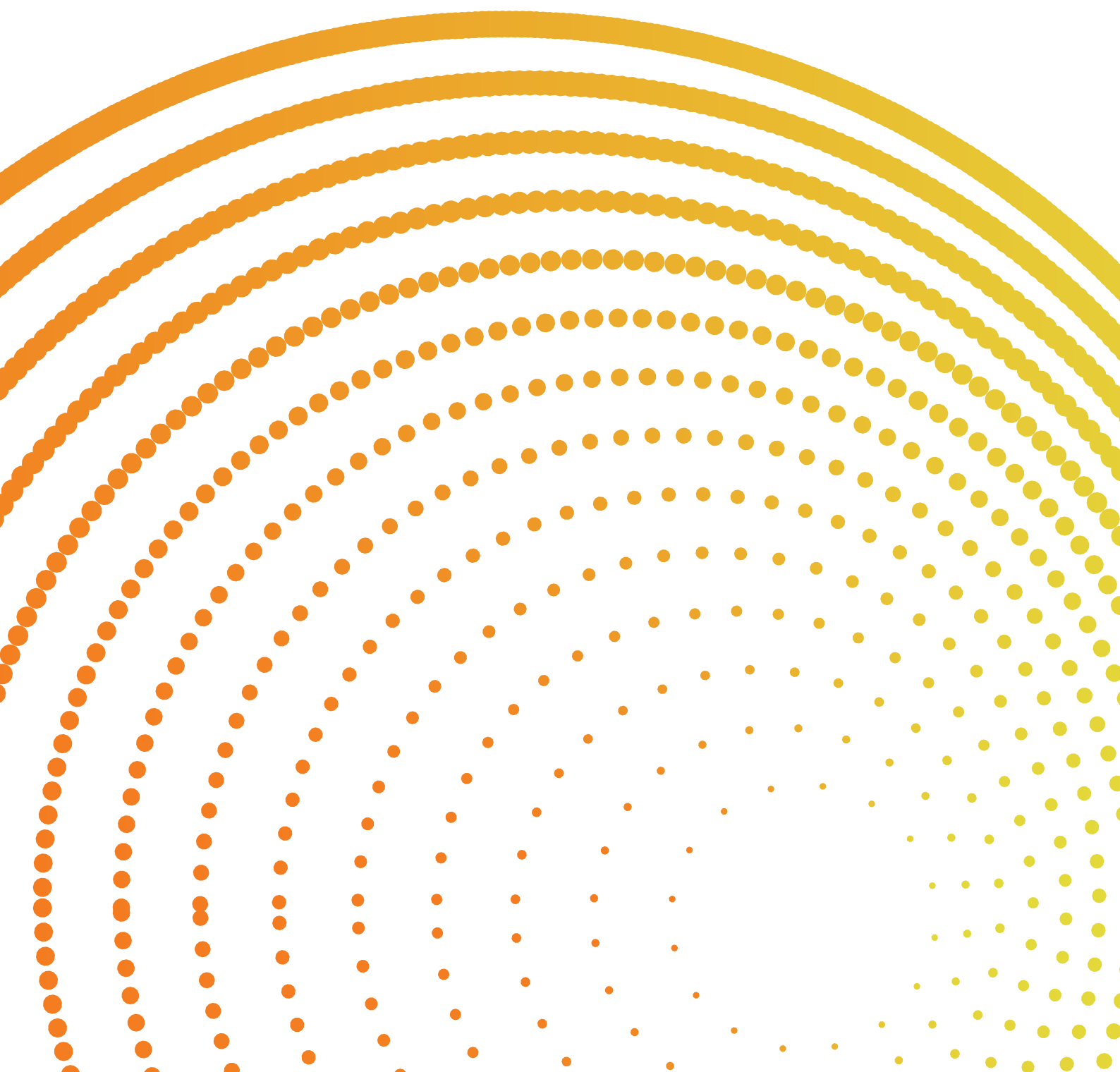

Modern Slavery Report 2023 – Canada

Version 2 – Updated 2025

MOLYCOP

Molycop Legal





Modern Slavery Report

Introduction

This Forced Labour and Child Labour Report (this “**Report**”) is jointly submitted by Moly-Cop Canada and Moly-Cop Ltd. (hereinafter jointly referred to as “**Moly-Cop**”, “**Moly-Cop Canada**”, or the “**Company**”) for the financial year ending June 30, 2024, and is made in accordance with the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, S.C. 2023, c.9 (Canada), also known as the Modern Slavery Act (the “**Act**”).

This Report is not a revised version of a report already submitted this reporting year. Moly-Cop’s business number are Moly-Cop Canada: 119446847RZ0001 and Moly-Cop Ltd.: 132980517BC0004.

As a strategic supplier of grinding media and other mining process solutions to some of the world’s largest mining companies, Moly-Cop bears a great responsibility for its employees, stakeholders, and for the societies in which it operates. Therefore, a network of suppliers and contractors that share its values is a precondition for doing business with Moly-Cop. To accomplish this goal, Moly-Cop is committed to foster a supply chain aligned with such fundamental principles and ensure compliance with all applicable laws and regulations to protect human rights, promote the health and safety of its employees, prevent discriminatory practices of any kind, and other deplorable practices such as forced labour and child labour.

This Report describes the reasonable steps taken by Moly-Cop to mitigate forced labour and child labour in our organization’s operations and supply chains during the 2024 fiscal year.

Our Respect for Human Rights

Moly-Cop fully supports the objectives of the Act and opposes the use of all forms of forced labour and child labour in our operations and our supply chain. Respect for human rights is fundamental to our values, the long-term stability and growth of our business and to the wellbeing of the communities in which we operate.

As set out in the United Nations Guiding Principles on Business and Human Rights (“**UNGPs**”), business enterprises have a responsibility to respect internationally recognized human rights. The responsibility to respect human rights requires that business enterprises: (a) avoid causing or contributing to adverse human rights impacts through their own activities and address such impacts when they occur; and (b) seek to prevent or mitigate adverse human rights impacts that are directly linked to their operations, products or services by their business relationships, even if they have not contributed to those impacts.

Steps Taken During 2024 Fiscal Year to Prevent and Reduce Risks of Forced Labour and Child Labour in our Supply Chains [Section 11(1) of the Act]

Moly-Cop is committed to operating ethically, following practices, policies, and standards in compliance with the objectives of the Act and applicable labour and employment laws. As part of this commitment, we acknowledge the importance of addressing modern slavery and child labour within our supply chain and activities.

In 2024, Moly-Cop began to undertake activities specifically to address the objects of the Act, however, such were not completed until after its 2024 fiscal year had concluded. As part of our general operational due diligence in 2024, we:

1. During FY24, Molycop released an updated version of its Code of Conduct, reinforcing our commitment to ethical and responsible business practices. The Code of Conduct sets clear expectations for behavior and decision-making in all work performed across the Moly-Cop and its affiliates. Notably, it emphasizes that modern slavery represents a serious legal and ethical violation, and it makes clear that such practices will not be tolerated within Moly-Cop or by any individuals or entities acting on Moly-Cop’s behalf.
 - All Moly-Cop employees are introduced to the principles of the Code of Conduct during their onboarding and are required to complete training to ensure understanding and alignment with company values.
 - Any breach of the Code of Conduct triggers a formal investigation process. Where noncompliance is confirmed, appropriate disciplinary action is taken (up to and including termination of employment).



2. Moly-Cop's **Supplier Code of Conduct**, published in December 2024, outlines the standards and expectations for all entities conducting business with Moly-Cop and its affiliates. It places particular emphasis on human rights and labour practices, requiring suppliers to:
 - Respect and uphold internationally recognized human rights
 - Prohibit the use of child labour and all forms of forced or compulsory labour
 - Promote non-discrimination and ensure fairness in employment practices
 - Maintain a workplace free from harassment and abuse.
3. Moly-Cop's **Whistleblower Policy** is fully implemented and provides a safe and confidential channel for employees, suppliers, and other stakeholders to report suspected instances of modern slavery. The policy explicitly protects whistleblowers from retaliation, ensuring they can speak up without fear of adverse consequences.
4. With the implementation of Moly-Cop's internal **Investigation Process Guide**, we ensure that all complaints are thoroughly and objectively investigated, regardless of their origin. This framework reinforces Moly-Cop's firm commitment to zero tolerance for any violations related to modern slavery, human rights, human trafficking, or child labour. The guide also guarantees accessible and secure reporting channels that allow for anonymous submissions when requested and strictly upholds our non-retaliation policy. These mechanisms are available to both employees and third parties, ensuring that anyone can safely report concerns and that every report receives the attention it deserves.
5. Moly-Cop's fully implemented **Third Party Due Diligence Policy and Procedure** reflects our strong commitment to ethical business conduct and compliance with both local and international laws. The procedure provides a structured framework for assessing third-party relationships, including a comprehensive risk evaluation checklist. Special attention is given to identifying potential modern slavery risks. This ensures that Moly-Cop exercises due care in selecting and working with external partners, in alignment with our values and legal obligations.

Requirement (a) - Structure, Activities and Supply Chains

Structure

Moly-Cop is a partnership between Moly-Cop Ltd. and 1100739 B.C. Ltd. formed pursuant to the *Partnership Act* (British Columbia). Moly-Cop is headquartered in the Province of British Columbia and its registered office is located at 250 Andover CRES Kamloops, BC V2C 6X2, Canada. By the end of fiscal year 2024, Moly-Cop had 106 employees on payroll, all located in Canada. Moly-Cop Canada is the largest manufacturer of grinding media sold to the mining industry in Canada.

The two partners forming Moly-Cop Canada are Moly-Cop Ltd. and 1100739 B.C. Ltd. Moly-Cop Ltd.'s incorporation number is BC1102506 and has offices at 700 West Georgia Street Suite 2200 Vancouver, BC V7Y 1K8. 1100739 B.C. Ltd.'s incorporation number is BC1100739 and has offices at 700 West Georgia Street Suite 2200 Vancouver, BC V7Y 1K8. [REDACTED] Ltd. The partnership was registered on January 26, 2011, and has no control over any other entities.



Activities

Moly-Cop is the largest manufacturer of grinding media sold to the mining industry in Canada, employing 106 employees (as of June 2024). Production of grinding media involves:

Raw material storage:

- Raw material (bars) are purchased and received at the location (primarily via rail) and stored in the bar storage area.
- In fiscal year 2024: Moly-Cop purchased about [REDACTED] of raw material bars, of which [REDACTED] were purchased domestically, [REDACTED] were imported from USA, and were procured from Moly-Cop Singapore Trading, who imports the bars from China.
- In fiscal year 2023: Moly-Cop purchased about [REDACTED] of raw material bars, of which [REDACTED] were purchased domestically and [REDACTED] were procured from Moly-Cop Singapore Trading, who imports the bars from China.

Raw material feed: Bars are loaded into the unscrambling area and proceed to be heated.

Ball forming: The heated bar is then moved to the forge machine where it is forged to form a steel ball.

Ball treatment: Through a sequence of controlled cooling and heating processes, the balls are heat treated for desired product quality.

Ball storage: Finished product is directly loaded for shipping or stored in the ball storage area prior to shipment.

Shipment to customers:

- **Domestic:** Moly-Cop's major customers include [REDACTED], among others.
- **International:** Moly-Cop in FY24 and FY23 exports ([REDACTED] respectively) were primarily to a plant of an affiliated company in Kansas City, USA, named Moly-Cop USA, LLC. In addition to the manufactured grinding media, Moly-Cop imports grinding media with higher chrome level content (HiCr balls) [REDACTED] and resells to the domestic market.
- In FY24, Moly-Cop imported [REDACTED] of HiCr balls and [REDACTED] of forged balls from China through Moly-Cop Singapore Trading.
- In FY23, Moly-Cop imported [REDACTED] of HiCr balls and [REDACTED] of forged balls from China through Moly-Cop Singapore Trading.



Supply Chain

Moly-Cop is committed to complying with all applicable laws and regulations, including those related to forced labour and child labour. Moly-Cop expects its suppliers to demonstrate the same commitment in the regions in which they operate. Moly-Cop acknowledges the risk of forced labour and child labour exists in any complex global supply chain.

In the course of doing business, as described above, Moly-Cop procured:

FY23

- total procurement spend: ██████████
- the main (3-5) categories of goods and services procured and respective amounts:

| Top 5 spend categories | \$ amount - List amount per vendor | Vendor (s) – List amount per vendor |
|--|--|--|
| 1 Steel Bars (██████████) | ██████████ | ██████████ |
| | ██████████ | ████████████████████ |
| | ██████████ | ██ |
| 2 Freight (██████████) | ██████████ | ████████████████████████████████ |
| | ██████████ | ████████████████████████████████ |
| | ██████████ | ████████████████████████████████ |
| 3 Purchased Balls (██████████) | ██████████ | ██ |
| | ██████████ | ████████████████████████████████ |
| 4 Maintenance/Contractor Services (██████████) | ██████████ | ████████████████████████████████ |
| | ██████████ | ██ |
| | ██████████ | ████████████████████████████████ |
| 5 Utilities (██████████) | ██████████ | ██ |
| | ██████████ | ██████████ |
| | ██████████ | ████████████████████████████████ |

- total number of suppliers: 348 suppliers



FY24

– total procurement spend: ██████████

– the main (3-5) categories of goods and services procured and respective amounts:

| Top 5 spend categories | \$ amount - List amount per vendor | Vendor (s) – List amount per vendor |
|--|--|--|
| 1 Steel Bars (██████████) | ██████████ | ██████████ |
| | ██████████ | ████████████████████ |
| | ██████████ | ██ |
| 2 Purchased Balls (██████████) | ██████████ | ██ |
| | ██████████ | ████████████████████ |
| 3 Freight (██████████) | ██████████ | ████████████████████████████████ |
| | ██████████ | ████████████████████████████████ |
| | ██████████ | ████████████████████████████████ |
| 4 Maintenance/Contractor Services (██████████) | ██████████ | ████████████████████████████ |
| | ██████████ | ██ |
| | ██████████ | ████████████████████████████████ |
| | ██████████ | ████████████████████████████████ |
| 5 Utilities (██████████) | ██████████ | ██ |
| | ██████████ | ██████████ |
| | ██████████ | ████████████████████████████ |

– total number of suppliers: 329 suppliers

Requirement (b) - Policies and Due Diligence Processes

Moly-Cop is firmly committed to upholding the highest standards of human rights across all areas of our operations and supply chain. In line with this commitment, we have implemented robust policies and due diligence processes specifically designed to prevent, detect, and respond to any instance of forced labour or child labour.

Our Code of Conduct, Supplier Code of Conduct, and related Third Party Due Diligence Policy and Procedure explicitly prohibit all forms of forced, bonded or involuntary labour, child labour, and any form of exploitation. These policies apply to all Molycop employees, contractors, suppliers, and business partners globally.

As part of our due diligence framework, we:

- Conduct risk assessments to identify and assess potential adverse impacts in our operations and business relationships that may expose us to forced and child labour within our operations and supply chains.
- Embed responsible business conduct (RBC) principles into our Code of Conduct, Supplier Code of Conduct and Third-Party Due Diligence Policy and Process by requiring our employees and suppliers to adhere to our human rights standards through contractual obligations.
- Perform third-party screenings and evaluations, especially in high-risk geographies or sectors, and subject all third-parties to continued automated screening to ensure ongoing compliance and immediate risk identification.
- Following third-party screening, if a supplier is identified as high risk, they are required to formally acknowledge and sign our Supplier Code of Conduct, affirming their commitment to our standards. These suppliers are then closely monitored to ensure ongoing compliance.
- Provide training and awareness programs to employees and relevant stakeholders on recognizing and addressing these risks.
- Maintain grievance and reporting mechanisms (including anonymous options) available to employees, suppliers, and third parties, ensuring all allegations are investigated in line with our Investigation Process Guide.

Furthermore, employees with managerial, sales, and procurement responsibilities has been trained on these policies and procedures by the Legal and Compliance teams throughout all Moly-Cop businesses and regions, including Moly-Cop.

Requirement (c) - Forced labour and child labour risks

Moly-Cop acknowledges that no complex supply chain is risk free and it has identified the industries and sectors which support its operations that may carry a risk of forced labour and child labour, although further assessment of its own supply chain is required.

Particularly for Moly-Cop, we have preliminarily identified the following potential risks of forced labour or child labour in our supply chains generally:

- a risk based on the location of our suppliers in China;
- a risk where raw materials are procured by our suppliers for use in their supply chain from one or more other suppliers or manufacturers that we do not have direct contact with; and
- a risk where raw materials are procured by our suppliers for use in their supply chain where limited information is available to us regarding the source of such raw materials.

To manage these risks and strengthen its third-party due diligence processes and identify risks related to forced labour, child labour, and other human rights violations, Moly-Cop transitioned into the Sayari Graph platform for the 2024 Fiscal Year, which is a commercial risk intelligence platform that combines global corporate and supply chain data, complex entity networks, and intuitive risk identification to accelerate investigations, intelligence, and due diligence activities. According to Sayari, the platform harvests billions of documents pulled from thousands of databases to extract, resolve, and match millions of entities to map the relationships between suppliers into pre-computed graph visualizations that surfaces possible exposure to dozens of risk types, including child and forced labor across the globe.



However, based on ongoing assessments and a desire for more dynamic monitoring and real-time risk alerts, Moly-Cop and its affiliates decided during FY24 to transition to the NAVEX RiskRate platform. NAVEX offers a more powerful and integrated solution for identifying and managing third-party risks. It screens all third parties against global sanctions lists, politically exposed persons (PEPs), and adverse media, while providing continuous monitoring. This ensures that any change in a third party's risk profile is immediately flagged, allowing for the swift implementation of remedial actions where necessary.

This transition reflects Moly-Cop's ongoing commitment to robust due diligence, ethical business practices, and the protection of human rights throughout its operations and supply chain.

Requirement (d) - Forced Labour and Child Labour Remediation Measures

In the 2023–2024 fiscal year, Moly-Cop was not aware of any occurrences of forced labour or child labour practices within its operations or supply chain. As a result, no remedial measures were required to address adverse impacts related to such practices.

Nonetheless, as part of our proactive risk management approach, Moly-Cop required certain third parties—identified based on factors such as geographical location or operating environment—to formally sign our Supplier Code of Conduct. This serves as an acknowledgment of our commitment to eliminating forced labour and child labour and reinforces our expectations of compliance with ethical labour standards.

Requirement (e) - Remediation of Loss of Income

In the 2023–2024 fiscal year, Moly-Cop strengthened its due diligence practices by requiring all third parties identified as high risk—for example, due to their location or operating context—to formally sign our Supplier Code of Conduct as a clear acknowledgment of our standards related to modern slavery and child labour.

As Moly-Cop was not aware of any occurrences of forced labour or child labour within its operations or supply chains during this period, no measures were required to eliminate such practices. Accordingly, no actions were taken to remediate any potential loss of income to families that could have resulted from interventions aimed at eliminating forced labour or child labour.

Requirement (f) - Training

While Moly-Cop did not deliver formal training on forced labour and child labour during the 2023 fiscal year, we took significant steps to address this in FY24. During the 2024 fiscal year, Molycop successfully implemented targeted training programs focused on third-party due diligence, which included key content related to the identification, prevention, and response to risks of forced labour and child labour within our operations and supply chains.

We are proud to report that 100% of the targeted employees—those involved in procurement, compliance, legal, managers and supply chain functions—successfully completed the training. This initiative reflects our continued commitment to embedding human rights awareness and responsible sourcing practices across the organization.

Requirement (g) - Assessing Effectiveness

In FY24, Moly-Cop enhanced its third-party due diligence framework by transitioning to the NAVEX RiskRate platform, enabling real-time screening and monitoring of third parties against sanctions lists, PEPs, and adverse media.

Also in FY24, Moly-Cop deployed targeted employee training programs. These trainings focused on third-party due diligence and the identification and prevention of forced and child labour, achieving 100% completion among the relevant personnel.

These initiatives represent a critical step forward in Moly-Cop's commitment to building a more structured, proactive, and accountable approach to human rights due diligence across its global operations and supply chain.



Approval of Report and Attestation

This Report has been approved by the limited partners of Moly-Cop in accordance with Section 11(4)(a) of the Act.

In accordance with the requirements of the Act, and in particular Section 11 thereof, I attest that I have reviewed the information contained in the report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

Per:



Name: Kernell Z. Hernandez-Rivera

Title: Senior Counsel, North America

Date: May 28, 2025

I have the authority to bind Moly-Cop Canada.



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