Molynor, Molymex.



3.6 Talent Attraction & Retention

3.6.1 Hiring

	2018	2019	2020	2021
Total number of new employee hires	123	148	82	106
Percentage of open positions filled by internal candidates (internal hires)	65	29.5	25	0.07
Average hiring cost/FTE in USD	4,062	5,108	4,789	5,259

Reported data considers: Corporate, MolyMetNos, MolyNor, MolyMex.

3.6.6 Employee Support Programs

About paid parental leave for the primary caregiver in excess of the minimum legal requirement: As a benefit to corporate employed mothers, MolyMet pays the salary difference to the employee in order to ensure their employees continue to receive their full salary, in the cases that the maximum payment is below their normal salary.



3.6.7 Employee Turnover Rate

	2018	2019	2020	2021
Total employee turnover rate	22	23	12	28
Voluntary employee turnover rate	8	7	11	5
Data coverage (as % of all FTEs globally)	83	83	83	83

Reported data considers: Corporate, MolymetNos, Molynor, Molymex

3.6.8 Trend of Employee Engagement

In 2021 we carried out the Labor Relations Index for the first time.

KPI	Unit	2021
Labor Relations Index	% of quality of the integral management of people in the organization	62.7
Data coverage	% of total employees	60

Reported data considers: Corporate, MolymetNos, Molynor, Molymex

3.7 Corporate Citizenship and Philanthropy

3.7.3 Philanthropic Contributions

Diversity Indicator	Total amount (in USD)
Cash contribution	56,150
Time: employee volunteering during paid working hours	1,192
In-kind giving: product or services donations, projects/partnerships or similar	30,591
Management overheads	94,230

Reported data considers: Corporate, MolymetNos, Molynor, Molymex



3.8 Occupational Health and Safety

3.8.4 Lost-Time Injury Frequency Rate (LTIFR)- Employees

LTIFR*	Unit	2018	2019	2020	2021
Employees LTIFR	n/million hours worked	8.45	9.13	6.92	7.58
Data coverage	% of operations	99	99	99	99

3.8.5 Lost-Time Injury Frequency Rate (LTIFR)- Contractors

LTIFR*	Unit	2018	2019	2020	2021
Contractor LTIFR	n/million hours worked	19.99	15.32	8.06	6,5
Data coverage	% of operations	84	84	84	99

3.8.8 Process Safety Events- Tier 1

PSE – Tier1*	Unit	2018	2019	2020	2021
Number per million hours worked	number	18	18	14	15
Data coverage	% of operations	99	99	99	99

*Reported data considers: Corporate, MolymetNos, Molynor, Molymex and Molymet Belgium.



3.10 Social Impacts on Communities

3.10.1 Active Community Engagement

Information related to our company's community consultation activities:

- Percentage of current production assets that have required community consultation: 100%
- Percentage of development projects that are in the process of community consultation: 100%

