

ENVIRONMENTAL SOCIAL AND GOVERNANCE REPORT

20
22

Table of Contents

Introduction	3	Encourage Environmental Stewardship	22	Empower People and Entrepreneurship	36
Leadership Commitment	3	EHS Compliance	23	Health, Safety, and Wellness	37
Our Mission, Vision, and Values	4	Limiting Energy Usage and GHG Emissions	24	Case Study: Emergency Response Program	41
Our Employees	5	GHG Emissions for Mountain Pass Operations	26	Talent and Future Workforce	42
Our Business	6	Non-GHG Emissions for Mountain Pass Operations	27	Case Study: Taking Care of Our People	44
Our ESG Strategy	12	Water Stewardship	28	Diversity, Equity, and Inclusion	45
Electrify a Sustainable Future	14	Dry Stack Tailings	29	Community Impact	47
Enabling the Low Carbon Economy	15	Non-Hazardous and Hazardous Waste Management	31	Case Study: Employee Volunteer Program	48
Case Study: GM	16	Case Study: Integrated Magnet Recycling	34	Corporate Governance	49
Building Responsible and Resilient Supply Chains	18	Biodiversity and Land Use	35	Risk Management	50
Green Financing	20			Ethics and Compliance	51
				About This Report	52

Introduction

LEADERSHIP COMMITMENT

A Message from Our Executive Team

Rare earth materials and magnets are vital inputs to the technologies powering the electrification revolution. Throughout 2022, MP Materials Corp. (MP Materials, MP, the Company, our, we, or us) made significant progress toward fulfilling our mission to restore the full rare earth supply chain to the United States. We are now well on our way to becoming a fully integrated U.S. magnetics champion.

Today, we believe that we operate one of the cleanest and most environmentally sustainable rare earth production facilities in the world. Resting on our laurels, however, is not part of our owner-operator culture. As we developed our Stage II optimization plans, reducing chemical, water, and energy usage were top priorities. As we put these circuits into operation, we will continue to take steps to limit resource consumption and increase the efficiency of our operations. Similarly, as we expand into the magnetics industry, we are developing processes to minimize waste, emissions, and energy usage, and setting a global standard for responsible production.

Across our business, we continue to prioritize our employees' health, safety, and well-being; encourage a spirit of joint ownership, entrepreneurship, and continuous growth; support the communities that surround us; and run our operations with integrity. No matter how hard we push in the pursuit of our business goals and strategy, we will not waver on these principles.

We value the opportunity to share our efforts in this report, and we appreciate your engagement and feedback.

Our Mission, Vision, and Values



OUR MISSION

Restore the full rare earth supply chain to the United States of America



OUR VISION

Lead the renewal and reinvigoration of the American manufacturing spirit



OUR VALUES

Empowerment | Entrepreneurship
Integrity | Results | Safety | Unwavering

Our Employees



Our employees are vital to achieving our mission and ensuring our values are consistently applied to our work.

This is why we want every employee to feel empowered and incentivized by a collective sense of ownership. To achieve it, we have built a culture where every voice, regardless of job function or seniority, is heard and can make an impact. Virtually all our employees are stockholders, and the resulting owner-operator culture improves performance, promotes unique voices, and nurtures entrepreneurship within the Company.

Improves Performance

Engaged employees who feel valued and well-compensated put forth their best effort. Over time, this effort yields the highest performance.

Promotes Unique Voices

Each team member, regardless of seniority, offers unique perspectives and valuable insights. We encourage employees to contribute, influence, and share their unique points of view and insights to foster collaboration.

Nurtures Entrepreneurship

Employees with an ownership mindset understand that their actions directly impact the organization and their colleagues. This supports alignment and a strong sense of purpose.

Our Business

MP is North America’s leading producer of rare earth materials critical to economic and national security.

By fostering resiliency in the supply chain, we drive competitiveness in automotive, aerospace, renewable energy, robotics, and other sectors vital to the American economy. Our strategy is to vertically integrate, rapidly restore the full rare earth supply chain to the United States, and establish MP as a U.S. magnetism champion.

Today, our mine and processing facility in Mountain Pass, California (Mountain Pass) is the only scaled rare earth production source in North America and the Western Hemisphere. Permanent magnets derived from rare earths enable the functionality of electric vehicles (EVs), wind turbines, and advanced technologies that address climate change and other environmental challenges. Rare earth materials are also essential to other end markets, including consumer tech, robotics, aerospace, and essential industrial infrastructure.



In 2022, we produced 42,499 metric tons of REO in concentrate, a U.S. record. Mountain Pass was the world's second largest source of production.



Our Business (cont'd)

Stage I

Produce rare earth concentrate through scaled mining and beneficiation.



MINING



BENEFICIATION

Stage II

Refine high-purity separated rare earth products.



SEPARATION



REFINING

Stage III

Transform rare earth materials into metals, specialty alloys, and magnets.



METALLURGY



MAGNET MAKING

In 2017, we initiated Stage I production of rare earth concentrate at Mountain Pass. This product is sold to third-party refiners for separation and purification and forms the foundation of our business.

In 2022, we began commissioning Stage II assets at Mountain Pass to refine and produce separated rare earth products, including neodymium-praseodymium (NdPr) oxide. NdPr oxide is an essential material input to neodymium-iron-boron (NdFeB) magnets. When fully scaled, our Stage II operation is expected to produce more than 6,000 metric tons of NdPr oxide per year, enabling the manufacture of NdFeB magnets powering six to ten million EVs.

Throughout 2022, we accelerated our Stage III magnetics business, building a team from the ground up and constructing America's first fully integrated NdFeB magnet manufacturing plant in decades. This facility, located in Fort Worth, Texas (Fort Worth Facility), will transform refined materials produced at Mountain Pass into metal, NdFeB alloy, and finished magnets. The Fort Worth Facility is designed to produce approximately 1,000 metric tons of finished rare earth magnets per year, sufficient to power approximately 500,000 EV motors, with room to scale. General Motors (GM), our foundational automotive customer, will use our magnets to power motors in their North American-built EVs.

Our Fort Worth Facility is the business and engineering headquarters for our magnetics division. Our growing and talented team is implementing new NdFeB manufacturing processes that target higher efficiency and lower environmental impact than global peers. The success of these techniques will support our ability to scale magnetics production well beyond our first manufacturing plant.

For more information about our business, please visit [our website](#) or read our Securities and Exchange Commission (SEC) [filings](#).



In 2022, after completing millions of hours of engineering and construction, we began commissioning Stage II assets at Mountain Pass.

Our Business (cont'd)

—
MP Materials can produce NdPr sufficient to electrify around half of U.S. auto sales.

When fully scaled, our Stage II operation is expected to produce more than 6,000 metric tons of NdPr oxide per year, enabling the manufacture of NdFeB magnets **powering six to ten million EVs.**



13.9 million light duty vehicles were sold in the U.S. in 2022.



The U.S. Department of Defense awarded MP Materials \$35 million in February 2022 to construct the world's first heavy rare earth refinery outside of China.

Our ESG Strategy

Our Environmental, Social, and Governance (ESG) framework aligns with our mission, vision, and values. It is the foundation that will guide our ESG strategy as our business grows and evolves.

Electrify a Sustainable Future

Championing sustainable operations and environmental compliance to enable green technologies.

Encourage Environmental Stewardship

Unwavering commitment to do right by people and communities while caring for our shared resources.

Empower People and Entrepreneurship

Innovating with our team and community to implement thoughtful solutions that improve our world.



Our ESG Working Group, a cross-functional team of senior leaders within the organization, owns our ESG strategy. The working group meets regularly to discuss emerging ESG issues important to our stakeholders and ensure we are making progress aligned with our ESG strategy.

Our ESG Strategy (cont'd)

We regularly engage with stakeholders on our approach to ESG. Their input informs our decision-making, strengthening accountability and trust.

In 2021, we conducted our inaugural ESG materiality assessment to gather feedback from internal and external stakeholders. Through interviews and surveys, we prioritized 21 ESG topics relevant to our employees, customers, shareholders, and communities. These results are reviewed and confirmed annually. Further details about the assessment are available in our [2021 ESG Report](#). Our 2022 ESG Report includes disclosures about our most significant ESG topics.



ELECTRIFY A SUSTAINABLE FUTURE

MP produces specialty materials vital to electrification. These materials form the bedrock of supply chains for a myriad of innovative technologies that accelerate global decarbonization.

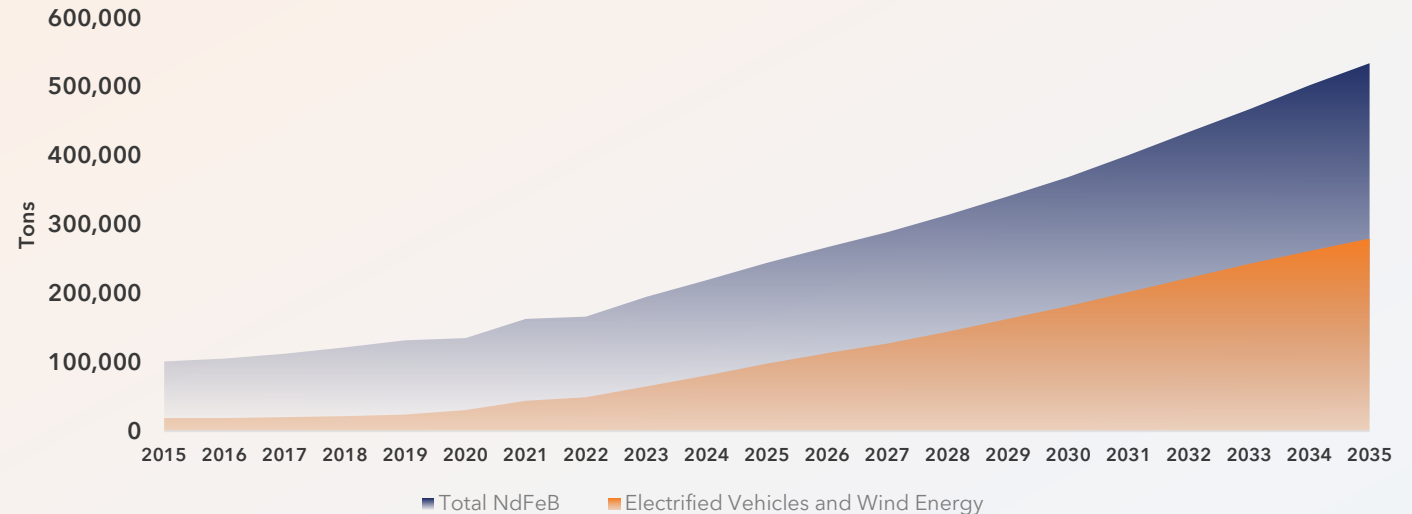
Enabling the Low Carbon Economy

Low-carbon technologies, including EVs and wind turbines, are underpinned by the transformative capabilities of rare earth magnets. These magnets enable the efficient conversion of energy into motion (or vice versa). As the world progressively embraces electrification across every front possible, demand for rare earth magnets and the materials from which they are derived is soaring.

Global demand for NdFeB magnets is expected to triple by 2035, driven predominantly by double-digit annual growth in electric transportation and wind energy. While these sectors constitute around 30% of the global NdFeB market today, they are expected to represent more than half of the market in 2035. Advancements in robotics, consumer electronics, cordless power tools, and energy-efficient appliances will further catalyze market growth and amplify corresponding demand.¹

Global NdFeB Consumption and Demand¹

Electrified vehicles and wind energy are driving rapid growth in NdFeB magnet demand



Case Study: GM

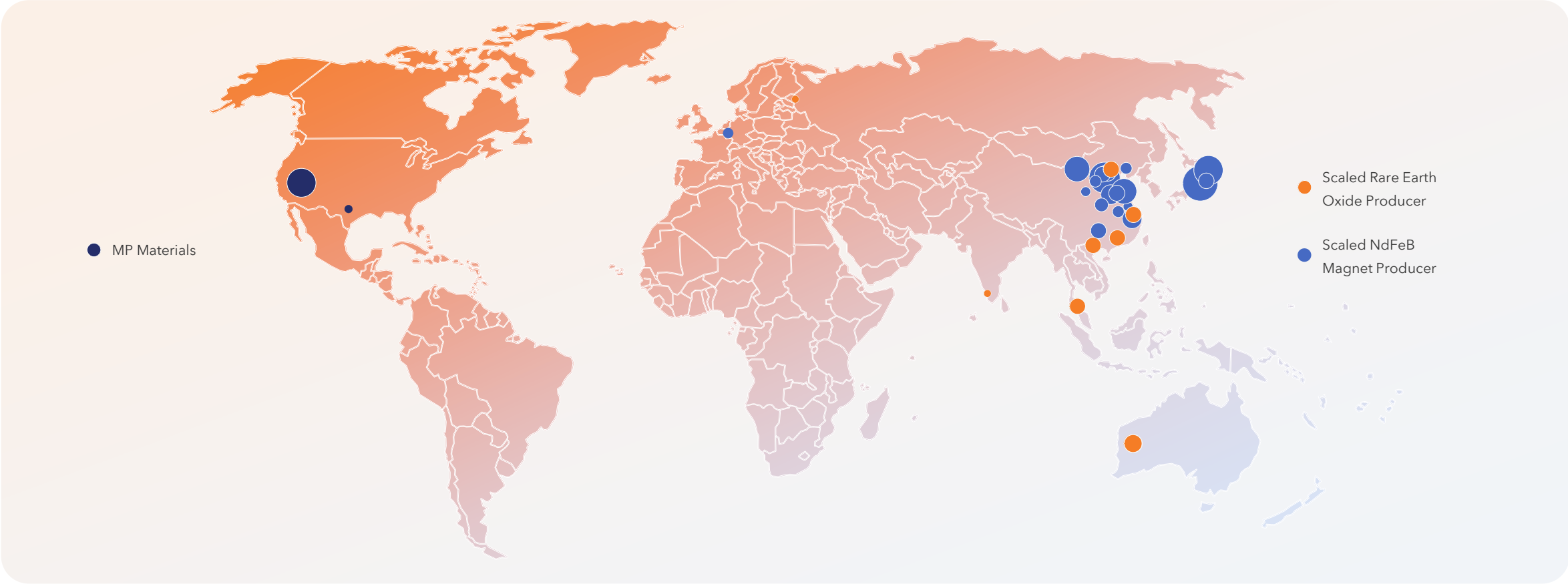


In 2022, we initiated a strategic collaboration with GM to supply domestically produced rare earth materials and NdFeB magnets for electric motors in more than a dozen models on GM's Ultium Platform. We anticipate supplying GM with NdFeB alloy in late 2023 and finished magnets in 2025 through our fully integrated supply chain spanning California and Texas. Our vertically integrated, domestic operation provides certainty of provenance and environmental sustainability. MP and GM will collaborate on unique recycling opportunities and advocate for policies that support the establishment of a secure U.S. rare earth supply chain.

MP's fully integrated NdFeB magnet factory in Fort Worth, Texas will produce magnets sufficient to power more than 500,000 EVs per year.



Building Responsible and Resilient Supply Chains



MP is dedicated to building a responsible supply chain aligned with our values. We invest in partnerships with businesses that ensure safe working conditions, respect employees, and prioritize environmental responsibility. We also commit to being responsible partners to our customers and to helping them achieve their sustainability and business objectives. Given that the rare earth industry is overwhelmingly concentrated in Asia, our domestic operations help diversify our customers’ supply chains, ensure provenance and sustainability, and reduce the risk of disruptions.

Building Responsible and Resilient Supply Chains (cont'd)

As we strive to create a more sustainable supply chain, we expect our suppliers to share our commitment to responsible practices.

Our suppliers must adhere to our Supplier Code of Conduct, covering essential Environmental, Health, and Safety (EHS) compliance criteria. This ensures they follow all relevant state and federal laws and regulations, including those enforced by the Occupational Safety and Health Administration (OSHA), the Division of Occupational Safety and Health (Cal/OSHA), the Mine Safety and Health Administration (MSHA), Proposition 65, and the U.S. Environmental Protection Agency. Additionally, suppliers must comply with our EHS policies and procedures while on-site at our facilities.

We require our suppliers to operate with integrity and comply with all applicable state and federal laws and regulations, including the U.S. Foreign Corrupt Practices Act, the UK Bribery Act, and country-specific directives and regulations. We also comply with U.S. economic sanctions laws, which limit transactions with specific countries, territories, individuals, and/or entities. Our compliance with state and federal employment laws is another essential aspect of our commitment.

Respect for human rights is a cornerstone of our commitment to establishing a responsible supply chain. We have incorporated our commitment and expectations into our [Code of Business Conduct and Ethics \(the Code\)](#), as well as our Supplier Code of Conduct. The Supplier Code of Conduct outlines our expectations on human rights issues, including the elimination of child labor, forced labor, and human trafficking, as well as ensuring freely chosen employment and safe working conditions. Suppliers are provided with our Supplier Code of Conduct upon partnering with us and asked to confirm their compliance annually.

In 2022, we initiated a risk-based supplier due diligence program that aligns with the Organization for Economic Co-operation and Development (OECD) Due Diligence Guidance for Responsible Supply Chains. This framework is designed to help ensure our suppliers prevent involvement in conflict, human rights abuses, and financial crimes through their operations or mineral sourcing practices. We collaborate with a third party to evaluate and score suppliers in key areas, including health and safety, workforce qualification, sustainability and ESG, diversity and inclusion, liability, financial viability, and cybersecurity. This process establishes performance baselines and identifies improvement opportunities. Our priority is to source from suppliers that align with our ESG strategy and demonstrate measurable progress towards our goals.

Lastly, we mandate that our suppliers implement due diligence processes for their suppliers, subcontractors, and other supply chain participants to help ensure human rights violations do not occur throughout our broader supply chain. Further details about our commitment to human rights can be found in our [Human Rights Policy](#).

Green Financing

MP's Green Financing Framework

MP launched a Green Financing Framework (Framework) in March 2021, consistent with our sustainability objectives. The Framework ensures an environmentally and socially responsible approach to financing future growth. It provides governance over the stewardship of our financings and prioritizes projects related to sustainable water management, energy efficiency, renewable energy, and eco-efficient products (Eligible Green Projects). These initiatives aim to reduce our environmental impact and enable the production of low-carbon technologies. Our Framework conforms with the Green Bond Principles established by the International Capital Markets Association as of March 2021 and is accessible on [our website](#).

\$690 Million 0.25% Green Convertible Senior Notes due 2026

On March 26, 2021, we issued a \$690 million aggregate principal amount of 0.25% unsecured convertible notes due 2026 (Notes). Proceeds from the Notes will be allocated to existing or future investments in or the financing or refinancing of Eligible Green Projects (includes a 36-month lookback period). Proceeds of this financing focused primarily on the eco-efficient products category intended to enable the production of low-carbon technologies.

General Information and Background on Green Financing

Pursuant to the Framework and upon issuance of the Notes, we are required to provide an annual report on the qualified use of net proceeds in Eligible Green Project categories as defined within the Framework, including (i) Sustainable Water Management, (ii) Energy Efficiency, (iii) Renewable Energy, and (iv) Eco-efficient Products. Refer to the tables on [page 21](#) for Eligible Green Project category definitions.

We have established a dedicated committee governing the identification and monitoring of Eligible Green Projects. This committee includes cross-functional membership from finance, accounting, operations, EHS, and legal, among others. The committee meets at least annually to evaluate current and future projects against the eligibility and exclusionary criteria established within the Framework to determine which projects qualify as Eligible Green Projects.



Green Financing (cont'd)

Use of Proceeds

The Notes issuance generated net proceeds of \$672.3 million, consisting of gross proceeds of \$690 million less \$17.7 million in debt issuance costs.

As of December 31, 2022, \$466.8 million, equivalent to 69% of the net proceeds, have been allocated to Eligible Green Projects.

Utilization of Net Proceeds from the \$690 Million 0.25% Green Bond

	2021 (\$ millions)	2022 (\$ millions)
Sustainable Water Management	\$4.5	\$10.7
Energy Efficiency	\$0.2	\$1.0
Eco-Efficient Products	\$137.7	\$312.7
Cumulative Total Net Proceeds Allocated	\$142.4	\$466.8
Unallocated Net Proceeds	\$529.9	\$205.5

Definitions of Eligible Project Criteria as per the Framework (including Green Bond Project Category and Eligibility Criteria)

Category	Criteria
Sustainable Water Management	Investments to minimize freshwater consumption or promote water recycling.
Energy Efficiency	Investments to minimize energy use in operations, excluding those related to the consumption of fossil fuels for the purpose of power generation.
Renewable Energy	Investments related to new wind or solar renewable energy projects, such as acquisition or development of new on-site or off-site generating capacity and purchases of renewable energy under long-term contracts.
Eco-Efficient Products	Development, operation, and maintenance of MP's (i) facilities dedicated to the future extraction and processing of NdPr, corresponding to Stage II of MP's development plan, (ii) facilities dedicated to the future extraction and processing of heavy rare earths and/or the recycling of rare earths. Eligible investments will be determined based on the proportion of the end products MP expects to be used in the Clean-Energy and Transportation Technologies, High-Technology Applications, and LED lighting segments.

Investments consistent with MP's Stage III development plan, which enable production of finished products with specific end uses in (i) clean energy technologies, such as generators in wind power turbines, (ii) clean transportation technologies, such as traction motors in EVs and hybrid EVs, and (iii) essential industrial infrastructure, such as LED lighting.

ENCOURAGE ENVIRONMENTAL STEWARDSHIP

—

We are committed to environmental sustainability across our operations.

Our commitment includes going beyond environmental regulatory compliance and taking innovative actions to limit greenhouse gas (GHG) emissions, reduce and responsibly manage waste, and protect and preserve biodiversity.

In our pursuit of continuous improvement in EHS performance and adherence to best practices, we have established an Environmental Stewardship Program. The program aims to develop and implement an enhanced Environmental Management System (EMS) while formalizing the roles and responsibilities of relevant management personnel. Additionally, the program outlines our controls and procedures to ensure compliance with the EMS.

Our EMS assigns management responsibility for identifying and ensuring compliance with all applicable environmental regulations. These compliance obligations are reviewed regularly by our management team, particularly in cases when there are modifications to existing processes or products, or new ones are established. Our EHS staff is responsible for identifying significant environmental impacts, including emissions to the air, releases to water, contamination of land, waste management, ecological risks, use of raw materials and natural resources, and other environmental and community issues.

EHS Compliance

At MP, we understand the significance of adhering to all environmental, health, and safety regulations. Given that our primary operations are in California, we are subject to some of the world’s most stringent environmental laws and regulations, including the Clean Air Act; Clean Water Act; Safe Drinking Water Act; Comprehensive Environmental, Response, Compensation, and Liability Act; Surface Mining and Reclamation Act of 1975 (SMARA); the Federal Regulations enforced by the Nuclear Regulatory Commission; Endangered Species Act; National Environmental Policy Act; and the Resource Conservation and Recovery Act (RCRA), along with state counterparts for each of these laws. We work closely and collaboratively with regulators to keep them informed of our activities, compliance efforts, and any incidents requiring notification.

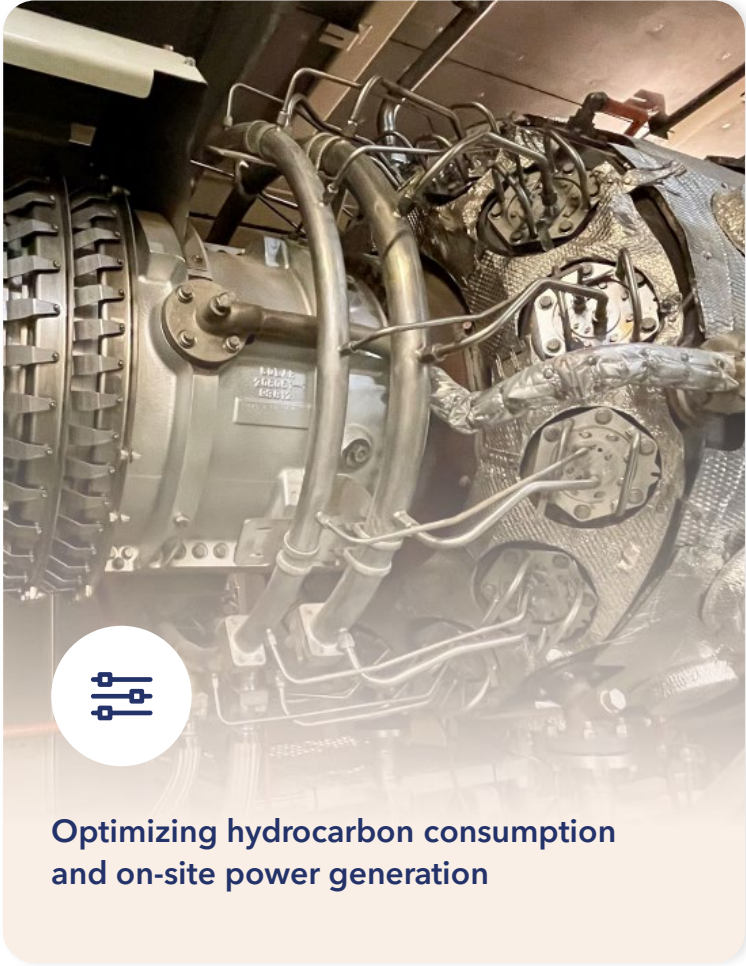
We are committed to going beyond compliance wherever possible. Since we began operating Mountain Pass in 2017, we have improved legacy operations and invested in environmental and safety enhancements that promote longer-term sustainability. In 2022, we made progress towards resolving potential environmental risks stemming from operations that predate our ownership of Mountain Pass. This includes processing legacy rare earth feedstocks and responsibly managing low-level hazardous and/or radioactive waste. Additionally, we developed a site improvement plan to retire all non-essential legacy infrastructure.

We have also steadily upgraded our fire safety systems, lighting, and electrical systems. We have replaced propane heaters with natural gas and electric heaters, and halogen and other conventional lights with LEDs. These activities promote a safer working environment and reduce energy consumption.

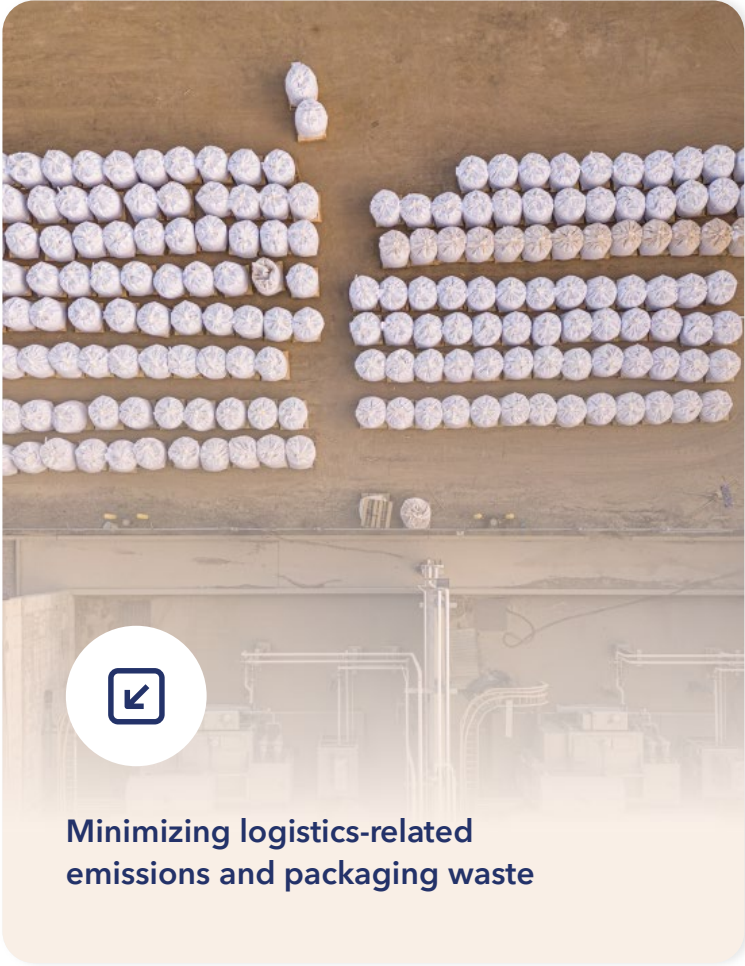
Environmental Compliance Results

Regulatory Regime	2020	2021	2022
Lahontan Regional Water Quality Control Board	Zero notices of violation (NOVs)	Zero NOVs	Zero NOVs
Mojave Desert Air Quality District Inspections	One citation	Zero NOVs	Zero NOVs
SMARA Reclamation Inspections	Zero NOVs	Zero NOVs	Zero NOVs
SMARA Financial Assurance	Approved by the State of California	Approved by the State of California	2022 Financial Assurance Cost Estimate submitted; no comments received to date
MSHA Inspections	27 citations (six significant & substantial (S&S))	15 citations (two S&S)	12 citations (one S&S)
Cal/OSHA Inspections	11 citations in 2019 No inspection in 2020	Two citations	No inspection

Limiting Energy Usage and GHG Emissions



Optimizing hydrocarbon consumption and on-site power generation



Minimizing logistics-related emissions and packaging waste



Reducing reagents and fuel consumed per unit of production

Limiting Energy Usage and GHG Emissions (cont'd)



We strive to operate efficiently and minimize our GHG emissions.

This includes optimizing hydrocarbon consumption and on-site power generation.

Mountain Pass is an integrated site with co-located mining, beneficiation, and processing operations. The integrated nature of our site, as well as our high-grade ore body, helps to reduce GHG emissions associated with transportation, minimize packaging waste, improve supply chain efficiency, and increase customer satisfaction.

We have implemented process improvements across our flow sheet, including the implementation of a selective reagent scheme for lower temperature flotation in Stage I concentrate production that reduces energy consumption and GHG emissions previously associated with heating. Our Stage II optimization project incorporates equipment and processes that dramatically reduce the quantity of chemical reagents and fuel used per metric ton of rare earth produced, further reducing energy consumption and GHG emissions.

Since January 2022, our combined heat and power (CHP) plant has operated independently of the grid in "island mode." The CHP plant produces steam byproduct that can be used to provide heat for beneficiation, separation, and finishing processes. This reduces the need for on-site boilers, resulting in lower energy consumption and GHG emissions. Furthermore, steam can be used to evaporate saturated brine, facilitating the removal of impurities and recycling of ultra-pure, de-ionized water.

We are committed to reducing GHG emissions per unit of rare earth oxide produced. In the future, as Stage II operations establish a baseline, we will complete a life cycle assessment (LCA) and establish targets and milestones toward long-term reductions. A similar process will be implemented for our Stage III magnetics operations. We will establish baselines and use LCA, comparative data, and global best practices to establish targets and milestones.

We have a GHG Monitoring and Recordkeeping Plan in place that outlines the roles and responsibilities of staff responsible for GHG compliance activities, GHG emissions calculation methodology, and process flow diagrams. Our environmental specialists and the Vice President (VP) of EHS collect and review GHG emissions data on at least a quarterly basis.

GHG Emissions for Mountain Pass Operations

Our GHG emissions increased in 2022 due to the expansion of our operations at Mountain Pass. Our CHP plant was fully commissioned in 2022, which drove an increase in Scope 1 emissions and a decrease in Scope 2 emissions. As we continue to commission Stage II equipment at Mountain Pass, power demand and corresponding emissions are expected to increase. Notwithstanding this increase, we remain committed to reducing GHG emissions per unit of rare earth oxide produced over time.

GHG Emissions Data

Source ^{1,2,3}	2021 (metric tons CO2e)	2022 (metric tons CO2e)
Stationary Combustion ^{4,5,6}	5,600	45,910
Mobile Equipment ⁷	10,756	10,250
Fire Suppression Equipment, ⁸ Emergency Equipment, ⁹ Fugitives, ¹⁰ Other ¹¹	8,052	406
Scope 1 - Total	24,408	56,566
Purchased Electricity (<i>location-based</i>)	8,712	860
Scope 2 - Total¹²	8,712	860

1 This inventory assumes Scope 1 operations in 2022 occurred solely at Mountain Pass. Scope 1 sources at Mountain Pass were identified based on information collected for other 2022 reporting efforts (e.g., California's Mandatory Greenhouse Gas Reporting (MRR), Comprehensive Emission Inventory Report), or through prior site air permitting efforts. Leach and calcining processes did not operate in 2022, and thus no GHG emissions were generated from these processes.

2 GHG emissions from stationary sources subject to state and federal reporting are currently being verified by a third party and are expected to be approved by the relevant regulatory agencies.

3 GHG emissions are calculated in accordance with the GHG Protocol and International Organization for Standardization (ISO) 14064 – Greenhouse Gases – Part 1.

4 GHG emissions from Stationary Combustion are prepared in accordance with the Federal Greenhouse Gas Reporting Program (GHGRP) per Code of Federal Regulations (CFR) 40, Part 98 and MRR per California Code of Regulations Title 17, Division 3, Chapter 1, Subchapter 10, Article 2. Portable equipment included in Stationary Combustion consists of

miscellaneous gasoline internal combustion engines and diesel generators, light towers, compressors, and welders. Emissions for gasoline and diesel-fueled portable equipment were based on annual gasoline and diesel consumption, respectively, for 2022, using The Climate Registry (TCR) GHG Emissions Quantification Methods along with gasoline GHG emission factors from 40 CFR 98, Tables C-1 and C-2.

5 Stationary combustion emissions for natural gas were based on the total facility natural gas throughput for 2022 (pipeline only) and GHG emission factors from the Federal GHGRP, 40 CFR 98, Subpart C, Tables C-1 and C-2.

6 Stationary combustion emissions for propane were based on the total facility propane throughput for 2022, along with GHG emission factors from the Federal GHGRP, 40 CFR 98, Subpart C, Tables C-1 and C-2.

7 On-site mobile equipment includes gasoline pickup trucks, vans, and forklifts and diesel pickup trucks, backhoes, loaders, forklifts, drill rigs, excavators, manlifts, dump trucks, graders, haul trucks, water wagons, articulating trucks, and bulldozers. GHG emissions were calculated based on total gasoline and diesel fuel usage for mobile equipment, and emissions were not allocated by source. CO2 emissions for on-road mobile

equipment were based on annual fuel consumption for 2022, along with emission factors from EPA Center for Corporate Climate Leadership Emission Factors for Greenhouse Gas Inventories. CO2 emissions were used to estimate CH4 and N2O emissions using a simplified estimation approach per TCR 2021 Default Emission Factors, Table 2.9. GHG emissions for off-road mobile equipment were based on annual fuel consumption for 2022, along with emission factors from EPA Center for Corporate Climate Leadership Emission Factors for Greenhouse Gas Inventories, Tables 2 and 5.

8 Emissions for fire suppression equipment were based on annual hours of operation for 2022 and maximum hourly permitted throughput (18 gal/hr.) along with diesel GHG emission factors from the Federal GHGRP, Subpart C, Tables C-1 and C-2. Fire suppression equipment is assumed to be limited to the fire pumps (water-based).

9 Emissions for emergency equipment were based on annual hours of operation for 2022 and maximum hourly permitted throughput (213 gal/hr.) along with diesel GHG emission factors from the Federal GHGRP, Subpart C, Tables C-1 and C-2.

10 Fugitives include mobile air conditioning/heating, ventilation, and air conditioning (HVAC) units and blasting emissions. HVAC emissions were calculated based on HVAC capacity and refrigerant type using an upper bound refrigerant leakage rate of 10% and 20%, respectively, for Commercial and Mobile HVAC units per TCR GHG Emissions Quantification Methods along with 100-year global warming potential values from the Intergovernmental Panel on Climate Change Fifth Assessment Report published in 2013. Blasting emissions were based on an emission factor from The Mining Association of Canada's Energy and Greenhouse Gas Emissions Management: Reference Guide (2014).

11 For 2021, Other includes 7,884 metric tons of CO2e emissions associated with CHP plant testing and commissioning.

12 Our 2022 location-based Scope 2 emissions data represents purchased electricity used in our Mountain Pass operations. Scope 2 emissions have been calculated using Emissions & Generation Resource Integrated Database (eGRID2021) emissions factors.

Non-GHG Emissions for Mountain Pass Operations

At Mountain Pass, we are committed to minimizing non-GHG emissions, including carbon monoxide (CO), nitrogen oxides (NOx), and sulfur oxides (SOx). Most of these emissions come from stationary sources, which are permitted by the Mojave Desert Air Quality Management District and comply with local, state, and federal regulations. In addition to stationary sources, we address emissions from mobile, fugitive, and exempt sources. To minimize non-GHG emissions, 90% of our fleet at Mountain Pass is equipped with Tier 4 Interim or Tier 4 Final engines featuring advanced emission control technologies.

We review and update our plans for managing non-GHG emissions quarterly to ensure consistency and compliance. Environmental specialists and the VP of EHS oversee this process. Our Fugitive Dust Control Plan includes measures to control and mitigate fugitive dust emissions across the site, including water and chemical polymer application, stockpile stabilization, and minimizing carryout and trackout on roadways.

All new or modified stationary sources of NOx or particulate matter (PM) meet Best Available Control Technology standards. These standards require control technologies such as oxidation catalyst and selective catalytic reduction technology on the CHP plant turbines; baghouses and/or bin vents on crushing, screening, material handling, storage, drying, and calcining operations; and low-NOx burners on natural gas dryers and calciners. Any additional sources of emissions at the site are typically controlled using scrubbers or carbon adsorption technology.

Source <i>(representative)</i>	Emissions <i>(metric tons, 2022)</i>
Carbon monoxide (CO)	17.4
Nitrogen oxides (NOx)	3.4
Sulfur oxides (SOx)	0.2
Particulate matter 10 micrometers or less in diameter (PM10)	8.2
Volatile Organic Compounds (VOCs)	2.7

*Emissions shown in this table are from stationary permitted sources only, located at Mountain Pass.

Water Stewardship

Recycled water satisfies approximately 95% of demand for beneficiation and tailings management at Mountain Pass, excluding the water used for the CHP plant operation and steam production.

Water stewardship is core to the sustainability of Mountain Pass given its location in the Mojave Desert and the unique nature of rare earth processing. We source all potable water from our own wells, so we are fully aligned with the need to conserve and recycle water from a sustainability and financial perspective. We operate a zero-discharge site, ensuring no process water returns to ground or is discharged off-site to a public utility or waterway. Consequently, “water balance” is critical in all our activities, and minimizing water use is our primary objective. Our senior leadership team, including the Chief Operating Officer and senior engineering, operations, and EHS members, reviews the site water balance weekly.

In our hydrometallurgy, separation, and finishing circuits, we work efficiently to optimize product yield, minimize water consumption, and maximize the recycling of brine water through our crystallizer. All chemical processing takes place within primary and secondary containments. Excess water is disposed of in lined containments comprising multiple engineering controls to prevent surface or groundwater contamination. Our EHS staff regularly measures the quality of surface water, stormwater, and groundwater at Mountain Pass.

We have an active Industrial Stormwater Pollution Prevention Plan (SWPPP), which is regularly reviewed and updated when there is a change in facility operations that may affect site discharge controls. This plan details our controls and processes related to pollution prevention in stormwater, including material handling and storage, spill and leak prevention and response, and waste management. We implement best management practices to prevent or minimize contact with stormwater runoff, and our facilities are designed to route stormwater run-on and rainfall to containment structures. Our EHS team also manages a non-native plant eradication and control program within stormwater drainage areas and oversees the implementation of the SWPPP, ensuring monitoring and sampling objectives meet the plan’s standards.



In 2022, our total freshwater withdrawal and consumption was 126,282,980 gallons. As we advance Stage II operations, we remain committed to responsible water practices, with emphasis on recycling and minimizing groundwater pumping and disposal. Current projects aim to further reduce water withdrawal requirements, including recycling condensate from the CHP plant, capturing and recycling larger water purge volumes from process operations, redirecting heating and cooling flows from offsetting heat exchangers, and increasing our process concentrations to decrease water consumption.

Dry Stack Tailings

We believe we operate the only dry stack tailings process in the global rare earth industry. Since 1970, the percentage of new tailings facilities using dry stack methods across all resource types has remained stagnant at approximately 5%, primarily due to higher initial capital and ongoing operating costs.



Dry Stack Tailings (cont'd)



— **Mountain Pass employs a dry stack tailings process that enables the recycling of water and exemplifies our commitment to closed-loop strategies.** This process conserves far more water than those at mines with traditional wet tailings dams and helps to preserve the water table. We believe we operate the only dry stack tailings process in the global rare earth industry.

Since 1970, the percentage of new tailings facilities using dry stack methods across all resource types has remained stagnant at approximately 5%, primarily due to higher initial capital and ongoing operating costs. To produce dry tailings, we let tailings solids settle in a thickener and recycle the liquid overflow back into the process. Additional water is removed by filtration and also recycled.

Our dry stack tailings comply with federal and California regulations. Importantly, our tailings are stored in an on-site lined impoundment instead of a large tailings dam, reducing the risk of leakage, dam breaks, groundwater contamination, and threats to communities. This approach significantly lowers the potential for liquefaction, leakage, and other environmental or health risks, while also minimizing the land area occupied by tailings.

Non-Hazardous and Hazardous Waste Management

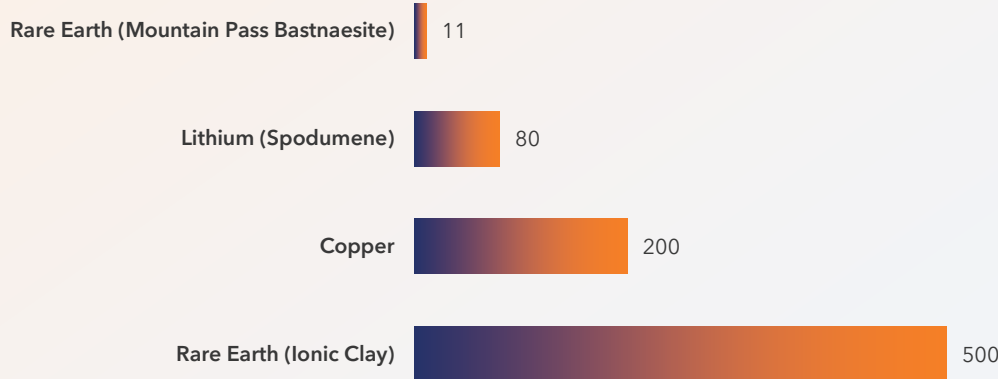
We strive to minimize the amount of solid and liquid waste we produce and maximize the volume of materials recycled. We are always looking for ways to improve our waste management practices and address any environmental impacts from current and legacy operations. Key aspects of our responsible waste management program include identifying waste streams and executing projects to eliminate, reduce, reuse, and recycle waste, and ensure proper waste disposal. In our Stage III magnetics operation, we are incorporating waste reduction and reuse principles into process design, including the recycling of process losses back into the operation.

Our waste-related procedures and programs promote rigorous compliance with all applicable regulations related to waste management and disposal, including the Federal RCRA and regulations under the California Department of Toxic Substances Control and the Department of Resources Recycling and Recovery. Our waste management activities are overseen by the VP of EHS and EHS Manager, and are primarily guided by our EMS, Hazardous Waste Management Plan, and Spill Prevention, Control, and Countermeasure (SPCC) plan.

We dispose of gangue minerals and other approved mineral processing byproducts on-site, which eliminates the need for fuel-intensive off-site disposal by returning the non-rare earth elements to the original site of their extraction.

The high ore grade at Mountain Pass ensures a low waste-to-value ratio. This means that we produce relatively low amounts of mining overburden and waste material for every unit of mined ore.

Waste-to-Value Ratio in Ore (Illustrative)¹



¹ Based upon analysis of ore grades of assets that are representative of a typical project for each commodity.

Non-Hazardous and Hazardous Waste Management (cont'd)

In compliance with regulations and best practices, we dispose of certain hazardous and nonhazardous waste, including waste containing Naturally Occurring Radioactive Material (NORM) or Technologically Enhanced NORM (TENORM), off-site. We ensure all waste is characterized for approval before being sent off-site for proper disposal at state and federally approved and permitted landfills.

Our EMS, which is reviewed and approved at least annually by the VP of EHS, outlines measures for managing and reducing the generation of waste. Waste products such as solvents, used oils, pallets, and cardboard packaging have value through recycling or alternative processing and management methods, even though they are not intentionally produced.

Our SPCC covers non-transportation-related operations and establishes procedures, methods, equipment requirements, and other criteria to prevent the discharge of oil and other hydrocarbon-based products into the waterways. Our management team reviews and approves the SPCC as frequently as needed and at least annually.

Since resuming operations in 2017, MP has repositioned, recommissioned, or retired and demolished legacy equipment and buildings. This has created and will continue to create volatility in waste generation. In 2021, a special clean-out project at Mountain Pass generated approximately 130 tons of RCRA waste. Excluding the 2021 special project, RCRA waste was down nearly 40% from 2021 to 2022, even as on-site staffing and production increased. We recycled nearly 2.4 tons of lamps, ballasts, and capacitors following our 2022 LED lighting change-out project.


Waste Data

Waste Stream Category	2021 <small>(metric tons)</small>	2022 <small>(metric tons)</small>
Federally Regulated <small>(RCRA)</small>	156	16
CalHAZ <small>(Non-RCRA)</small>	120	163
Recycled Materials	145	321
Non-Haz <small>(Municipal, NORM/TENORM, and other dry active waste)¹</small>	325	856


¹ Several legacy waste cleanup projects in 2022 generated over 440 metric tons of nonhazardous NORM waste, and, when adjusted for this project, our nonhazardous waste showed a year-over-year increase of only 27%, which is in line with our increase in staffing, start-up, and commissioning projects.

Non-Hazardous and Hazardous Waste Management (cont'd)


2022 Recycled Materials Data



USED OIL
10,515
gallons




CARDBOARD
13.8
short tons




NON-PCB BALLASTS
1,849
pounds



METALS
255
short tons




LAMPS, MIXED
1,715
pounds




CAPACITORS
1,200
pounds



E-WASTE
7.4
short tons



BATTERIES, MIXED
2,057
pounds



PRINTER INK CARTRIDGES
1,485
pounds

Case Study: Integrated Magnet Recycling

We are developing a multi-pronged approach to material recycling that aligns with our downstream vision and recognizes the importance of closed-loop operations. During the magnet manufacturing process, up to 40% of material can be lost as byproduct. We are developing complementary recycling capabilities at our Fort Worth and Mountain Pass facilities to recover and reintroduce this byproduct into process flows. Our Stage II and III teams are currently working to determine the optimal point to reintroduce these various byproducts across the entire flow sheet.

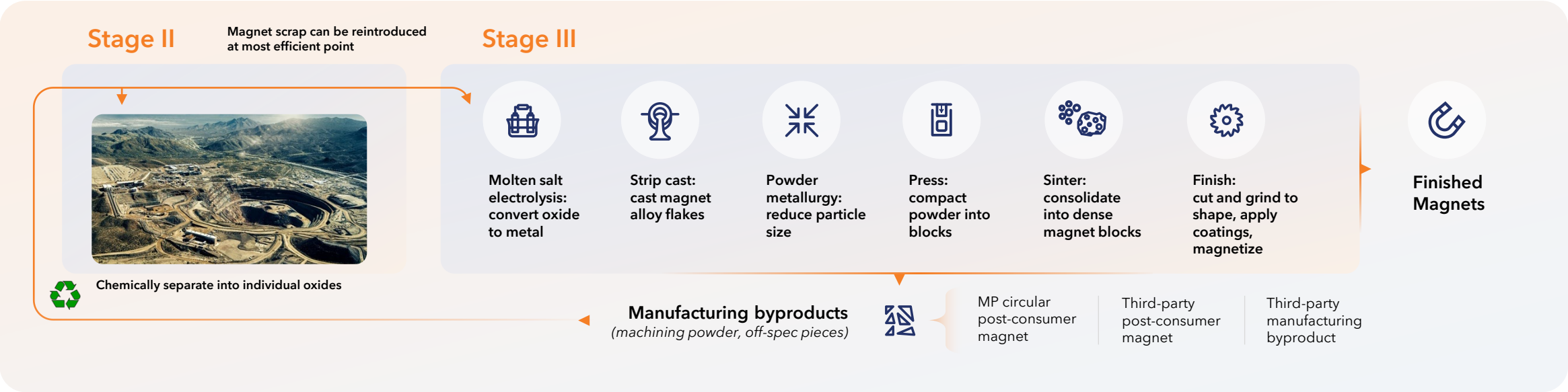
Our integrated magnet recycling efforts promote sustainability by:

Reducing waste
Recycling magnets at end-of-life instead of discarding them in landfills minimizes waste generated through extraction and refining and associated environmental impact.

Conserving resources
Extracting rare earth metals from end-of-life magnets conserves natural resources and reduces the need for new mining.

Reducing cost
Reusing valuable materials can lower the total cost of magnet production.

Our unique, fully integrated operation frees the MP team to evaluate these fundamental concepts from a first-principles perspective. We are pursuing a roadmap to create commercial-scale recycling capabilities across our operations and grow the Company into a global leader in rare earth recycling.



Biodiversity and Land Use



We are focused on preserving biodiversity and minimizing impacts in and around Mountain Pass. Our Reclamation and Revegetation Plan outlines our approach to preservation and restoration. It was established pursuant to SMARA and approved by San Bernardino County and the California Department of Conservation Division of Mine Reclamation. Moreover, the State Water Resources Control Board requires and enforces vegetation-cover standards for multiple impoundments and other structures at Mountain Pass.

All land identified through our Reclamation and Revegetation Plan that has been impacted by our operations has been surveyed for flora and fauna species of biological concern. We have an extensive relocation process for local flora, with a nursery and several locations where reclamation takes place. In 2022, we transplanted 1,586 plants, conserving species such as the Eastern Joshua Tree, Beavertail Cactus, Buckhorn Cholla, and Mojave Yucca. Transplant activities conducted beyond regulatory requirements spanned 5.8 acres. Ultimately, our goal is to replant more vegetation than is disturbed or removed due to our operations.

There are approximately 175 acres of land for which we plan to complete biological, cultural, and historical surveys as our operations expand. We are in the process of establishing a greenhouse, which will not only allow us to enhance our revegetation activities but also provide opportunities for community engagement, volunteer programs, and the donation of vegetative species to local areas. Additionally, we have plans to establish beehives, fruit orchards for growing plums, apples, and pears, and watering holes to support local bighorn sheep and deer populations.

EMPOWER PEOPLE AND ENTREPRENEURSHIP

Developing a vibrant and talented workforce that champions sustainable practices is core to our ESG strategy. We take pride in ensuring the health, safety, and well-being of our employees, fostering a culture of joint ownership, entrepreneurship, and continuous growth, and supporting the communities that surround us. We are committed to creating a diverse and inclusive environment that values every contributor.

Health, Safety, and Wellness

At MP, our top priority is the health and safety of our employees and visitors. Our Health and Safety (H&S) management system includes comprehensive guidelines, policies, and procedures to ensure health and safety throughout our operations. We conduct regular training, perform risk assessments, and continuously monitor and improve our safety performance.


Our EHS management committee oversees our H&S management system and is comprised of key leaders including the Senior VP (SVP) of Operations, SVP of Engineering, VP of EHS, and EHS Manager. The committee maintains our [Health and Safety Policy](#) and identifies potential risks by analyzing reportable incidents and near-miss reports and assessing potential exposures. They report regularly to

the management team, discussing lessons learned and investigation results in real time with weekly updates on safety incidents.

All new employees at Mountain Pass undergo a minimum of 24 hours of MSHA training during onboarding, followed by annual refresher training and supervised field training specific to their roles.

Contractors may be required to complete the same 24-hour MSHA training as MP employees, depending on their work and previous training. All contractors must complete site-specific hazard training before starting work. We are developing a contractor safety manual for distribution to all contractors.


In 2022, our employees completed:




7,500+
Hours
new hire and/or annual refresher training



1,792
Hours
emergency medical response training



4
planned emergency response drills



24
real-world responses with detailed post-accident reviews and best practice findings

MP strongly encourages near-miss incident reporting to improve workforce safety proactively. In 2022, we increased our focus on near-miss reporting, incident investigation, and timely incident closure, resulting in a higher number of near-miss reports. If an incident occurs, it is communicated company-wide, and front-line leaders discuss lessons learned with their crews. We track key health and safety metrics on an ongoing basis.

Our EHS data is recorded and reported through an EHS database, with specific data distributed in real time and summarized during weekly company-wide meetings. We use a formalized digital reporting system to track all incidents reportable under Cal/OSHA and MSHA.

EHS Metrics

Metric	2020	2021	2022
Lost Time Injury	0.55	0.00	0.00
Recordable Injuries	12	6	9
Recordable Injury Rate ¹	6.03	1.87	2.10
Near-Miss Reports	10	124	154

¹ Number of employees per 100 full-time employees that have been involved in a recordable injury or illness

MP recently surpassed three years without an employee experiencing a lost time injury. We awarded a bonus to our employees in recognition of their commitment to safety.



Health, Safety, and Wellness (cont'd)

MSHA Data

Detailed MSHA Activity

	2020	2021	2022
Total number of orders issued under Section 104(b) of the Mine Act	0	0	0
Total number of citations and orders for alleged unwarrantable failure under Section 104(d) of the Mine Act	0	0	0
Total alleged flagrant violations under Section 110(b)(2) of the Mine Act	0	0	0
Total imminent danger orders issued under Section 107(a) of the Mine Act	0	0	0
Total proposed assessments under the Mine Act	\$12k	\$3k	\$2k
Total mining-related fatalities (employees and contractors)	0	0	0
Received notice from MSHA of a pattern of violations	No	No	No
Received notice from MSHA of the potential to have a pattern of violations	No	No	No
Total legal actions pending as of the last day of the reporting period	0	0	0
Total legal actions instituted during the reporting period	0	0	0
Total legal actions resolved during the reporting period	0	0	0

Case Study: Emergency Response Program

Mountain Pass has implemented an Emergency Response Program (ERP) on-site, with training covering three primary areas: Emergency Medical Response, Hazardous Waste Operations and Emergency Response, and Fire Brigade. Due to its remote location, external emergency response times to Mountain Pass may be longer than to more central areas. As a countermeasure, we have created an ERP team composed of volunteer MP employees from various levels, including hourly staff, managers, and supervisors. Company resources support employee training, procurement of required supplies and tools, maintenance of necessary equipment, and proper assignment of responsibilities to help mitigate serious incidents.

Senior management actively engages with and supports regular communication between the various ERP groups. They work to remove any obstacles or barriers to progress and improvements and ensure adequate funding and additional resources are readily available when needed.



Talent and Future Workforce



— **Our people are our most valuable asset**, which is why we strive to develop and maintain an owner-operator culture that instills an entrepreneurial spirit. We want our employees to feel motivated and empowered to deliver results through an unwavering commitment to doing what is right in a safe environment. In 2022, to celebrate MP's five-year anniversary, we issued a time-vested grant to all active non-executive employees in recognition of their contributions.

Methodical execution is key to achieving and exceeding our goals, and our employees are responsible for driving our high-performance standards. To ensure employees receive the feedback they need, we continually review and update our performance-management processes. New hires receive feedback and support through periodic performance evaluations three-to-six months after their introductory periods. Managers hold annual reviews with all employees to discuss work performance. This performance management process, rooted in our organizational values, sets the foundation for goal setting, individual development plans, and career pathways.

We are dedicated to the continuous training and development of our employees, especially those in field operations, to ensure we develop future managers and leaders from within. Training begins on an employee's first day with onboarding procedures focused on safety, responsibility, ethical conduct, and inclusive teamwork. Additionally, we have expanded our electrical and instrumentation apprenticeship program, in which we pay for employees to attend trade school while gaining practical field experience alongside our experienced technicians. Upon completing the program, apprentices will obtain their journeyman's licenses, earning them higher wages and increased professional opportunities.

Talent and Future Workforce (cont'd)

Since relaunching production at Mountain Pass in July 2017, we have increased our full-time equivalent (FTE) employee base from eight contractors to 486 employees as of December 31, 2022. Our FTE headcount increased 33% in 2022, following a 32% increase in 2021. We believe our growth and retention not only reflect our rapid business expansion, but also our focus on diversity, equity, and inclusion (DEI), as well as our efforts to ensure fair pay and support our owner-operator culture.

Retaining top talent across all functions with diverse experiences, backgrounds, and perspectives is critical to our success. In each calendar quarter of 2022, our employee retention rate was approximately 92% or higher. Our referral program, launched in May 2022, resulted in 93 new hires.

Total Employee Count

Starting with just eight contractors in 2017, MP has created hundreds jobs across the country.

Year	Number of Employees	% Growth
2022	486	33%
2021	365	32%
2020	277	46%
2019	190	14%
2018	167	52%
2017	110	–

Case Study: Taking Care of Our People

We are committed to enhancing our employees' lives within the workplace and beyond. We provide comprehensive benefits that support proactive health management and a free Employee Assistance Program (EAP) designed to help employees and their families lead happier, healthier lives. EAP benefits include counseling with professional clinicians, financial and legal resources, substance abuse assistance, caregiver education sessions, and personal progress and community support resources.

To help employees manage unexpected challenges, we provided gas stipends in 2022 that eased an inflationary burden and continued our 2021 program to incentivize COVID vaccinations. Furthermore, a COVID-19 task force comprised of representatives from human resources, EHS, and legal updated internal policies informed by new laws and guidance.



Diversity, Equity, and Inclusion

We believe that a diverse and inclusive team promotes creative problem solving and produces better decision-making. Our Chief Human Resources Officer closely collaborates with the MP executive team on DEI priorities. Human resources leadership monitors DEI trends and initiatives and provides an assessment to executive management monthly. Our [DEI Policy](#) further details our commitment to appreciating and respecting the differences between people within the Company and our communities.

As of December 31, 2022, based on employees' self-reporting, **44% of our workforce was composed of underrepresented minorities**, with women representing 16% and veterans representing 4%. In addition, 17% of managerial or supervisory positions were occupied by women.

We work proactively to assemble a diverse workforce of top talent. In 2022, we participated in numerous career fairs that connect veterans with employers including the 11th Annual Hiring Red, White & You! Job Fair in Arlington, TX.

Employee Diversity

Metric	2020	2021	2022
Board Composition (% Female)	2/7 (28%)	2/7 (28%)	2/7 (28%)
Board Composition (% Male)	5/7 (72%)	5/7 (72%)	5/7 (72%)
Workforce (% Female)	11%	15%	16%
Workforce (% Male)	89%	85%	84%
Workforce (% American Indian or Alaskan Native)	1%	1%	1%
Workforce (% Asian or Pacific Islander)	8%	8%	8%
Workforce (% Black)	7%	7%	9%
Workforce (% Hispanic)	24%	21%	22%
Workforce (% White)	58%	59%	56%
Workforce (% two or more races)	2%	4%	4%

Diversity, Equity, and Inclusion (cont'd)



Recognizing the importance of supporting women in their careers, on International Women's Day in March 2023, MP joined Women in Mining USA (WIM) as a Corporate Member. WIM is a nationwide organization committed to educating, advocating, empowering, and inspiring a diverse, equitable and inclusive industry of mining professionals. WIM is comprised of chapters across the country that create opportunities for networking, mentorship, and the sharing of best practices. MP employees have eagerly engaged in WIM and are working to open doors for future generations of women in mining.



Community Impact

We believe that effecting positive, lasting change in the communities in which we live and work is among our highest responsibilities. We believe we can make the greatest impact by raising living conditions in our communities through economic development and setting increasingly high standards for environmental performance.

Since our founding in 2017, we have created approximately 500 new jobs, a significant majority in one of California’s most economically disadvantaged and diverse regions. We continue to hire aggressively in California, Nevada, and Texas. As we bring magnetics production online in Fort Worth and expand production at Mountain Pass, we will create hundreds of incremental jobs in engineering, research and development, manufacturing, operations, and corporate functions.

To provide a streamlined pathway for people in local communities to join our company, we established a referral program that rewards existing employees for recruiting their friends, family members, neighbors, and others from their networks. This program is among our most successful recruiting tools.

We also provide philanthropic support to the communities in which we live and work. In 2022, we established a program that enables every employee to nominate charitable causes and local organizations for corporate support. Through this program, employees can submit the names of non-profits, fundraisers, and charitable causes they believe in for consideration of support.

Sourcing Locally

We support communities by partnering with local and small businesses wherever possible.

 **100+**
California Suppliers

 **\$40M+**
Spent Annually with California Suppliers

Case Study: Employee Volunteer Program

In September 2022, our employees and their families organized an event to assemble meal kits for local organizations at our Family Day open house. These organizations included:



After-School All-Stars, which offers comprehensive after-school programs to help keep children safe and help them succeed in school and life.



Girl Scouts of Southern Nevada, which provides a wide range of programs and activities designed to help girls develop leadership skills, self-confidence, and a sense of responsibility.



Project 150, which supports homeless, displaced, and disadvantaged high school students, with the goal of helping them graduate and succeed in life.



T.U.L.I.P.S. (Teaching and Uniting Ladies to Inspire Positive Success), a mentorship program designed to help young women develop leadership skills, self-esteem, and a sense of purpose.

We will continue to create impact in our communities through volunteer programs and employee initiatives aligned with our values.



Corporate Governance

MP is governed by a seven-person Board of Directors (the Board) and a four-person Executive Leadership team. The Board is divided into the following three committees:

The Audit Committee is responsible for assisting the Board in oversight of the integrity of our financial statements, compliance with legal and regulatory requirements, the qualifications and independence of the Company's external auditor, and the performance of our internal audit department. ESG topics are discussed during Audit Committee meetings, as needed, and the Audit Committee reviews the annual ESG report.

The Nominating and Corporate Governance Committee is responsible for evaluating and recommending individuals qualified to become members of the Board, developing and recommending to the Board a set of corporate governance guidelines, and overseeing the annual performance evaluation of the Board and its committees and management.

The Compensation Committee is responsible for determining compensation of our executive officers and directors and evaluating, reviewing, and recommending compensation plans, policies, and programs to the Board.

The Board holds at least four regularly scheduled meetings each year, with additional meetings held as circumstances warrant.

The highest level of responsibility for material ESG-related topics lies with Executive Leadership and the Board. Day-to-day management of these topics is the responsibility of our SVP of Financial Reporting and Technical Accounting, who leads our ESG Working Group.



Executive Leadership

James Litinsky
Founder, Chairman, and Chief Executive Officer

Michael Rosenthal
Founder and Chief Operating Officer

Ryan Corbett
Chief Financial Officer

Elliot Hoops
General Counsel and Secretary

Board of Directors

James Litinsky, Chairman

Arnold Donald

Connie Duckworth

Maryanne Lavan

Drew McKnight

General (retired) Richard Myers

Randall Weisenburger

Biographies of our Executive Leadership team and the Board may be found on [our website](#).

Note: Arnold Donald was elected in 2023. The above represents the Board at the time of this report's publication in June 2023.

Risk Management



The Board is responsible for the oversight of risk, while management is responsible for the day-to-day management of risk. The Board, directly and through its committees, carries out its oversight role by regularly reviewing and discussing with management the risks inherent in the operation of our business and applicable risk mitigation efforts. Management meets with the Board regularly to discuss our business strategies, challenges, risks, and opportunities.

The Compensation Committee is responsible for overseeing the management of risks relating to our compensation plans and arrangements, including whether our incentive structures encourage excessive or inappropriate risk-taking. The Audit Committee is responsible for overseeing our risk assessment and management processes related to, among other things, our financial reports and record-keeping, major litigation and financial risk exposures, and the steps management has taken to monitor and control such exposures. The Nominating and Corporate Governance Committee is responsible for risk oversight associated with corporate governance practices and the composition of our Board and its committees.

As part of our regular enterprise risk management process, we monitor climate-related regulatory developments and potential business impacts. Legislation and increased regulation regarding climate change could impose significant costs on us and our suppliers, including costs related to increased energy requirements, capital equipment, environmental monitoring, permitting, reporting and other costs to comply with such regulations. Climate regulations also impact our competitiveness with businesses in different regulatory regimes. We continue to evaluate the effectiveness of our enterprise risk management program as it relates to climate-related risks and make improvements as necessary.

Ethics and Compliance

We are committed to the highest standards of business conduct in our relationships with each other, with the companies with which we do business, and with our stockholders and others. This requires that we conduct our business in accordance with all applicable laws and regulations and in accordance with the highest standards of business ethics. Our actions are guided by our Code, which provides a statement of the fundamental principles and key policies and procedures governing our business's conduct. The Code provides that employees are required to act in the best interest of the Company while interacting with any person who has business dealings with MP (including suppliers, competitors, contractors, customers, and consultants). The Code prohibits giving, receiving, or gifting a bribe or kickback.

The Code applies to all employees, officers, consultants, and independent contractors of the Company and covers key topics, including conflicts of interest, entertainment and gifts, proper use of MP assets, record retention, confidential information, insider trading, corruption, and more.

In addition to the Code, which is applicable to all employees, our senior executives and financial officers are subject to additional specific policies applicable to the performance of their duties as outlined in our [Code of Ethics for Senior Executive and Financial Officers](#). We have a detailed [Policy for Reporting Concerns](#), which sets forth the procedures for reporting and handling questions and concerns regarding potential, suspected, or known violations of applicable law, regulation, rule or standard or MP policy as well as our policy prohibiting retaliation against employees who report concerns.



About This Report

Unless otherwise stated, data and information included in this report are from fiscal year 2022, which ran from January 1, 2022, through December 31, 2022. The report was prepared with reference to the Sustainability Accounting Standards Board Metals & Mining Industry Standards. All data provided in this report is nonfinancial in nature and has not been subject to a third-party audit.

Safe Harbor

This report contains certain statements that are not historical facts and are forward-looking statements for purposes of the safe harbor provisions under the United States Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by the use of the words such as “estimate,” “plan,” “project,” “forecast,” “intend,” “expect,” “anticipate,” “believe,” “seek,” “will,” “target,” or similar expressions that predict or indicate future events or trends or that are not statements of historical matters. These forward-looking statements include, but are not limited to, statements regarding environmental and social goals and the expected timing for achieving these goals, expectations and timing of completion of Stage II, and expectations and timing of Stage III developments.

These statements are based on various assumptions, whether or not identified in this report, and on the current expectations of the Company’s management and are not predictions of actual performance. These forward-looking statements are provided for illustrative purposes only and must not be relied on by any investor as a guarantee, an assurance, a prediction or a definitive statement of fact or probability. Actual events and circumstances are difficult or impossible to predict and will differ from assumptions. Many actual events and circumstances are beyond the control of MP. These forward-looking statements are subject to a number of risks and uncertainties, including MP’s ability to successfully meet its environmental and social goals presented in this ESG Report within the expected time frame(s) due to a number of risks and uncertainties, such as: changes in law, regulations, or public policy; the alignment of the scientific community on measurement approaches; the evolution of technology; the complexity of supply chains, including commodity supply chains, and the adoption of supply chain traceability practices and tools; and the capital and operating cost of implementing the goals presented in this ESG Report; changes in domestic and foreign business, market, financial, political and legal conditions; risks relating to the uncertainty of the projected financial information with respect to the Company; changes in pricing of rare earth oxide and the demand for rare earth oxide; failure to realize the anticipated benefits of the business; risks related to the rollout of the Company’s business strategy, including Stage II and Stage III, and the timing of achieving expected business milestones; risks related to the construction of Stage II and Stage III, including timing for completion and costs; risks related to MP’s arrangements with Shenghe; the effects of competition on MP’s future business; risks related to political and macroeconomic uncertainty; the impact of the global COVID-19 pandemic, and other variants, on any of the foregoing risks; risks related to MP’s ability to comply with various government regulations that are applicable to its business, including environmental regulations; risks relate to MP’s ability to maintain its governmental licenses, registrations, permits, and approvals necessary for its business and related increased costs and expenses; and those factors discussed in MP’s Annual Reports on Form 10-Ks, and MP’s Quarterly Report on Form 10-Qs under the heading “Risk Factors,” and other documents filed by MP with the SEC.

If any of these risks materialize or our assumptions prove incorrect, actual results could differ materially from the results implied by these forward-looking statements. There may be additional risks that the Company does not presently know or that the Company currently believes are immaterial that could also cause actual results to differ from those contained in the forward-looking statements. In addition, forward-looking statements reflect the Company’s expectations, plans or forecasts of future events and views as of the date of this report. MP anticipates that subsequent events and developments will cause MP’s assessments to change. However, while the Company may elect to update these forward-looking statements at some point in the future, the Company specifically disclaims any obligation to do so, unless required by applicable law. These forward-looking statements should not be relied upon as representing MP’s assessments as of any date subsequent to the date of this report. Accordingly, undue reliance should not be placed upon the forward-looking statements. The Company’s goals presented in this report are aspirational and not guarantees or promises that such goals will be met. Statistics and metrics related to ESG matters are estimates and may be based on assumptions or developing standards. Inclusion of ESG-related or other information is not an indication that such information is necessarily material to investors.