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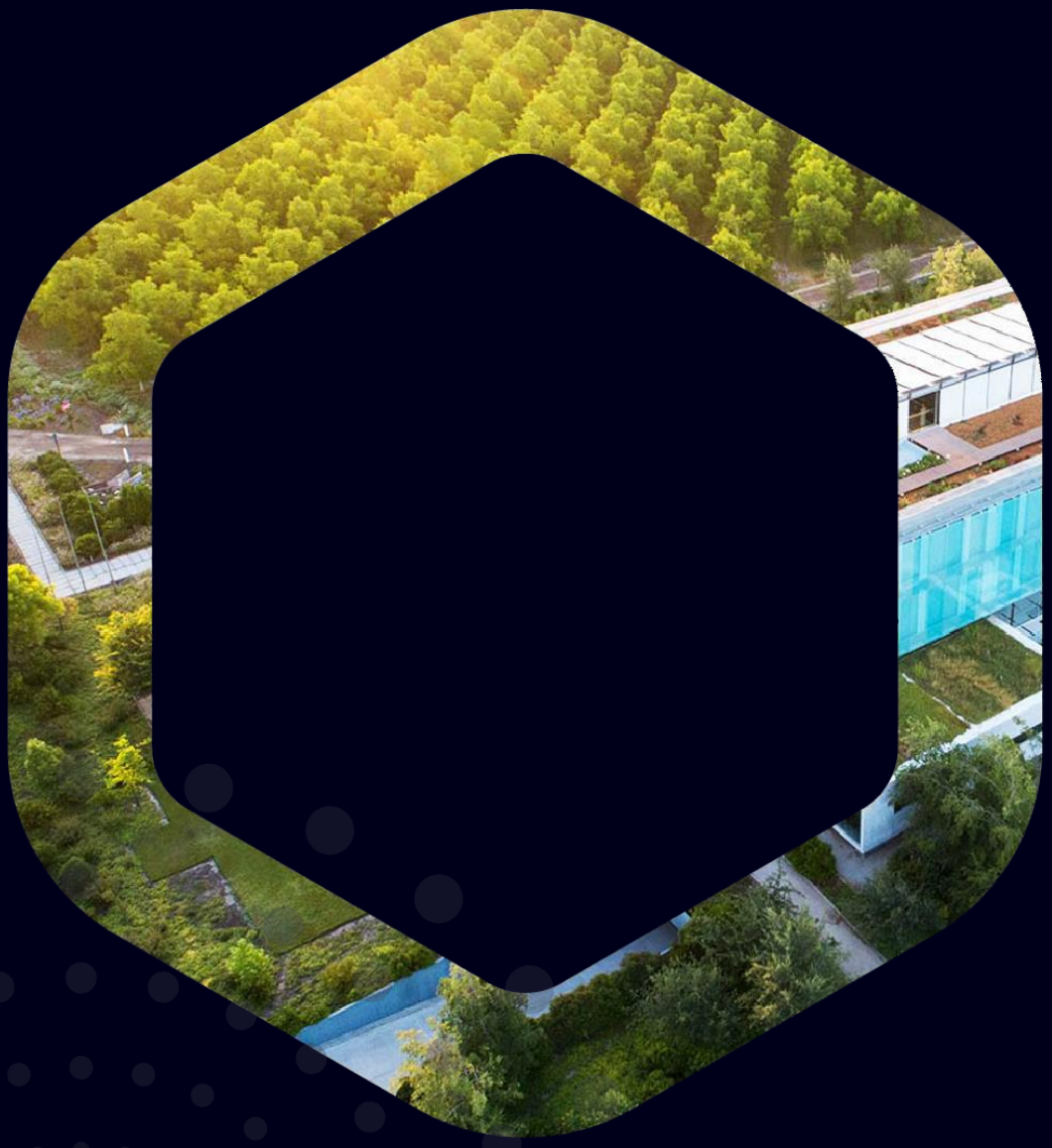

Due Diligence Report

On the Molybdenum Concentrate Supply Chain

April 2026

DUE DILIGENCE REPORT ON THE MOLYBDENUM CONCENTRATE SUPPLY CHAIN

SUMMARY

This report presents the results of the due diligence process conducted on the business partners of the proprietary and contract manufacturing business lines of Molymet (Molibdenos y Metales S.A.) "Molymet", covering the period from July 2024 to December 2025.

We describe the applicable policy framework, the existing management system, the methodology used to identify red flags and assess risks, and the main results of the assessment, conducted in accordance with the following standards:

1. Joint Due Diligence Standard for Copper, Lead, Molybdenum, Nickel, and Zinc (Version 3, 2022).
2. Risk Readiness Assessment Criteria Guide – RRA 3.0.
3. OECD Due Diligence Guidance for Responsible Business Conduct (2018).
4. OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (3rd edition).

During the period analyzed, four red flags were identified. These were dismissed following a thorough review, as well as one ESG risk factor for which mitigation measures were established. As a result of this analysis, no existing impact risks or adverse impacts were identified.

INTRODUCTION

Molymet, a Chilean company founded in 1975, is a key player in the industrial processing of strategic metals, primarily molybdenum (Mo) and rhenium (Re) which are essential inputs for a variety of industries around the world. Through our operations at subsidiaries in Chile, Mexico, Belgium and Germany, we have significant total global processing capacity with 35% market share for Molybdenum and 70% for Rhenium.

Given the nature of our business and the associated risks, Molymet prioritizes a transparent and ethical supply chain with responsible mineral sourcing at every stage. Our Due Diligence process is designed to identify, prevent and mitigate the risks of adverse impacts related to the environment, human rights, armed conflict, poor governance and other issues addressed by applicable international standards.

I. POLICY AND MANAGEMENT SYSTEM

The Molybdenum Concentrate Supply Chain Due Diligence Principles was first published in 2024 and updated in 2025, in line with the new requirements established in Part 1 of Criterion 10 of the Risk Readiness Assessment Criteria Guide (RRA 3.0). It sets out Molymet's commitments and expectations regarding the responsible sourcing of molybdenum concentrate. These principles are grounded in respect for human rights and the environment, and in not contributing to conflicts, through the proactive prevention and management of risks and adverse impacts on supply chains. They apply to all Molymet operations and to business partners in the company-owned and contract manufacturing business lines involved in the sourcing of molybdenum concentrate.

These Principles are complemented by other corporate instruments like our Code of Conduct for suppliers and our Human Rights Policy.

Governance of the Management System is led by the Vice President of Corporate Affairs and Sustainability with the support of the Due Diligence Officer. It includes specific responsibilities for the Vice Presidents of Risk & Compliance, Commercial Affairs, People and Communication, the Commercial Manager in charge of supplier relations and the Corporate Logistics Manager. At our subsidiaries, Commercial Managers and General Managers streamline coordination with local processes.

Our due diligence management system provides a clear framework for identifying and managing supply chain risks. It features specific procedures for red-flag detection, risk assessment, and proportionate response, backed by independent assessments when necessary. To ensure accountability, we track performance through internal indicators and maintain an accessible reporting channel for all stakeholders.

Control and Transparency

Our Internal Control System secures the supply chain by collecting relevant information from our business partners. We maintain strict operational controls across all subsidiaries to manage molybdenum concentrate in our custody and prevent any material of unknown origin entering our system.

To ensure full traceability of our molybdenum concentrate, we use a robust toolkit for due diligence. This includes KYC (Know Your Counterpart) questionnaires and direct partner inquiries, supplemented by independent third-party reports and public data analysis. This enables us to continuously strengthen and update our management system. These efforts are anchored by formal and accessible mechanisms for confidential complaints and reporting of concerns or risks. In this way, we ensure accountability at every step.

During the period under review, we received no complaints or claims from suppliers regarding the issues detailed in this report.

II. IDENTIFICATION AND REVIEW OF WARNING SIGNS AND RISK FACTORS

The objective of this stage is to identify red flags or risk factors that could give rise to adverse impacts or risks of adverse impact in Molymet's molybdenum concentrate supply chain.

We remain vigilant by monitoring 'red flags' associated with the origin of the mineral, its transport route through conflict-affected and high-risk areas (CAHRA) or potential corporate ties or shareholder interests of a supplier in companies that source materials from or operate in a CAHRA. The identification of these zones is based on three fundamental criteria: armed conflict, governance quality, and human rights violations.

To ensure our data aligns with OECD, RMI, and Copper Mark standards, we rely on a set of annually updated global benchmarks—including the EU CAHRA list, TDI CAHRA, Vision of Humanity, the Dodd-Frank Act (Section 1502), and the FATF's list of non-cooperative countries.

Additionally, these risk factors act as indicators for risks related to prioritized ESG issues, based on their likelihood and potential impact on Molymet's molybdenum concentrate supply chain.

1- Ethics and transparency:

Encompassing Business's ethics and integrity, avoiding and condemning acts of bribery, corruption, and similar misconduct.

2- Respect for human rights and decent working conditions:

Human rights issues and the promotion of decent working conditions, fair and safe work environments, free from discriminatory practices, child labor or forced labor.

3- Environmental responsibility:

Issues around the prevention and mitigation of negative environmental impacts, climate action, waste management, water management, and biodiversity management.

4- Respect for communities:

Meaning transparent, respectful and trusting relationships with communities in the territories where business partners operate, fostering ongoing dialogue, respect for community rights, and contributions to sustainable development.

To identify red flags and risk factors, an analysis process has been established that utilizes tools such as the KYC (*Know Your Counterpart*) questionnaire, direct consultations with business partners, document reviews, analysis of public information, and reports from recognized third parties, as well as complaint mechanisms.

The KYC questionnaire, a key tool in the process, is sent annually to current business partners, as well as at the start of a business relationship. It includes questions on international sanctions, sourcing practices, transparency control systems regarding the origin and transport of minerals, due diligence, respect for human rights, ethical behavior and ESG practices. Where applicable, responses are evaluated and cross-checked against available public information.

In 2025, the KYC questionnaire was sent to all business partners from whom molybdenum concentrate was received during the period from July 2024 to December 2025, representing 99.99% of the purchase volume for that period. The results by subsidiary are presented below:

Molymet

99.99% of the molybdenum concentrate supply was analyzed. A red flag was identified in one case and was subsequently dismissed after reviewing the supplier's background.

The red flag related to the interests of the supplier's major shareholders in companies operating in CAHRA zones. However, it was dismissed given the supplier's robust ethical practices including anti-corruption, responsible business conduct, and human rights aligned with international standards.

MolymetNos

100% of its molybdenum concentrate supply was analyzed, with no red flags or risk factors identified.

Molynor

100% of its molybdenum concentrate supply was analyzed, and no red flags or risk factors were identified.

Molymex

99.99% of the molybdenum concentrate supply was analyzed, with no red flags or risk factors identified.

Molymet Belgium

100% of the molybdenum concentrate supply was analyzed. Two red flags and one risk factor were identified, associated with three suppliers.

Supplier 1: A warning signal associated with transit through a CAHRA zone was identified.

Supplier 2: A red flag was identified as the controlling holding company had past ties to sanctions lists.

Supplier 3: a red flag was identified as the controlling holding company had past ties to sanctions lists, along with an additional risk factor associated with the absence of ESG policies.

As a result of the review of these red flags, the following was determined:

i) As part of the review of the red flag associated with transit through a CAHRA zone, additional information was requested from the supplier regarding the chain of custody (traceability) of the concentrate corresponding to the section located in the CAHRA zone.

In conducting this review, no irregularities or potential links to Annex II risks were found and the red flag was dismissed.

ii) As part of the review of the red flags involving two companies associated with a holding company's former link to sanctions lists, no current matches were detected for the suppliers or their declared ultimate beneficial owners, and the red flags were dismissed for both suppliers.

iii) The absence of ESG policies was identified in the case of the 3rd supplier.

III. RISK MANAGEMENT

To enhance our risk management, Molymet has strengthened the ESG assessment matrices across our subsidiaries' supply chains. These matrices integrate general supplier risks with specific Annex II OECD Guidelines tailored for mineral sourcing.

Within this framework, we have defined targeted action plans for all prioritized risks. Accordingly, we have updated our mitigation strategies for human rights, OECD Annex II, and broader ESG matters, as detailed below:

- When risks of adverse impact linked to serious human rights abuses or support for armed groups are confirmed, the company may take one of the following measures: a) Immediately terminate the business relationship upon detection of a critical risk of adverse impact related to these matters, which will entail the indefinite termination of the contract with the supplier; or b) Temporarily suspend business activities while implementing measures to mitigate the risk, in the event that a very high or critical risk of adverse impact is identified.
- When confirmed risks are related to other issues in Annex II of the OECD Guidelines or to ESG risks, a management plan is developed in consultation with the supplier. This plan includes immediate corrective actions, specific deadlines, assigned responsible parties, and performance metrics. Within six months, monitoring is conducted to ensure the plan's implementation. Subsequently, the effectiveness of the implemented measures is evaluated, and a new risk assessment is conducted, taking into account updated conditions.
- Remediation actions are addressed by the corporate risk management and remediation procedure which applies to suppliers of goods, services and molybdenum concentrate.

No red flags were confirmed, so a risk assessment was not necessary.

In the case of the identified ESG risk factor, the following preventive measures were taken:

i) Requested adherence to Molymet's Code of Conduct which means adopting the practices and principles it outlines.

IV. INDEPENDENT ASSESSMENT

Molymet's Due Diligence Management System for the Molybdenum Concentrate Supply Chain has been subject to independent third-party assessments as part of the assurance process for The Molybdenum Mark standard. During various assurance cycles, the subsidiaries Molymet Belgium, Molymex and Molynor have been independently audited to assess the compliance of their Due Diligence systems with the requirements of the standard and the Joint Due Diligence Standard for Copper, Lead, Molybdenum, Nickel and Zinc.

The independent audits involve a comprehensive review of the design and implementation of the Due Diligence Management System, including policies, procedures, controls, and mechanisms associated with the identification, assessment and management of risks in the Mineral Supply Chain.

The results of the external audits are published by The Copper Mark on its official website, in accordance with the standard guidelines. The independent assessment process is conducted periodically, with audits of additional subsidiaries planned for subsequent cycles, including MolymetNos, in accordance with the schedule defined by the company and the requirements of the applicable assurance scheme.

V. DISCLOSURE AND TRANSPARENCY

In line with our commitment to transparency and continuous improvement, this Due Diligence Report includes information on our policies, management systems, risk assessments, corrective actions, and independent audits, and is available to our stakeholders via our website www.molymet.cl.

In addition, a summary of these results will be included in our Integrated Report, reflecting Molymet's commitment to responsible governance and sustainability across the supply chain.

VI. CONTINUOUS IMPROVEMENT

Molymet views Due Diligence in the Molybdenum Concentrate Supply Chain as a dynamic and ongoing process, subject to continuous review and strengthening. The results of the risk identification, assessment, and management processes, as well as lessons learned from internal monitoring and independent assessments, are used to update policies, procedures, tools, and management criteria.

The Due Diligence Management System includes periodic reviews that allow for adjustments based on changes in the operational, regulatory, or risk context, as well as the evolution of applicable international standards. This approach seeks to progressively strengthen the system's effectiveness and ensure its continuous alignment with the OECD Due Diligence Guidance and the requirements of The Molybdenum Mark standard, in its current version (RRA 3.0).

Edgar Pape

Chief Executive Officer

Molibdenos y Metales S.A.