



# Corporate Policy

Due Diligence in the Molybdenum Concentrate Supply Chain

	Corporate Policy	Code: VACS-GCS- SGDDCS-PC-001
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## Introduction

As the Molymet group, we understand that our value chain and operations are an essential pillar of the Company. We want to be a strategic partner, maintaining long-term relationships, based on trust and consistent ethical and responsible behavior in line with sustainable requirements. At the same time, we want to facilitate and foster compliance among our mineral suppliers in order to create reciprocal value.

As a company, we want to ensure that our business strategy is based on continuous excellence and sustainability to make a positive difference in the world, including with our mineral supply chain. We recognize the importance of implementing practices that promote respect for human rights and which do not contribute to conflict. Similarly, we also pay close attention to negative impacts that may be related to the extraction, marketing, handling, and export of minerals from conflict zones and high-risk areas. To this end, we seek to align our Mineral Supply Chain Due Diligence Management System with the Organization for Economic Cooperation and Development's Due Diligence Guidelines for Responsible Mineral Supply Chains in Conflict-affected and High-Risk Areas (OECD Guidelines).

We have additional guidelines and policies that directly support these efforts, like our Code of Conduct; Purchasing Policy; and Services & Authorizations which address integrity and ethical issues. These range from adherence to and compliance with high standards of integrity. They include ensuring equal opportunity in awarding projects, to conflicts of interest; money laundering crimes; financing terrorism; bribery; confidentiality of information, compliance with labor rights legislation; and payment of taxes, among others.

Other guidelines that support and give direction to our commitment are our: Corporate Sustainability Policy; Corporate Suppliers and Contractors Policy; Corporate Stakeholder Engagement Policy; and our Corporate Human Rights Policy.

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## 1. Objective

To establish the commitments and general guidelines of the Molymet Group and its subsidiaries in respect of due diligence in the molybdenum concentrate supply chain in conflict zones or high-risk areas. Here the aim is to ensure that minerals used in our products are obtained from responsible sources, complying with the highest standards of integrity and respect for human rights.

## 2. Scope

This policy is applicable to Molibdenos y Metales S.A and all its subsidiaries that participate in the molybdenite supply process.

## 3. Regulatory References

**3.1** Joint Due Diligence Standard for Copper, Lead, Molybdenum, Nickel and Zinc (Version 3, 24 August 2022)

**3.2** OECD Due Diligence Guidelines for Responsible Mineral Supply Chains of Minerals in Conflict-Affected or High-Risk Areas (3rd edition)

## 4. Responsibilities

**It is the responsibility of the Vice President of Corporate Affairs and Sustainability to:**

- Review and update this Policy annually to ensure that it is appropriate for the nature, scale and operational context of the company
- Communicate this Policy, both internally and externally whenever there are updates
- Train all relevant personnel on this Policy to ensure that they understand it
- Ensure that the Policy is documented and accessible to interested stakeholders via the Company website, as well as including this information in commercial contracts with molybdenite suppliers.
- Ensure compliance with the commitments established in this Policy through the implementation and maintenance of the Mineral Supply Chain Due Diligence Management System.
- Respond to requests from suppliers wanting information about this Policy.

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**It is the responsibility of the Commercial Vice president to:**

- Ensure the inclusion and sharing of this Policy in all molybdenite supplier commercial contracts
- Ensure compliance if the introduction of new mineral sources or suppliers modifies the supply chain.
- Act as liaison and/or spokesperson for suppliers with respect to the requirements set out in this Policy.
- Define and implement controls in situations where suppliers and/or third parties linked to the mineral supply chain are identified as not complying with the provisions of this Policy.

**It is the responsibility of the Vice President of Risk & Compliance to:**

- Manage complaints received through the available and specified grievance mechanisms in a timely manner according to this Policy.
- Oversee the risk management associated with the molybdenum concentrate supply chain.

**5. Commitments**

Recognizing that there is potential for significant negative impacts related to the extraction, marketing, management, processing and export of minerals from conflict and high-risk areas, we assume responsibility for respecting human rights and not contributing to conflict or irregular financial activities, as set out in Annex II of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

As the Molymet Group:

- We assume the commitment to adopt and share this Policy in our contracts and/or in agreements with molybdenite suppliers.
- We will refrain from any action that contributes to the financing of conflicts and we are committed to complying with relevant United Nations sanctions resolutions, or failing that, with national laws implementing such resolutions.
- We are committed to implementing the five-step due diligence process as defined in Annex I of the OECD Guidelines through implementation and maintenance.
- We are committed to proactively identifying, assessing and responding to risks of adverse impacts and existing adverse impacts in our minerals supply chains.

- We will ensure that, at a minimum, we will address the risks listed in Annex II of the OECD Guidelines. While sourcing from or operating in conflict-affected and high-risk areas, we will not tolerate or benefit from, contribute to, assist or facilitate the commission by any party of any of the risks associated with extraction, transport or trade of the minerals specified in Annex II of the Guidelines.
- Our objective is to implement a risk management-oriented approach through due diligence in our mineral supply chains. This involves evaluating sources and suppliers, as well as collecting data on their performance and tracing the origin of purchased molybdenite. In situations where suppliers and/or third parties linked to the mineral supply chain are identified as not complying with this policy, we are committed to undertaking careful and thoughtful measures to assist in improving their risk management capabilities. We retain the right to suspend or terminate business relationships where we deem necessary or appropriate under the circumstances and in accordance with the commitments stated in this Policy.

## **6. Complaint mechanism**

We have a channel through which our stakeholders and those involved in our mineral supply chain can make any complaints, claims, complaints or suggestions. We periodically conduct reviews and evaluations to ensure the continued effectiveness of these mechanisms. Any concerns about our Minerals Supply Chain Due Diligence Policy or Management System can be reported through the mechanism provided:

- Molymet Group Complaint mechanism: Molymet Group Complaint mechanisms: Complaints can be made through our ethical hotline which forms part of our Crime Prevention Model: <https://molymet.com/en/nosotros/linea-etica/>



**Edgar Pape**

Chief Executive Officer  
Molibdenos y Metales