

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

SQM is a global mining company that from the north of Chile is present in strategic industries for sustainable development, such as health, food, technology and clean energies that move the world. It has 5 business lines, and in all of them it exercises a world leadership position: Specialty Plant Nutrition, Iodine and derivatives, Lithium and derivatives, Potassium and Solar Salts.

In this CDP response, the terms 'SQM', the 'Company', the 'Group', 'our business', 'organisation', 'we', 'us', 'our' and so on refer Sociedad Química y Minera de Chile S.A, except where the context otherwise requires, and their respective subsidiaries. Refer to our Annual Report for definitions of Continuing and Discontinued operations:

https://s25.q4cdn.com/757756353/files/doc_financials/2022/ar/sqm-2022-annual-report.pdf

Based on our commitment to the sustainability of our business, and as part of the exercise of listening to our stakeholders, the need arises to promote a Sustainable Development Plan, which responds to the new demands and expectations in environmental, social and governance matters. . In this way, and after months of work with an external advisory company, we developed a plan based on the Sustainable Development Goals (SDG) of the United Nations, which is complemented with a series of initiatives to guarantee our coexistence in harmony with the environment, the communities surrounding our operations and our own workers.

This plan is based on 3 work pillars: commitment to our environment, our communities and our contribution to sustainable industries based on them we have set goals in the medium and long term, within which we stand out in a closer relationship with change climate, to be carbon neutral in all our products using cradle to gate approach by 2040 and in the case of lithium, potassium chloride and iodine by 2030. SQM is committed to responsibly managing the natural resources used, minimizing their direct impact on flora and fauna and working together with communities to support the care and protection of these ecosystems.

SQM estimates its total Carbon Footprint associated with the sum of its production processes and also separately for our main products. The GHG estimate considers from the mineral extraction processes to the obtaining of the finished product, placed in the port and Scope 3 considers items and services purchased upstream and transportation and distribution (upstream). Currently, the rise in emissions is due to the capacity expansions carried out by the company, but using more efficient processes that have allowed us to reduce the intensity of emissions (using unit produced base)

As part of the work that we have developed during 2020 and understanding the importance of climate change, the identification and evaluation of the risks and opportunities derived from future scenarios, we disclose our information on this matter, in the Carbon Disclosure Project, CDP.

For more information please visit:

- Our financial Annual Report - https://s25.q4cdn.com/757756353/files/doc_financials/2022/ar/sqm-2022-annual-report.pdf
- Our Sustainability Report - <https://www.sqm.com/wp-content/uploads/2023/05/SQM-Reporte-2022-v12.pdf>

C0.2

(C0.2) State the start and end date of the year for which you are reporting data and indicate whether you will be providing emissions data for past reporting years.

Reporting year

Start date

January 1 2022

End date

December 31 2022

Indicate if you are providing emissions data for past reporting years

Yes

Select the number of past reporting years you will be providing Scope 1 emissions data for

1 year

Select the number of past reporting years you will be providing Scope 2 emissions data for

1 year

Select the number of past reporting years you will be providing Scope 3 emissions data for

1 year

C0.3

(C0.3) Select the countries/areas in which you operate.

Chile

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

USD

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Operational control

C-CH0.7

(C-CH0.7) Which part of the chemicals value chain does your organization operate in?

Row 1

Bulk organic chemicals

Bulk inorganic chemicals

Fertilizers

Other chemicals

Specialty chemicals

Other, please specify (Lithium products)

C-MM0.7

(C-MM0.7) Which part of the metals and mining value chain does your organization operate in?

Row 1

Mining

Other mining, please specify (Caliche mining and brine extraction)

Processing metals

C0.8

(C0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
No	<Not Applicable>

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual or committee	Responsibilities for climate-related issues
Chief Sustainability Officer (CSO)	The CSO is in charge of monitoring the specific execution plans of each topic associated with our sustainability strategy. For this, coordination with the sustainability management area is stipulated, delivering the specific guidelines and contributing their experience for the implementation. Every two weeks, it holds meetings to monitor the strategy to analyze the progress in each of the points of the plan. Additionally, it corresponds to the person who makes the link with the board of directors through the specific Health, Safety and Environment (SHE) committees. Additionally, it is responsible for defining the goals, indicators and deadlines for their execution along with the updating and supervision of the company's ethics, sustainability and human rights policy.
Board-level committee	<p>The Safety, Health and Environmental Committee (the "SHEC") purpose is to assist the Board in meeting its responsibilities in reviewing and recommending policies related to safety, health, environmental, sustainability, and social matters affecting the Company. The SHEC shall consist of three Directors and meet quarterly.</p> <p>Responsibilities of the SHEC are, among others, to:</p> <ul style="list-style-type: none"> (a) Periodically review the safety, health, environmental and sustainability policies of the Company and, as appropriate, recommend changes in such policies to the Board of Directors or management. Regarding the definition of policies indicators and reports, the Board will ensure that international standards such as Global Reporting Initiative, or equivalent have been followed; (b) Receive and review, not less than annually, written reports from management on the status of compliance with safety, health, environmental and sustainability policies of the Company, and on compliance with all applicable regulatory requirements; (c) Receive and review, not less than annually, reports from management on any material non-compliance with the safety, health, environmental, security and sustainability policies of the Company, or any material non-compliance with any applicable regulatory requirement; (d) To review monthly management reports received by the Board, which lists any occurrence of a material safety, health, environmental incident that was required to be reported to appropriate regulatory authorities. If a member of the SHEC feels it necessary, he will call a meeting with the appropriate personnel to receive further information detailing the nature of the incident and describing the remedial action being taken; (e) Review the management safety, health, environmental and security emergency response planning procedures of the Company; and (f) Receive and review, not less than annually, the detected organizational, social, gender or cultural barriers that could be inhibiting the natural diversity that would have taken place without these barriers. <p>The SHEC periodically present key findings to the entire Board.</p>

C1.1b

(C1.1b) Provide further details on the board’s oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – some meetings	Reviewing and guiding annual budgets Reviewing and guiding strategy Overseeing the setting of corporate targets Monitoring progress towards corporate targets Reviewing and guiding the risk management process	<Not Applicable>	Issues related to climate change and sustainability are included on a quarterly basis in the safety, health and environment committees (SHE) in which the progress of the period presented in the expanded sustainability committees at the administrative level are presented. The Safety, Health and Environmental Committee (the “SHEC”) purpose is to assist the Board in meeting its responsibilities in reviewing and recommending policies related to safety, health, environmental, sustainability, and social matters affecting the Company. Responsibilities of the SHEC are, among others, to: (a) Periodically review the safety, health, environmental and sustainability policies of the Company and, as appropriate, recommend changes in such policies to the Board of Directors or management. Regarding the definition of policies indicators and reports, the Board will ensure that international standards such as Global Reporting Initiative, or equivalent have been followed; (b) Receive and review, not less than annually, written reports from management on the status of compliance with safety, health, environmental and sustainability policies of the Company, and on compliance with all applicable regulatory requirements; (c) Receive and review, not less than annually, reports from management on any material non-compliance with the safety, health, environmental, security and sustainability policies of the Company, or any material non-compliance with any applicable regulatory requirement; (d) To review monthly management reports received by the Board, which lists any occurrence of a material safety, health, environmental incident that was required to be reported to appropriate regulatory authorities. If a member of the SHEC feels it necessary, he will call a meeting with the appropriate personnel to receive further information detailing the nature of the incident and describing the remedial action being taken; (e) Review the management safety, health, environmental and security emergency response planning procedures of the Company; and (f) Receive and review, not less than annually, the detected organizational, social, gender or cultural barriers that could be inhibiting the natural diversity that would have taken place without these barriers. The SHEC periodically present key findings to the entire Board.
Scheduled – some meetings	Reviewing and guiding the risk management process	<Not Applicable>	The Audit and Financial Risk Committee will: (i) Analyze the correct function of the risk management process, which is developed by the international principals, directives and recommendations of The Committee of Sponsoring Organizations (COSO) 2013; (ii) Review the risk matrix used by the area, the main sources of risks and the methodology for the detection of new risks, and of those new risks, the probability and impact of them occurring considering the risk in environmental matters, in which those derived from climate change are also pertinent. (iii) Review the recommendations and improvements that, according the Head of Risk Management, would make the make the Company’s risk management more effective; (iv) Review the contingency plans designed to react to the materialization of critical events, including the continuity of the Board in crisis situations.
Sporadic - as important matters arise	Overseeing major capital expenditures Overseeing acquisitions, mergers, and divestitures	<Not Applicable>	Every time the organization needs to increase the productive capacity based on the demand criteria, it is added to the agenda of the board who must review and approve, if they agree, the major acquisitions and investments proposed by the administration.
Scheduled – some meetings	Reviewing and guiding annual budgets	<Not Applicable>	Annually, the annual budget of the company is presented to the board of directors based on the projection of the consumption of those main supplies and the productions of each of the business lines. Based on the market analysis and sales projection that incorporates the demand analysis, the different transition scenarios towards a low-carbon economy, along with the operational and environmental restrictions, the board of directors reviews and approves the stipulated budgets.

C1.1d

(C1.1d) Does your organization have at least one board member with competence on climate-related issues?

	Board member(s) have competence on climate-related issues	Criteria used to assess competence of board member(s) on climate-related issues	Primary reason for no board-level competence on climate-related issues	Explain why your organization does not have at least one board member with competence on climate-related issues and any plans to address board-level competence in the future
Row 1	No, and we do not plan to address this within the next two years	<Not Applicable>	Judged to be unimportant, explanation provided	At least two board members are involved in the SHE committee where specific environmental and climate topics are included, particularly since our sustainability strategy was launched in 2020. SQM does not plan to integrate any board members with climate change-related skills in the next two years. The SHE committee is the body in which management provides all the information, guidance and recommendations to the board on sustainability issues and, in this case, on water issues that may affect the company.

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Position or committee

Chief Risks Officer (CRO)

Climate-related responsibilities of this position

Assessing climate-related risks and opportunities

Coverage of responsibilities

<Not Applicable>

Reporting line

Corporate Sustainability/CSR reporting line

Frequency of reporting to the board on climate-related issues via this reporting line

Quarterly

Please explain

The purpose of the audit and financial risk committee is to assist the board in its responsibilities relating to financial reporting and important controls within the company. It is composed of three directors and must hold at least four meetings per year.

Among the risks associated with climate change that have been incorporated, the following stand out:

Physical Risks:

- Issues transporting products in Chile and to other parts of the world due to port closures.
- At the port, tidal waves, floods, and increased costs due to shipping products to alternative ports. Heat waves could threaten worker safety. Strong winds cause product loss.
- In the port, changes in biodiversity on the coast could pose a risk of the arrival of new protected species of flora and fauna, adding new environmental impacts to the operation that had not been considered.
- Changes in precipitation patterns and extreme variability in weather patterns such as increased rain, which could impact costs, delivery times, production plans, physical and material risks, and other elements of our business. Increased average temperatures could lead to a change in process efficiency and worker health, higher electricity consumption and therefore GHG emissions.
- Ongoing physical risks such as higher sea levels that cause problems in ports like Tocopilla, preventing products from being loaded and delivered to our customers on time.

Transition Risks

- The emergence of new energy storage technologies that affect the demand for our lithium products.
- Stakeholder concern about sustainable production.

Regulatory Risks

- Mechanisms for setting the price of carbon in the countries where we operate. For example, in Chile, we have a tax of US\$5/TCO2 and we are already seeing changes by modifying the tax threshold that currently affects facilities with equipment with more than 50 thermal MW as installed capacity to an emissions threshold limit (>20,000 TCO2eq). One potential risk is that all of our emissions will pay this tax in the future.
- International regulations associated with climate change that generate an entry barrier for our products in destination markets. For example Carbon taxes at the border (CBAM).

Position or committee

Environment/ Sustainability manager

Climate-related responsibilities of this position

Integrating climate-related issues into the strategy
Setting climate-related corporate targets
Monitoring progress against climate-related corporate targets
Assessing climate-related risks and opportunities
Managing climate-related risks and opportunities

Coverage of responsibilities

<Not Applicable>

Reporting line

Corporate Sustainability/CSR reporting line

Frequency of reporting to the board on climate-related issues via this reporting line

Quarterly

Please explain

The CSO is in charge of monitoring the specific execution plans of each topic associated with our sustainability strategy. For this, coordination with the sustainability management area is stipulated, delivering the specific guidelines and contributing their experience for the implementation. Every quarter, it holds meetings to monitor the strategy to analyze the progress in each of the points of the plan. Additionally, it corresponds to the person who makes the link with the board of directors through the specific Health, Safety and Environment (SHE) committees. Additionally, it is responsible for defining the goals, indicators and deadlines for their execution along with updating and supervising the company's ethics, sustainability and human rights policy.

Position or committee

Chief Operating Officer (COO)

Climate-related responsibilities of this position

Managing climate-related risks and opportunities

Coverage of responsibilities

<Not Applicable>

Reporting line

Operations - COO reporting line

Frequency of reporting to the board on climate-related issues via this reporting line

Quarterly

Please explain

SQM is structured into 4 vice-presidencies, 2 operational vice-presidencies (nitrates-iodine and lithium business lines) and 2 transversal support vice-presidencies for corporate services and financial control. The vice presidents of both operational units, together with the general manager, are responsible for controlling and reporting to the board on the progress of climate change mitigation and adaptation projects, ensuring the development of industrial plans, managing and minimising potential risks, and meeting the production and sustainability objectives set by the company.

Position or committee

Sustainability committee

Climate-related responsibilities of this position

Monitoring progress against climate-related corporate targets
Managing public policy engagement that may impact the climate
Managing climate-related risks and opportunities

Coverage of responsibilities

<Not Applicable>

Reporting line

Reports to the board directly

Frequency of reporting to the board on climate-related issues via this reporting line

More frequently than quarterly

Please explain

The purpose of the sustainability committee is to show the progress and monitoring of the implementation of the sustainability, ethics and human rights policy, as well as the responsible sourcing policy.

The main topics discussed at each session are the progress made in mitigating and adapting to climate change, showing the impact on emissions and carbon footprint of the different projects underway; showing the status and progress made in water extraction and consumption, and the progress made in reducing waste generation. The responsible sourcing strategy is also analysed, as well as the company's progress on governance and social issues, among other topics.

The sessions are attended by the company's CEO, the sustainability manager, as well as the vice presidents of the lithium and iodine nitrate business lines. Also in attendance are all the managers of areas in which their management is transcendental in the progress towards the fulfilment of SQM's sustainability goals.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	All employees receive incentives through monetary or non-monetary rewards. Performance is incentivized by linking the reward through the annual bonus scheme that includes operational efficiency objectives within the performance metrics. Additionally, Sustainability and its initiatives have been included within the excellence programs as criteria to reward outstanding workers. In addition, through our recognition system, it allows us to reward those outstanding behaviors of our corporate values of workers aimed at reducing water consumption, operational efficiency and the reduction of greenhouse gases have been applied during 2022.

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive

All employees

Type of incentive

Monetary reward

Incentive(s)

Bonus - % of salary

Performance indicator(s)

Achievement of climate transition plan KPI
Progress towards a climate-related target
Achievement of a climate-related target
Energy efficiency improvement
Increased value chain visibility (traceability, mapping, transparency)

Incentive plan(s) this incentive is linked to

Short-Term Incentive Plan

Further details of incentive(s)

Within the annual goals associated with the company's performance and also specific areas, criteria associated with operational efficiency are incorporated, which are subsequently reflected in the annual bonus. In particular, the associated incentives are close to 60% of the same and are associated with efficiency criteria regarding the operational result of the year's objective. On the other hand, work is also being done to include 20% associated with sustainable development, which will be reflected in each of the vice presidencies and include established sustainability objectives. According to this, the company fosters projects that could reduce energy consumption for example, and thus reduce our carbon footprint.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan

SQM's different areas set their internal objectives for estimating the annual variable bonus to be paid to each company employee, depending on the year's operating results. The challenge of the objectives is to test the current way of working, always seeking excellence in SQM's daily work. Therefore, there are targets for efficiency in the consumption of raw materials, energy and fuels, fulfilling SQM's production targets by minimising consumption and expenses and, therefore, the impact on the company's emissions.

Entitled to incentive

All employees

Type of incentive

Non-monetary reward

Incentive(s)

Internal company award
Internal team/employee of the month/quarter/year recognition

Performance indicator(s)

Implementation of an emissions reduction initiative
Energy efficiency improvement
Reduction in total energy consumption
Increased investment in low-carbon R&D
Other (please specify) (Behavior change related indicator)

Incentive plan(s) this incentive is linked to

Short-Term Incentive Plan

Further details of incentive(s)

Annually the organizational development team encourages teamwork including sustainability through a contest called VIVO in which those practices of all our corporate values that stand out in operations are recognized. In particular, in 2022, sustainability was incorporated in which incentives were given to those initiatives aimed at improving water consumption, energy consumption, and emission reduction, among others, and a prize and also recognition within the organization was given.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan

We continue to promote the "VIVO" Recognition Program, which is part of our M1 operational excellence system. All workers can grant recognition online or through the MISQM app through this program. These awards can be given between peers, supervisors or people in other areas or to entire teams at any of the company's production centres. In 2022, 28,102 recognitions were awarded through the VIVO platform. This represents a 14.9% increase over 2021 when 24,466 recognitions were made. A total of 4,538 people were recognized through the platform.

The pillars of this program are:

- People Development
- Continuous Improvement
- Efficient Processes
- Common Objective

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	1	The short term is defined by the operating and expense budget of the company is based on a time horizon of 1 year, a period in which the result is projected based on the various items, operations, projects and initiatives that are presented and approved by the CEO and the board.
Medium-term	2	5	The medium term is defined considering range from 2- 5 years and is given by the horizon in which the investment plans are evaluated, based on the projections of demand and supply in each of the business lines, operational risks, current and future environmental authorizations , estimates of mining reserves and activations of the various sites.
Long-term	6	30	Long term is defined by the organization considering more than 6 years and the objective is to be able to evaluate the availability of resources for this period of time, look for alternative deposits, qualitatively evaluate the risks associated with this availability, new technologies and their effects on business and operations.

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

The risk management area assess periodically the factors that can have an strategic impact on our business including the financial, environmental, reputational, compliance, among others.

According that we evaluate the impact on the bussiness and the probability of occurence across all of our operation in which we define some controls in case necessary in order to mitigate any risk.

In terms of financial risks, they are defined based on the impact they may have on the business, financial condition, cash flow or results of operations. These risk factors are described annually in the Company's Report, differentiated by:

1. Risks Related to Our Business
2. Risks Related to the Financial Market
3. Risks Related to Chile
4. Risks Related to our shares and ADSs
5. General risk factors

In terms of impacts, we define high impact risks as: i) Loss of around 15% of financial profit. ii) Partial loss of some operational task. iii) Loss of sales or customers equivalent to 15% of financial profit.

On the other hand, we define very high impact risks as: i) Loss over 20% of financial profit. ii) total or substancial loss of some operational task. iii) Loss of sales or customers equivalent to over 20% of financial profit.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered

Direct operations
Upstream
Downstream

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

Annually

Time horizon(s) covered

Short-term
Medium-term
Long-term

Description of process

As a framework in sustainability, we have strengthened our political commitment with the publication of a new sustainability, ethics and human rights policy, in this document we establish climate change as one of our work approaches. Therefore, we have set ourselves extremely ambitious goals in terms of reducing greenhouse gas (GHG) emissions, covering Scope 1 and 2 emissions and incorporating some categories for Scope 3 emissions. These objectives are reflected in our Sustainability Plan. Thus, our lines of work to focus on climate change are: Mitigation through the quantification of GHG emissions according to international methodologies and periodically verified, in search of internal management in each of our facilities to meet the specified reduction goals in our sustainability strategy. Adaptation of our operations and production and logistics processes according to the specific needs and risks of each project, incorporating climate change among the periodic risk assessment factors, in order to identify, evaluate and successfully manage the possible impacts of the increasing effects of the weather. change.

In this line, SQM has defined a risk management process, which is built taking into account international standards, such as ISO 31,000, COSO ERM, among others, which allows risks to be identified, evaluated, treated, monitored and communicated, in order to reduce the probability of materialization, or if applicable, reduce the negative effects of their materialization. All risks, including climate-related threats and opportunities, must be managed in accordance with this process described below:

Stage 1, Risk Identification:

1. Operational risks: These are identified through working meetings between the Risk Management and Compliance Management (GGRC), and different members of each vice presidency, who due to their responsibilities can be presumed to have a greater exposure or understanding of situations that could involve significant risks. The outcome of these sessions is a "vice-presidential risk inventory."

2. Strategic Risks: These are identified in the same way as operational risks, but are reviewed and validated by the Management Risk Committee each time it meets. Within the identification of the risks of the company, the risks and opportunities of climate change are determined in a particular way, from the characterization of the climatic threats that we identify according to the definition provided by the IPCC report 2014 corresponding to "Potential occurrence of events, trends or physical impacts of natural or human origin, which can cause loss of life, injuries or other impacts to health, as well as damage and loss of property, infrastructure, livelihoods, provision of services, ecosystems and environmental resources"

For example, we have identified as a risk of climate change the breaking of pools in Salar de Atacama, due to the climate threat of heavy rains.

Step 2, Risk Assessment:

The risk assessment consists of determining two dimensions for each risk: the probability of occurrence and the impact it would generate on the Company if the risk materializes. In this sense, in the case of the risks associated with climate change, these are evaluated based on the quantification of the exposure and vulnerability for each threat, according to the definition provided by the IPCC report 2014, where exposure corresponds to "the presence of people, livelihoods, species or ecosystems, functions, services, and environmental resources, infrastructure or economic, social or cultural goods that are in a position to be negatively affected." Vulnerability corresponds to "propensity or predisposition to be affected in a negative way. This concept encompasses a number of elements including sensitivity or susceptibility to harm and lack of ability to cope and adapt. "

The risk assessment is carried out first on the basis of the inherent risk, to document the impact and probability of not mediating controls, or in the event that these do not operate satisfactorily, and then on the residual risk, that is, considering the mitigation measures that the vice-presidencies identify.

On the other hand, the level of risk will be determined through the weighting between impact and probability. In addition to the risk assessment, the vice president must identify the Control Activities that it has in place for each risk. This identification, evaluation and presentation (committee) exercise should be carried out every two years.

Step 3, Risk Management:

The risk management methodology indicates that there are different ways of dealing with risks, which should be considered on a case-by-case basis. In summary, these are classified according to Avoiding risk; Accepting the risk, and adapting; Transfer risk, and Reduce risk. We seek in the management of our risks to prioritize that they are avoided or to minimize their impact when they occur. However, in the case of climate change, we have pointed to adaptation measures to this since it is not possible to reduce the associated risks, but rather, generate recommendations to increase the resilience to climate change in our company.

Stage 4, Risk Monitoring:

Once the Risk and Control Matrices have been lifted for each vice-presidency, the GGRC will carry out continuous monitoring of the action plans committed by each area in charge of managing its risks. This monitoring will include the main risks, including climate change, in addition, to SQM's Strategic Risks.

As part of the monitoring process, the GGRC will determine key risk indicators for high-level risks, and monitor these indicators, raising the corresponding alerts to the Management Risk Committee, when an indicator is close to or has exceeded the defined internal limits. Independent of the monitoring described, it is the first line of the administration, and specifically the Risk Owners, responsible for the Control Activities being properly executed.

Stage 5, Communication:

At least once a year, the GGRC will present to the Board of Directors - directly, or through the Committee of Directors, so that the latter will then report to the Board of Directors — SQM's Strategic Risks, with their respective controls, including the Risk Level of each risk, so that the Board can review and approve the final result of the risk assessment.

Finally, SQM uses a methodological approach to identify, prioritize and report on material issues, where we identified climate change as a priority issue in 2021. Our analyses considered both the internal and external approach, interviews with stakeholders, documentary review and sectoral analysis, among others. From this work, it was obtained as a result that the priority material issues associated with climate change are the emission of greenhouse gases and the life cycle analysis of our products.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	<p>Aiming to drive an active climate response to avoid exceeding 1.5 ° C of global warming corresponding to a transition to a low-carbon economy may involve extensive regulatory and policy changes to address climate change mitigation and adaptation requirements . Regulatory risks are very relevant to all of our operations due to the use of fossil fuels in our plants, electricity consumption and transportation of our products. Additionally, our supplies are very important in our production plants and therefore an important regulatory change is to consider them within the scope of a new regulation. For those reasons we have already been affected and we believe that major changes could still be necessary for a low carbon transition and that is why we have been preparing as a company to develop our sustainability strategy and achieve carbon neutrality prior to what has been established in the countries in which we operate. In particular, in Chile there is a green tax that has been in operation since 2017 (Article 8 ° Law 20,780), which corresponds to an annual tax for fiscal benefit that taxes the emissions into the air of particulate matter (PM), nitrogen oxide (NOx), sulfur dioxide (SO2) and carbon dioxide (CO2) for those emissions produced by establishments that have fixed sources (boilers or turbines) that add an installed capacity greater than 50MW. This regulation is being updated with Law 21,210, which considers other criteria of affectation and the possibility of offsetting emissions. For this reason, we are constantly evaluating all of our projects and the need for the installation of any new unit that involves an extra payment associated with the green tax. That is why, within our annual evaluations, regulatory changes and any potential regulation that is under discussion are considered in order to be prepared in our operations in case they are implemented. Additionally, we believe that a potential change corresponds to the criterion of payment for our full emissions scope 1, 2 and 3 at the company level independent of the installed power and eventually that the carbon tax is modified in line with a value higher as the social price of carbon, for these reasons we have quantified both risks and established mitigation actions to reduce the potential impact on our operations.</p>
Emerging regulation	Relevant, always included	<p>As a mining and chemical company we use energy for our processes through fossil fuels such as electricity for our process of extraction, production and transport of supplies and products, that is why we are subject to any emerging regulation, which has increased considerably in recent years based on a greater awareness and the need for a faster transition to a low carbon economy. That is why in the countries we operate we are constantly reviewing new policies and regulations that consider new concepts or changes in current ones. In particular, some examples of emerging regulation include:</p> <p>a) New entry barriers to our products considering criteria that imply the need to carry out an LCA (product life cycle analysis) and a carbon and water footprint value under certain limits. An example of this is the EU Carbon Border Adjustment Mechanism (CBAM) which would be fully implemented from 2026 within which we analyze its applicability of our products and although it may not apply, it corresponds to examples of emerging regulation that our company is constantly analyzing, and we hope they will be more prevalent along with the need to be more ambitious in any of the countries we operate.</p> <p>b) Increase in mandatory reports that include climate matters. An example corresponds to the Commission for the Financial Market (CMF) of Chile, is updating from rule 30 to rule 386 that regulates the content of the annual report of companies listed on the stock market, which will incorporate the mandatory disclosure of multiple ESG subjects including climate.</p> <p>c) Carbon price increase (green tax): we consider that the current carbon tax in Chile could be modified by a value greater than the currently considered value of 5 [USD / ton] considering approaching the prices of ETS in Europe or the social price of carbon in Chile that currently is close to 33 [USD / ton].</p> <p>d) Changes to the green tax payment criteria: we consider that in order to accelerate the low-carbon transition and support compliance with the carbon neutrality goals imposed in Chile and other countries, a change could be generated in the criteria also incorporating Scope 2 or 3 of the companies. An example of this change in criteria in Chile corresponds to Law 21,210 on tax modernization, which seeks to consider criteria of affectation as threshold those over 25,000 tonsCO2 and 100 tons MP, in addition to considering emissions compensation as a transition instrument.</p>
Technology	Relevant, always included	<p>We consider the development of low-emission technologies an opportunity for all our lines of business since the development of electromobility implies a greater use of lithium batteries, increasing the demand for both lithium hydroxide and carbonate supplied by our company. Additionally, in terms of electricity supply, the use of clean energy implies the need to develop energy storage for variable renewable energy sources such as solar or wind. In particular, the development of solar power concentrating plants (CSP) is seen as an opportunity considering that the salts used to store energy at night correspond to a mixture of our products of sodium and potassium nitrate salts. On the other hand, we are constantly analyzing the technological development and potential alternatives for energy storage within which the development of low-emission hydrogen for transport is observed, such as the development of sodium batteries or others as alternatives that could reduce demand of our products. However, to date, the potential risks mentioned do not correspond to a threat considering that the development of hydrogen for transport would correspond to another segment, mainly high-tonnage transport and that is still under development, such as sodium batteries, where in the short and medium term would not represent a decrease in the demand for our lithium products.</p> <p>Additionally, within our sustainability strategy we have identified that technological developments also have the potential to impact our operations, which could imply a higher capital expenditure or investment in research and development in low-emission technologies to fulfill our commitments. This risk would materialize if there is no development at competitive prices in such a way that its adoption is slow and therefore may affect our voluntary commitments or that this implies a higher cost for the company. On the other hand, if low-carbon technology advances rapidly, there are also opportunities to reduce costs, improve productivity and reduce local pollutants, among other benefits.</p> <p>For all these reasons, the commercial teams are constantly working on projecting the demand for our products along with the risks and opportunities in technological and market matters. Additionally the research and development teams continually analyze new ways to reduce our energy consumption and performance increases of our operations to be more efficient in the processes, reducing costs and GHG emissions.</p>
Legal	Relevant, always included	<p>Legal risk is relevant for the company and all our projects both in Chile and in the rest of the world in which the legal team and the risk management area constantly consider any potential non-compliance along with the identification of new regulations such as requests for licenses, permits and authorizations required to develop our assets and projects. These processes could face greater scrutiny and be challenged by third parties for greater and stricter concerns that include the climate, which would also give rise to longer processing times and stricter compliance in matters of climate, energy efficiency and others. On the other hand more awareness of the environmental institutions consider the request that each new project consider a climate change scenario in order to know the physical risks derived from the climate such as water availability in each of our operations. Additionally, mining and production companies are constantly being more subject to litigation related to greater concerns regarding sustainability and climate change, within which SQM could be affected.</p>
Market	Relevant, always included	<p>With the aim of promoting an active climate response to avoid exceeding 1.5 ° C of global warming corresponding to a transition to a low-carbon economy, this implies an opportunity for our company from the point of view of greater customer concern for achieving products with a lower carbon and water footprint and more sustainable transportation would positively affect the demand for our products.</p> <p>For this reason, we project an increase in demand for all our business lines, such as: a) the development of electromobility that implies a greater use of lithium batteries, increasing the demand for both lithium hydroxide and lithium carbonate supplied by our company. b) Considering SDG 7 implies a need for the development of energy storage for those variable renewable energy sources such as solar or wind, increasing market for batteries of storage (UPS) and the development of solar power concentrator plants (CSP) as an opportunity considering that the salts used to store energy correspond to a mixture of our sodium and potassium nitrate salts. c) In order to increase crop yields, reduce deforestation through better use of the soil and better use of water, it is a necessity that our water-soluble fertilizer products allow to achieve by increasing the future demand.</p> <p>For these reasons, all our operational efforts are aimed at increasing efficiency and expanding our production plants to capitalize on these increases in demand, for which we expect to produce around 180,000 tons LCE per year from 2023 in Chile and around 25,000 from 2025 in our project in Australia in order to meet the expected increase in demand. For this, our industrial and commercial team continuously analyzes and project the market expectations and implement developments in the operation.</p> <p>In terms of potential risks, the company's commercial team and the R&D team constantly analyze the potential alternatives for energy storage that could affect the demand for our products, within which the development of low-emission hydrogen for transport such as the development of sodium batteries or other alternatives that could reduce the demand for our products. To date, both alternatives do not represent a risk, considering that the development of hydrogen for transportation would correspond to another segment, mainly high-tonnage transportation and sodium batteries due to safety and costs issues, we do not believe that in the short or medium term could represent a decrease in the demand for our products.</p>
Reputation	Relevant, always included	<ul style="list-style-type: none"> • Our company, through the sustainability strategy and the goals declared in October 2020, could be affected by reputational risks in the event that we do not comply or there is no evidence of progress in our sustainability commitments, such as the reduction of greenhouse gases, water, not achieving certifications or lowering scores in environmental, social or governance assessments, which could generate reputational risks and affect the markets. To avoid the materialization of this risk, the sustainability management team and all the areas involved show progress in the sustainability committees, which ensure compliance with our internal and external commitments in order to mitigate this risk. • Another risk of a reputational nature corresponds to the stigmatization of the production companies that operate in South America and due to ignorance of the general market or a strong negative marketing strategy of the industry we cannot enhance our production processes and our strong sustainability commitments. • The loss of stakeholder support could have various effects such as: restricted access to capital for the development of our projects; adverse impacts to the environment, communities, social well-being, which could affect our relationships with and be viewed negatively by the community and other stakeholders and damage our reputation; lower contribution to the State of Chile through a decrease in our sales considering that we contribute a proportion of our sales through rental income and taxes and thus accentuate a negative perception; an opposition to our projects by the communities that could include legal or social actions, or others that could imply loss of commercial opportunities; inability to attract new talent or retain existing ones due to the company's low credibility.

	Relevance & inclusion	Please explain
Acute physical	Relevant, always included	<p>Considering that climate change would accentuate the occurrence of extreme climatic phenomena, for our company an increase in the severity (impact) and frequency of unusual meteorological phenomena, such as heavy rains could generate floods, rupture of ponds, impact in roads and accesses that could affect our processes and the safety of our workers and supply chain. All of the above could have negative effects on our production operations, mainly in the concentration ponds in which we maintain important assets, considering that our processes include large areas for evaporating water and concentrating brines. Additionally, the increase in these rainfall events could imply longer times in the production process considering their dilution and therefore greater need to increase evaporation. On the other hand, extreme climate events would imply potential power outages in some of our operations and therefore a decrease in our production during those hours, increasing the idle capacity of our assets. For these reasons, the company's risk management team constantly evaluates the company's strategic risks, including those derived from the weather that could imply a potential economic and / or physical impact on all of our operations through the quantification of inherent risk and the residual risk when analyzing the different types of controls managed by the operational areas using impact and probability as a methodology, which in terms of climate change corresponds to business sensitivity and vulnerability.</p> <p>Other specific events that could derive from these acute physical risks correspond to:</p> <p>a) Risks of floods that imply negative effects associated with roadblocks, physical safety problems for people, equipment and our nearby communities.</p> <p>b) Heat waves, associated with the safety of workers, which could imply damage to them that prevents them from carrying out certain tasks outside.</p> <p>c) Strong winds affect the performance of work since our safety standards imply suspending any work outside once the winds exceed 30 km/h.</p> <p>d) In port, increased swells that imply an increase in the days that the port is closed increasing our costs. In addition, we could have some effect with our supplies and the dispatch of the rest of our products around the world that may involve logistical problems with our clients. For this reason, alternatives are being worked on for the dispatch of our products to the port that is not so exposed to storm surge events.</p>
Chronic physical	Relevant, always included	<p>The specific chronic risks for our operations in Chile are being evaluated using projections that contemplate the use of different general circulation models (GCM), which, consider different scenarios of greenhouse gas emissions, using those models that fit better with the thermopluviometry observed in the meteorological stations available in the basin.</p> <p>Given the uncertainty associated with the projections provided by the GCMs, two of the four scenarios defined by the IPCC are considered. These scenarios, called RCP, are related to the increase in net global radiation from 2.6 to 8.5 W / m² respectively. Global temperature depends directly on radiation, therefore, the most optimistic scenario corresponds to RCP2.6, while the most pessimistic is RCP8.5. Additionally, considering all our operations, we have information from the Climate Risk Atlas (ARClim) developed by the Chilean Ministry of the Environment. In this tool, climatic variables are estimated, which quantify the occurrence of certain adverse meteorological conditions based on the daily distribution of atmospheric variables considering a RCP 8.5 scenario. Based on this information, a number of results have been observed depending on the models used, in which a general temperature increase and increase or decrease in rainfall can be observed as a trend depending on the specific evaluation area. Potential risks in our operations include:</p> <p>A) Reduction of the recharge of aquifers accentuating the effects of drought in our operations that imply an increase in our costs to supply us with water and in addition to a perception that it is due to our activity that other stakeholders do not have enough water for the development of their projects also affecting reputation.</p> <p>b) In the long term, a rise in sea level would accentuate problems in ports, such as Tocopilla, preventing the loading of products and delivery of these to our customers on time, however, other alternatives are being considered for the dispatch of our products to port that is not so exposed to storm surge events.</p> <p>c) On the other hand, increases in temperature would represent an opportunity considering that evaporation processes would be enhanced, although, as mentioned regarding acute physical risks, the impact of heat waves on our operations is evaluated.</p>

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Current regulation	Carbon pricing mechanisms
--------------------	---------------------------

Primary potential financial impact

Increased direct costs

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

We consider as a potential risk the modification of carbon pricing mechanisms, this tax is applied to industries that consume fossil fuels, the main responsible for global warming and the increasingly latent climate crisis in the world, and this affects the emissions of particulate matter, nitrogen oxide, sulfur dioxide and carbon dioxide, produced by boilers or turbines that add up to a thermal power of 50 MW of thermal power. Currently, the carbon tax corresponds to a value of 5 USD /tCO₂e, but considering that according to comparisons of various studies, this price set by the Chilean government is 8 times lower than what is recommended to achieve the goals of the Paris Agreement, we could be affected by the risk that, in the first place, there is a considerable increase in the carbon tax compared to the current value of 5 USD /tCO₂e. To do this, we have assessed as a risk that there will be an increase in the carbon tax to 30 USD /tCO₂e and that all our emissions of scopes 1 and 2 pay for this concept from 2023 to 2030. To do this, we have made a projection of our emissions and applied the carbon tax considering that we pay for all emissions. In addition, another risk related to carbon pricing mechanisms is that a greater number of operations will be affected or that the current tax will cover other industrial sectors. (indexed tax on the price of fuels).

Time horizon

Medium-term

Likelihood

Very likely

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

140779949.97

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

To quantify the financial impact of the change in carbon price regulation, the following assumptions were made:

- Since 2024, all Scope 1 and 2 emissions should be paid for.
- Minimum: From 2023, the value of the carbon tax maintains at 5 USD/tCO2e
- Maximum: From 2024 the value of the carbon tax is 30 USD/tCO2e
- GHG emissions were estimated based on the latest versions of the industrial plans of the lithium business vice-presidency and the nitrates-iodine business vice-presidency. Production of lithium products is expected to grow by 100% by 2026 compared to 2022, while the nitrates-iodine business line is expected to achieve a 58% increase in production by 2030 compared to 2022.

Cost of response to risk

100000000

Description of response and explanation of cost calculation

When SQM launched its sustainability strategy in 2020, it consulted with consultancy firm McKinsey, which estimated that SQM's decarbonisation strategy would cost around US\$100 million. The decarbonisation pathway included mitigation measures for belt transport of materials and the electrification of mining trucks, up to 90 tonnes, by 2030. SQM, reviewing the current market conditions, its production projections and market share; the maturation of potential technologies such as electromobility in large tonnage vehicles, has seen the need to update the decarbonisation route considering the new market scenarios, discarding electrification options for large tonnage trucks due to the unavailability of cost-efficient technology for SQM's reality.

The reported value of USD 100 million, as the cost of the GHG emissions tax risk response, corresponds to the latest updated value of the strategy. SQM is currently updating its decarbonisation strategy to be presented in the Race to Zero initiative and adhering to the 1.5°C ambition targets. This plan will be presented in October 2023.

Comment

SQM is evaluating the decarbonisation of its production matrix with the displacement of Scope 1 emissions by replacing fossil fuels through the electrification of boilers and dryers with energy from renewable PPAs or off-grid photovoltaic generation. It is also pursuing renewable electricity contracts for the replacement of Scope 2 emissions with the consequent purchase of renewable energy certificates. The decarbonisation strategy is being evaluated by the sustainability department in conjunction with the operations areas to assess the feasibility of each project. The decarbonisation pathway will be presented in a new marginal abatement cost curve to estimate the total value of SQM's decarbonisation.

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Acute physical	Heavy precipitation (rain, hail, snow/ice)
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Primary potential financial impact

Increased direct costs

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

The Salar de Atacama facility is located in northern Chile, specifically in the Antofagasta region. This area is located in the Atacama Desert and is an area of water scarcity according to the methodology developed by WULCA and its AWARE water scarcity index, where the area has a water scarcity of 91, out of a maximum factor of 100. The average rainfall is less than 20 mm in the year.

The soil characteristics are of high salt content so that extreme rainfall events wash and dissolve the salts contained, reducing the stability of slopes and containment ramps of solar evaporation pools.

Additionally, heavy rains could affect our operations in many ways considering trouble in roads that affects our workers, and contractors in terms of safety that would lead to a reduction in our performance. On the other hand, we have evaluated in Salar de Atacama the loss of product in our evaporation ponds where an important part of our inventory could be vulnerable to climatic events. According to this, we have selected some scenarios (RCP 8.5) to have concrete estimates of the future days of intense rains and to identify the potential impact along with the adaptation measurements and their applications. The risk corresponds to the loss of all the products that we have in ponds, which corresponds to approximately 154 MMUSD in case of SQM does not take any mitigation measures. Additionally, a series of adaptation measures have been quantified that correspond to the structural reinforcement of the ponds. On the other hand, in case of an acute event occurs, the company has insurance that would cover a large part of a potential loss.

Time horizon

Long-term

Likelihood

Unlikely

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

0

Potential financial impact figure – maximum (currency)

97000000

Explanation of financial impact figure

The following assumptions were made to quantify the financial impact of the risk of failure of wells due to the threat of intense rains:

- Minimum: there is no material losses.
 - Maximum: in an extreme case that 100% of the ponds are affected by an event of intense or very intense rain, in the case of greater financial impact.
- According to the latest environmental impact study carried out in December 2022, which is publicly available on the website of Chile's Environmental Impact Assessment Service (SEIA), the following conclusions were reached:
- Conceptually, CC will affect the water balance of the basin by generating changes in the precipitation pattern and increases in evaporation due to the increase in temperature.
 - The selection process yielded the following 3 GCMs as representative of the basin: i) CNRM-CM5, ii) MIROC-ESM and iii) NorESM1-M.
 - MIROC estimates a 5% increase in precipitation for the period 2021-2030, a 5% reduction for the period 2031-2065 and a 7% reduction for the period 2066-20100, all with respect to historical recharge.

The estimation corresponds to the potential loss of inventory in the exposed pits, i.e. those on the edges of the solar evaporation pond system. It considers the inventory of both ponds with commercially valuable salts such as sylvinites, bischofite and lithium chloride solution.

Cost of response to risk

25000000

Description of response and explanation of cost calculation

As mitigation measures, a series of structural and operational actions are considered, consisting of floors of the pools improvements, compaction when watering with brine and the use of Bischofita for roads and slopes. The total cost of these actions was quantified at USD 20 MM USD. Additionally, as a reactive response, we have insurance contracted for our main assets, which implies a cost of 5 MM USD. In total, the quantification of response measures considering adaptation and reaction amounts to 25 MM USD.

Comment

Identifier

Risk 3

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Emerging regulation	Carbon pricing mechanisms
---------------------	---------------------------

Primary potential financial impact

Increased direct costs

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

EU - ETS will tax some goods imported into the EU to avoid carbon leakage within their borders. Fertilizers (minerals and chemicals) are listed among the goods that will be taxed by these new regulations and the price will be the current EU- ETS carbon permits.

SQM fertilizers exports have been estimated to calculate the potential carbon tax to pay for under this regulation, considering scope 1 of all facilities involved in the production system, allocating the consumption and CO2 emission in each process step. The facilities involved are Salar de Atacama and its MOP production, Nueva Victoria and its Nitrate production and Coya Sur, where the conversion and refining process takes place.

Time horizon

Medium-term

Likelihood

Virtually certain

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

24518278

Potential financial impact figure – maximum (currency)

35718391

Explanation of financial impact figure

The cost was estimated considering the KNO3 /NaNO3 export into the EU between 2025 (beginning of tax regulation) and 2030, the forecast product carbon footprint of both products and the contribution of scope 1 and scope 2 within the emission intensity estimated. The LCA scope was cradle-to-gate and all consumptions are related to the operation of the facilities placed in Chile. According to the industry plan of the vice-presidency for nitrates-iodine, about 20% of the total fertiliser production is expected to be destined for the European Union.

The amount informed is the Present Value (PV) of each payment year, with a discount rate of 10% (used in SQM). The carbon permit prices were assessed at 106 \$US/tCO2e (expected price at the end of 2023) and 150 \$US/tCO2e (average price reported by the World Bank that would be necessary to achieve 1.5°C model goals (the reported price of 50 - 250 \$US/tCO2e)).

This new emissions tax is expected to come into effect in 2026, which would impact SQM by around USD 5-12 million per year in additional tax.

This tax could impact until 10 \$US per tonne of KNO3/NaNO3 additional in the total cost of production. This amount is high compared with the market value.

Cost of response to risk

10000000

Description of response and explanation of cost calculation

When SQM launched its sustainability strategy in 2020, it consulted with consultancy firm McKinsey, which estimated that SQM's decarbonisation strategy would cost around US\$100 million. The decarbonisation pathway included mitigation measures for belt transport of materials and the electrification of mining trucks, up to 90 tonnes, by 2030. SQM, reviewing the current market conditions, its production projections and market share; the maturation of potential technologies such as electromobility in large tonnage vehicles, has seen the need to update the decarbonisation route considering the new market scenarios, discarding electrification options for large tonnage trucks due to the unavailability of cost-efficient technology for SQM's reality.

The reported value of USD 100 million, as the cost of the GHG emissions tax risk response, corresponds to the latest updated value of the strategy. SQM is currently updating its decarbonisation strategy to be presented in the Race to Zero initiative and adhering to the 1.5°C ambition targets. This plan will be presented in October 2023.

Comment

SQM is evaluating the mitigation alternative called "Power to Heat" for the displacement of fossil fuels. The main fuel used is natural gas, although due to global natural gas supply problems during 2022, fuel oil and diesel were used to make up for the lack of natural gas in the Chilean market.

Replacing fossil fuels with electric boilers and dryers powered by renewable energy through an off-grid photovoltaic plant is a viable alternative to reduce dependence on natural gas for fertiliser production at the Coya Sur plant. This alternative will be presented in the new decarbonisation pathway in October 2023.

Identifier

Risk 4

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Reputation	Stigmatization of sector
------------	--------------------------

Primary potential financial impact

Decreased revenues due to reduced production capacity

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

There are several misconceptions around the Salar de Atacama facility operation related to the sustainability of the process and this could affect the company's reputation and its potential extension of the current contract between SQM and the Chilean state through the CORFO agency.

Our business is substantially dependent on the exploitation rights under the Lease Agreement and the Project Agreement, since all of our products originating from the Salar de Atacama are derived from our extraction operations under the Lease Agreement. For the year ended December 31, 2022, revenues related to products originating from the Salar de Atacama represented 80% of our consolidated revenues, consisting of revenues from our potassium business line (4%) and our lithium and derivatives business line (76%) for the period. As of December 31, 2022, only 8 years remain on the term of the Lease Agreement and we had extracted approximately 32% of the total permitted accumulated extraction and sales limit of lithium under the lithium extraction and sales limits.

Although we expect to begin the process of discussing the extension or renewal of the mineral exploitation rights in the Salar de Atacama under the Lease Agreement and Project Agreement with Corfo well in advance of the December 2030 expiration date, we cannot assure you that we will successfully reach an agreement with Corfo to extend or renew our mineral exploitation rights beyond 2030. Any negotiation with Corfo for an extension or renewal could involve renegotiation of any or all of the terms and conditions of the Lease Agreement and Project Agreement, including, among other things, the lithium and potassium extraction and sales limits, the lease payment rates and calculations, or other payments to Corfo.

In the event that we are not able to extend or renew the Lease Agreement beyond the current expiration date of the Lease Agreement in 2030, we would be unable to continue the extraction of lithium and potassium under the Lease Agreement, which could have a material adverse effect on our business, financial condition and results of operations.

Time horizon

Medium-term

Likelihood

About as likely as not

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

28071934423

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

The estimated impact corresponds to an estimate of the loss of production of lithium carbonate and lithium hydroxide products projected for the period 2024 - 2030. It is difficult to estimate a loss of revenue beyond 2030, due to the uncertainty of an eventual extension of the lease contract with the CORFO agency.

The financial impact is an estimated and reported present value of the potential sales revenue that SQM would lose, considering the estimated production of lithium carbonate and lithium hydroxide in the period 2024 - 2030. A conservative price for lithium carbonate of around USD 20 per kilogram was considered, as the price is expected to stabilise around this figure due to the increased supply of lithium products in the coming years.

Cost of response to risk

100000000

Description of response and explanation of cost calculation

When SQM launched its sustainability strategy in 2020, it consulted with consultancy firm McKinsey, which estimated that SQM's decarbonisation strategy would cost around US\$100 million. The decarbonisation pathway included mitigation measures for belt transport of materials and the electrification of mining trucks, up to 90 tonnes, by 2030. SQM, reviewing the current market conditions, its production projections and market share; the maturation of potential technologies such as electromobility in large tonnage vehicles, has seen the need to update the decarbonisation route considering the new market scenarios, discarding electrification options for large tonnage trucks due to the unavailability of cost-efficient technology for SQM's reality.

The reported value of USD 100 million, as the cost of the GHG emissions tax risk response, corresponds to the latest updated value of the strategy. SQM is currently updating its decarbonisation strategy to be presented in the Race to Zero initiative and adhering to the 1.5°C ambition targets. This plan will be presented in October 2023. SQM expects to be the most sustainable and convenient alternative to continue with the extension of the Salar de Atacama lease through its new decarbonisation strategy and also considering the "Salar Futuro" project which seeks to implement new direct lithium extraction (DLE) technologies, the replacement of continental water with seawater and the awarding of renewable electricity contracts.

Comment

Identifier

Risk 5

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Chronic physical	Water scarcity
------------------	----------------

Primary potential financial impact

Decreased revenues due to reduced production capacity

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

At the end of 2022, SQM carried out the Environmental Impact Study for the plan to reduce extraction in the Salar de Atacama, where the effect of Climate Change (CC) was addressed in the environmental assessment:

- Conceptualisation of the application of CC in the Salar de Atacama basin, identifying which elements of the water balance will be affected by climate change and how this was addressed in the numerical models.
- Methodology and selection of global circulation model and recharge estimation that best represent the expected precipitation and temperature behaviour in the Salar de Atacama.
- Numerical model simulations with the results of the effect of climate change on the hydrogeology component, i.e. how the change in recharge and evaporation (due to the increase in temperature) will be reflected in the groundwater levels. They are presented for each of the seven models developed, considering the following scenarios (1) the effect of CC alone (no pumping), (2) the effect of CC added to the base case situation (RCA 226/2006) and (3) the effect of CC added to the situation with the project, which reduces the brine and freshwater pumping flow by 50%.

Among the main results:

- The selection process delivered the following 3 GCMs as representative of the basin: i) CNRM-CM5, ii) MIROC-ESM and iii) NorESM1-M.
- For impact assessment purposes, the MIROC-ESM model was selected, whose projections present the most conservative conditions from an environmental point of view, i.e. it estimates the largest decreases in precipitation in the future, with consequent decreases in aquifer recharge. MIROC estimates a 5% increase in precipitation for the period 2021-2030, a 5% reduction for the period 2031-2065 and a 7% reduction for the period 2066-2100, all with respect to historical recharge.
- Simulations were carried out including the project pumping and the authorised pumping (RCA 226/2006), considering the CC. The results show that: i) additional centimetric declines are generated in the marginal zone; ii) in the order of 1 to 1.5 m in the core; and, iii) in the order of 0.5 m in the eastern part of the eastern edge. All wells show significantly lower drawdowns for the project simulation than those of RCA 226/2006 between 0.5 and 1 m, in line with the decrease in water and brine pumping flow.

The background information is available on the website of the Servicio de Evaluación de Impacto Ambiental, SEIA.

Time horizon

Long-term

Likelihood

Likely

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

28071934423

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

In a scenario of water scarcity or a significant drop in aquifer levels, the unavailability of water to operate at the Salar de Atacama site, the production of lithium chloride solution would be halted, as well as the production of lithium carbonate and hydroxide at the chemical plant located in Antofagasta.

The financial impact is an estimated and reported present value of the potential sales revenue that SQM would lose, considering the estimated production of lithium carbonate and lithium hydroxide in the period 2024 - 2030. A conservative price for lithium carbonate of around USD 20 per kilogram was considered, as the price is expected to stabilise around this figure due to the increased supply of lithium products in the coming years.

Cost of response to risk

27000000

Description of response and explanation of cost calculation

SQM has reduced water withdrawal by 50%, reducing consumption from 240 l/s in 2019 to less than 120 l/s (3,425 MI) in 2022. The Salar de Atacama site has implemented various measures to optimise water consumption, such as the "Industrial Water Supply Report", "Daily Industrial Water Supply Report" and "Daily Industrial Water Consumption Report".

In addition, projects are being executed, in the basic engineering phase, to replace inland water consumption and recover water from the extracted brine:

- "Salar Futuro": project to guarantee the feasibility of the long-term production system, developing Direct Lithium Extraction technologies (DLE), supply of desalinated seawater, supply of renewable electricity, electricity integration project, water distribution project and environmental impact studies. Strategic project to increase the possibility of extending the lithium operation and sales contract in the long term.

- Lithium and water recovery from brine: increase lithium yield by ~10% compared to a base case by increasing overall lithium and water recovery.

Comment

SQM has provided about \$10 million for the technical feasibility of the implementation of the "Salar Futuro" project and about \$17 million for lithium and brine water recovery projects. These are currently underway and will lay the groundwork for future facilities at the site. There is no estimated capex for the implementation of both projects.

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Opp1

Where in the value chain does the opportunity occur?

Downstream

Opportunity type

Markets

Primary climate-related opportunity driver

Access to new markets

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

Revenue growth opportunities derived from Climate Change by an increase in demand for: 1.Lithium: Transport is one of the main contributors to climate change. In an effort to reduce carbon emissions, electro-mobility offers a major solution. According to that, we see a major opportunity to provide the necessary lithium for the batteries in electric vehicles and we are working on the challenge of reducing our carbon and water footprint to leverage this opportunity. 2. Solar Salts: to mitigate the effects of climate change, a more renewable energy matrix is necessary along with the current announcements of the phaseout of carbon plants. According to that, we see an increase in our solar salts business line because are used in the concentrated solar plants for storage. 3.Water Soluble Fertilizers: Using this type of fertilizers allows a more rational use of water for fertigation applications, increasing the quality and yield of a variety of crops, by reducing the use of land and water.

Time horizon

Medium-term

Likelihood

Very likely

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

28071934423

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Production targets for the lithium products business line (lithium carbonate and lithium hydroxide) have been considered and are expected to reach 100% growth by 2026. That is, a production rate of 240,000 tonnes of lithium carbonate and 97,000 tonnes of lithium hydroxide is expected to be achieved. The financial impact is an estimated and reported present value of the potential sales revenue that SQM would lose, considering the estimated production of lithium carbonate and lithium hydroxide in the period 2024 - 2030. A conservative price for lithium carbonate of around USD 20 per kilogram was considered, as the price is expected to stabilise around this figure due to the increased supply of lithium products in the coming years.

Cost to realize opportunity

905800000

Strategy to realize opportunity and explanation of cost calculation

During 2022, we had total capital expenditures of US\$905.8 million. Our 2022 capital expenditure was primarily related to:

- Capacity expansion projects related to the completion of the increase of our lithium carbonate production in Chile from 120,000 metric tons per year to 180,000 metric tons per year by the end of 2022;
- Completion of capacity expansion of lithium hydroxide production in Chile from 21,500 metric tons per year to 30,000 metric tons per year;
- Investment in our new 50,000 metric ton Mt. Holland lithium hydroxide mine and refining plant in Western Australia;
- Acquisition of the 20,000 metric ton lithium hydroxide refining plant in China

Comment

For our business and the market where we are targeting, we have made important improvements in terms of quality and also increases in our production capacity to have products always available to our customers. In addition to these two variables, we have incorporated sustainability into our entire production chain in order to be carbon neutral by 2030 with the aim of generating a differentiating element and contributing to the objective of limiting the global increase above 1.5 ° C. Based on these elements, we have developed a series of initiatives that seek to reduce the amount of GHG we generate, which has an approximate value of 10MMUSD of CAPEX by 2030. Additionally, we are continually making improvements in our yields to produce more and better using fewer resources.

C3. Business Strategy

C3.1

(C3.1) Does your organization’s strategy include a climate transition plan that aligns with a 1.5°C world?

Row 1

Climate transition plan

Yes, we have a climate transition plan which aligns with a 1.5°C world

Publicly available climate transition plan

No

Mechanism by which feedback is collected from shareholders on your climate transition plan

We have a different feedback mechanism in place

Description of feedback mechanism

SQM reports quarterly to its shareholders and stakeholders on the company's performance in terms of sales revenue, gross margin, net income, and adjusted EBITDA, among others, for each business line and product. The report is publicly available on the company's website: <https://ir.sqm.com/English/financials/quarterly-results/default.aspx>.

In addition, SQM reports its results on an annual basis in its annual report, in which it reports the results of the financial year, the main advances in corporate governance, strategy, responsible sourcing and sustainability. The information is publicly available on the following website: <https://ir.sqm.com/English/financials/annual-reports/default.aspx>

Frequency of feedback collection

More frequently than annually

Attach any relevant documents which detail your climate transition plan (optional)

sqm-2022-annual-report.pdf

Explain why your organization does not have a climate transition plan that aligns with a 1.5°C world and any plans to develop one in the future

<Not Applicable>

Explain why climate-related risks and opportunities have not influenced your strategy

<Not Applicable>

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

	Use of climate-related scenario analysis to inform strategy	Primary reason why your organization does not use climate-related scenario analysis to inform its strategy	Explain why your organization does not use climate-related scenario analysis to inform its strategy and any plans to use it in the future
Row 1	Yes, qualitative and quantitative	<Not Applicable>	<Not Applicable>

C3.2a

(C3.2a) Provide details of your organization’s use of climate-related scenario analysis.

Climate-related scenario		Scenario analysis coverage	Temperature alignment of scenario	Parameters, assumptions, analytical choices
Transition scenarios	IEA NZE 2050	Company-wide	<Not Applicable>	<p>We have selected the Net Zero scenario of the International Energy Agency based mainly on our commitment to the Race to Zero initiative and also because it is a very aggressive transition scenario towards a low-carbon economy that implies strong political action that can imply risks in the areas where we operate, but also a positive scenario in opportunities associated with our business. additionally, as our main operations are in Chile, this scenario is aligned with the country’s ambition to be carbon neutral by 2050 and therefore also aligned with associated policies such as the new Climate Change Law that came into force during June 2022</p> <p>Assumption:</p> <ul style="list-style-type: none"> - Raise temperature: above 1.5°C preindustrial revolution. - Population: 8,505 million. - Carbon Pricing: 15 - 90 \$US/TCO2e. -Percentage electric cars: 20%. -CSP Power: 73 GW - Battery Storage: 585 GW. <p>The IEA NZE 2050 scenario was used for the lithium business case study presented in our TCFD 2021 report, which is published on the website: https://www.sqmsenlinea.com/documentation/category/8. SQM is currently updating its TCFD report, 2022 edition, which will be published in August 2023.</p>
Transition scenarios	IEA STEPS (previously IEA NPS)	Company-wide	<Not Applicable>	<p>A scenario that reflects the current policy configuration based on a sector-by-sector assessment of current policies, as well as those that have been announced by governments around the world. The Stated Policies Scenario (STEPS) provides a more conservative benchmark for the future, because it does not assume that governments will achieve all announced targets.</p> <ul style="list-style-type: none"> - Raise temperature: 2.0°C in 2050 and 4°C in 2100. - Carbon Pricing: 15 \$US/TCO2e in 2030 and 30 \$US/TCO2e in 2050. <p>The IEA STEPS scenario was used for the lithium business case study presented in our TCFD 2021 report, which is published on the website: https://www.sqmsenlinea.com/documentation/category/8. SQM is currently updating its TCFD report, 2022 edition, which will be published in August 2023.</p>
Physical climate scenarios	RCP 8.5	Company-wide	<Not Applicable>	<p>In order to assess potential physical risks from climate change, we use quantitative scenarios associated with the most pessimistic scenario that would denote global climate action associated with an RCP 8.5 scenario. We have used these analyzes based on public information and our own studies for all our operations in Chile and we seek to deepen the analysis during this year. In particular, we have used information from the Climate Risk Atlas (ARClim) developed by the Chilean Ministry of the Environment. In this tool, climatic variables are estimated, which quantify the occurrences of certain adverse meteorological conditions based on the daily distribution of climatic variables considering an RCP 8.5 scenario.</p> <p>An example of our climate risk variable assessed:</p> <ul style="list-style-type: none"> - Hot days (>30°C) - Days of intense precipitation [>15.1 mm/h] - Average maximum t(°C) - Daily maximum wind(m/s) - Daily rainfall(mm) <p>Under the RCP 8.5 climate scenario, various climate hazards were modelled at all our facilities, with the main results published in our TCFD 2021 report, available on our website https://www.sqmsenlinea.com/documentation/category/8.</p>

C3.2b

(C3.2b) Provide details of the focal questions your organization seeks to address by using climate-related scenario analysis, and summarize the results with respect to these questions.

Row 1

Focal questions

In order to assess climate change with greater depth in the Salar de Atacama surroundings and facility, we have incorporated conceptual and numerical models into the projections that contemplate the use of different general circulation models (GCM, hereinafter), that consider different scenarios of greenhouse gas emissions, using those models that best fit the thermo-pluviometry observed in the meteorological stations available in the basin. Given the uncertainty associated with the projections provided by the GCMs, SQM internally considers two of the four RCP scenarios defined by the Intergovernmental Panel on Climate Change with the purpose to give an answer to the possible climate risk projected by the GCMs.

Results of the climate-related scenario analysis with respect to the focal questions

The results of the analysis carried out in the area are shown below:

1. CNRM-CM5 (RCP4.5): 18% decrease in average rainfall.
2. CSIRO-Mk3-6-0 (RCP8.5): average rainfall decrease of 27%.
3. MIROC-ESM (RCP4.5): average rainfall increase of 17%.
4. NorESM1-M (RCP8.5): average rainfall decrease of 2%

The variations obtained for the Salar de Atacama basin indicate that there would be an increase in temperatures of 2.4°C considering the ensemble (pattern identified in the 4 GCMs), which on average would increase the probability of occurrence of heat waves and would reduce cold waves. In the case of heat waves, their occurrence considers the continuous days in which the maximum temperature exceeds 30°C, a condition that would occur for 25 days a year according to the estimates made, increasing the situation of the current period. For cold waves, a decrease in days with maximum temperatures below 0°C is expected, going from 7 days a year at present, to 3 days in the projected scenario (ARClim). For its part, the average annual rainfall would decrease by 5% when considering the ensemble of models analyzed. It is expected, in these scenarios, that the days with daily precipitation less than 1 mm annually increase by 9% on average, with differences between models regarding magnitudes, ranging between 1% and 21%. Regarding the effect of climate change on the wind, an increase of the order of 2.8% is obtained in the maximum speeds (from an average of 9.8 m/s in the present period, it would increase to 10.1 m/s in the future), which could imply an increase in evaporation rates, affecting the water balance due to the increase in system outputs. In conclusion, the natural risks associated with climate change are related to the probable presence of a more arid condition, due to a possible decrease in rainfall and an increase in temperatures.

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	Based on the potential increases in demand and also that the risks derived from extreme weather events may accentuate along with new regulations in the countries in which we operate, we are continually evaluating expansions and analyzing possibilities to diversify our operations, as is the case of our project in Australia which seeks production in the challenge of expected increases in demand through a lithium source other than brine. On the other hand, the commercial and operational areas are continuously in contact to analyze the opportunities in all our products and implement improvements in the operation derived from better quality and sustainability. The relevant opportunities that are continually being analyzed to implement at the operational level correspond to: 1.Lithium: Transport is one of the main contributors to climate change. In an effort to reduce carbon emissions, electro-mobility offers a major solution. According to that, we see a major opportunity to provide the necessary lithium for the batteries in electric vehicles and we are working on the challenge of reducing our carbon and water footprint to leverage this opportunity. 2. Solar Salts: to mitigate the effects of climate change, a more renewable energy matrix is necessary along with the current announcements of the phaseout of carbon plants. According to that, we see an increase in our solar salts business line because are used in the concentrated solar plants for storage. 3.Water Soluble Fertilizers: Using this type of fertilizers allows a more rational use of water for fertigation applications, increasing the quality and yield of a variety of crops, by reducing the use of land and water.
Supply chain and/or value chain	Yes	Our efforts regarding the value chain have been reinforced with our sustainability plan through 2 focuses: i) The search for new supply alternatives with less impact on GHG, aligned with our commitments to reduce our scope 3. ii) Joint work with our transport providers to reduce the carbon footprint through changes and improvements in the fleet, better driving practices and also through offsetting the rest of the emissions generated through the development of projects that function as a sink and therefore, achieve carbon neutrality in the transportation of our operations in Chile.
Investment in R&D	Yes	The challenge for R&D teams is to identify and evaluate new technologies that allow the low-carbon and low-water development of our company to implement in operations and that additionally allow to improve production yields in order to improve the use of resources and sustainability indicators per unit produced.
Operations	Yes	The operational teams are in charge of continuously reviewing the greenhouse gas reduction plans together with identifying, developing and accounting for the initiatives implemented to align our strategy.

C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Capital expenditures Acquisitions and divestments	Based on the potential increases in demand and also that the risks derived from the weather may accentuate along with new regulations in the countries in which we operate, we are continually evaluating expansions and analyzing possibilities to diversify our operations, As an example, our project of Australia, which seeks production in the face of expected increases in demand through a lithium source other than brine. SQM, as a way to generate different supply points for global demand, has been associated with the Mt Holland project located in Western Australia. SQM owns a 50% stake jointly with the Wesfarmers company. This project is a very attractive opportunity to participate in the development of a large-scale, long-term, high-grade lithium hydroxide project in Western Australia. The project seeks to empower Australia as a global lithium processing centre, making this project an excellent option for SQM to diversify its sources of lithium supply to respond to global demand, which will have an initial capacity of 45,000 tons. of lithium per year. Currently, the project is in an evaluation stage, which consists of evaluating the project's capital, operating costs and working with clients to define product specifications. Another important milestone is that we acquired our first refining plant outside of Chile to produce lithium hydroxide in China from lithium sulfate sourced from our Salar de Atacama operation.

C3.5

(C3.5) In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's climate transition?

	Identification of spending/revenue that is aligned with your organization's climate transition	Indicate the level at which you identify the alignment of your spending/revenue with a sustainable finance taxonomy
Row 1	Yes, we identify alignment with our climate transition plan	<Not Applicable>

C3.5a

(C3.5a) Quantify the percentage share of your spending/revenue that is aligned with your organization's climate transition.

Financial Metric

CAPEX

Type of alignment being reported for this financial metric

Alignment with our climate transition plan

Taxonomy under which information is being reported

<Not Applicable>

Objective under which alignment is being reported

<Not Applicable>

Amount of selected financial metric that is aligned in the reporting year (unit currency as selected in C0.4)

44180000

Percentage share of selected financial metric aligned in the reporting year (%)

4.9

Percentage share of selected financial metric planned to align in 2025 (%)

6

Percentage share of selected financial metric planned to align in 2030 (%)

6

Describe the methodology used to identify spending/revenue that is aligned

Over the last three years, we have made investments of US\$44,180,000 in 2022, US\$31,127,000 in 2021 and US\$18,962,000 in 2020. The investments in this area are mainly related to compliance with environmental commitments to monitor significant variables and implementation of mitigation and environmental management measures. They also ensured responsible handling of substances and waste from the company's mining operations and production plants and environmental and sanitary conditions in accordance with regulations. The main Environmental Investment are:

- Environmental assessments.
- Sustainability, environmental monitoring and mitigation measures.
- Sustainability, environmental monitoring and mitigation measures.
- Domestic and industrial waste management and Hazardous waste management.

The above corresponds to all of SQM's environmental commitments in its 5 business lines, as well as what is necessary for the implementation of SQM's sustainability plan through its Sustainability, Ethics and Human Rights policy, as well as its responsible sourcing policy. This information is publicly available in the Sustainability Report 2022. In SQM's annual report, capital expenditure for 2022 was reported to be approximately USD 905.8 million. This equates to spending related to SQM's sustainability strategy amounting to 4.9% of the total invested.

In the information provided in the quarterly results to all SQM shareholders and stakeholders in its financial statement reports, SQM has stated that it will make an investment, capex, of USD 2.2 billion in the period 2023 to 2025. This equates, on average, to an investment of US\$733 million per year. It is estimated that capital expenditure will be maintained over the period to comply with SQM's entire sustainability strategy, as well as its environmental commitments, and the percentage of capex associated with this strategy is expected to be around 6.0% of the annual total.

It has been decided to maintain the percentage of 6.0% as part of the expected capital expenditure for the period 2025 to 2030, which is considered a conservative scenario. There are multiple factors that can affect market volatility in this period, with an increased supply of lithium products as well as fertilisers making the total amount of capital expenditure for the period uncertain. This percentage may be higher due to the implementation of mitigation projects in the same period.

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Absolute target

Intensity target

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number

Abs 1

Is this a science-based target?

Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

Target ambition

1.5°C aligned

Year target was set

2021

Target coverage

Company-wide

Scope(s)

Scope 1

Scope 2

Scope 2 accounting method

Market-based

Scope 3 category(ies)

<Not Applicable>

Base year

2021

Base year Scope 1 emissions covered by target (metric tons CO2e)

286571.86

Base year Scope 2 emissions covered by target (metric tons CO2e)

509107.26

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year total Scope 3 emissions covered by target (metric tons CO2e)

<Not Applicable>

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

795679.12

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1:

Purchased goods and services (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)

<Not Applicable>

Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

<Not Applicable>

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

42

Target year

2031

Targeted reduction from base year (%)

42

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

461493.8896

Scope 1 emissions in reporting year covered by target (metric tons CO2e)

300298.98

Scope 2 emissions in reporting year covered by target (metric tons CO2e)

508077.01

Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Other (upstream) emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Other (downstream) emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

808375.99

Does this target cover any land-related emissions?

No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

% of target achieved relative to base year [auto-calculated]

-3.7993510320018

Target status in reporting year

Underway

Please explain target coverage and identify any exclusions

SQM joined the Race To Zero programme in 2021 and has committed to the 1.5°C ambition in the short term. This year marks the 24-month deadline for submitting the compliance form and strategy for decarbonisation. In this respect, the targets will cover 100% of Scope 1 and Scope 2 emissions with a cumulative reduction of 42% by 2031.

The lithium product business line is undergoing a strong production growth process, with the aim of contributing to decarbonisation with the increase in electromobility and the demand for lithium for battery production. By 2026, lithium carbonate production is expected to increase by 100%, reaching a production of 240,000 tonnes per year, while lithium hydroxide production is expected to reach 97,000 tonnes. This increase in production will push Scope 1 and Scope 2 emissions upwards as fossil fuels and grid-sourced electricity will continue to be used until 2026 - 2027.

There are no excluded emissions within reported scope 1 and scope 2 emissions.

Plan for achieving target, and progress made to the end of the reporting year

Due to SQM's sustainability strategy and the public commitments it has made to achieve carbon neutrality in lithium products by 2030, it is evaluating projects that contribute to mitigating Scope 1 and Scope 2 emissions. These include projects to replace fossil fuel consumption with the electrification of boilers and dryers, both for the Coya Sur facility and the El Carmen lithium chemical plant. New alternatives for the supply of electricity from renewable sources are also being evaluated. Already 30 MW of renewable energy capacity has been contracted to supply power at the Salar de Atacama facility from 2025 - 2026.

SQM's new decarbonisation pathway will be submitted to the Race to Zero programme in October 2023 for evaluation and validation. The new pathway will be presented to SQM's Board of Directors to estimate the necessary investment that the company must make to achieve carbon neutrality targets by updating the marginal abatement curve and considering the new decarbonisation alternatives.

In absolute terms, SQM has increased emissions by +1.6% compared to the base year 2021. It is expected, once the new alternatives are approved, that emissions reductions will be more aggressive by the end of the decade, not meeting the linearity of 4.2% per year indicated in the 1.5°C ambition target.

List the emissions reduction initiatives which contributed most to achieving this target

<Not Applicable>

C4.1b

(C4.1b) Provide details of your emissions intensity target(s) and progress made against those target(s).

Target reference number

Int 1

Is this a science-based target?

Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

Target ambition

1.5°C aligned

Year target was set

2021

Target coverage

Business division

Scope(s)

Scope 1

Scope 2

Scope 2 accounting method

Market-based

Scope 3 category(ies)

<Not Applicable>

Intensity metric

Metric tons CO2e per unit of production

Base year

2021

Intensity figure in base year for Scope 1 (metric tons CO2e per unit of activity)

0.53

Intensity figure in base year for Scope 2 (metric tons CO2e per unit of activity)

0.58

Intensity figure in base year for Scope 3, Category 1: Purchased goods and services (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 2: Capital goods (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 5: Waste generated in operations (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 6: Business travel (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 7: Employee commuting (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 8: Upstream leased assets (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 10: Processing of sold products (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 11: Use of sold products (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 13: Downstream leased assets (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 14: Franchises (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 15: Investments (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Other (upstream) (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Other (downstream) (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for total Scope 3 (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for all selected Scopes (metric tons CO2e per unit of activity)

1.11

% of total base year emissions in Scope 1 covered by this Scope 1 intensity figure

100

% of total base year emissions in Scope 2 covered by this Scope 2 intensity figure

100

% of total base year emissions in Scope 3, Category 1: Purchased goods and services covered by this Scope 3, Category 1: Purchased goods and services intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 2: Capital goods covered by this Scope 3, Category 2: Capital goods intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) covered by this Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution covered by this Scope 3, Category 4: Upstream transportation and distribution intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 5: Waste generated in operations covered by this Scope 3, Category 5: Waste generated in operations intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 6: Business travel covered by this Scope 3, Category 6: Business travel intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 7: Employee commuting covered by this Scope 3, Category 7: Employee commuting intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 8: Upstream leased assets covered by this Scope 3, Category 8: Upstream leased assets intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution covered by this Scope 3, Category 9: Downstream transportation and distribution intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 10: Processing of sold products covered by this Scope 3, Category 10: Processing of sold products intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 11: Use of sold products covered by this Scope 3, Category 11: Use of sold products intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products covered by this Scope 3, Category 12: End-of-life treatment of sold products intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 13: Downstream leased assets covered by this Scope 3, Category 13: Downstream leased assets intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 14: Franchises covered by this Scope 3, Category 14: Franchises intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 15: Investments covered by this Scope 3, Category 15: Investments intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Other (upstream) covered by this Scope 3, Other (upstream) intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Other (downstream) covered by this Scope 3, Other (downstream) intensity figure

<Not Applicable>

% of total base year emissions in Scope 3 (in all Scope 3 categories) covered by this total Scope 3 intensity figure

<Not Applicable>

% of total base year emissions in all selected Scopes covered by this intensity figure

15

Target year

2030

Targeted reduction from base year (%)

90

Intensity figure in target year for all selected Scopes (metric tons CO2e per unit of activity) [auto-calculated]

0.111

% change anticipated in absolute Scope 1+2 emissions

23

% change anticipated in absolute Scope 3 emissions

0

Intensity figure in reporting year for Scope 1 (metric tons CO2e per unit of activity)

0.44

Intensity figure in reporting year for Scope 2 (metric tons CO2e per unit of activity)

0.52

Intensity figure in reporting year for Scope 3, Category 1: Purchased goods and services (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 2: Capital goods (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 5: Waste generated in operations (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 6: Business travel (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 7: Employee commuting (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 8: Upstream leased assets (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 10: Processing of sold products (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 11: Use of sold products (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 13: Downstream leased assets (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 14: Franchises (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 15: Investments (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Other (upstream) (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Other (downstream) (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for total Scope 3 (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for all selected Scopes (metric tons CO2e per unit of activity)

0.96

Does this target cover any land-related emissions?

No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

% of target achieved relative to base year [auto-calculated]

15.015015015015

Target status in reporting year

Underway

Please explain target coverage and identify any exclusions

SQM has made a public commitment to achieve carbon neutrality in lithium products by 2030, considering scopes 1 and 2.

A maximum of 90% of residual emissions to be offset by 2030 has been considered, while the remaining 90% will be managed by replacing fossil fuels through the electrification of boilers and dryers (management in scope 1), while for scope 2, renewable energy contracts are expected to be in place.

Emissions associated with lithium products have been considered through a cradle-to-gate approach at the Salar de Atacama facility and the El Carmen lithium chemical plant.

Plan for achieving target, and progress made to the end of the reporting year

Due to SQM's sustainability strategy and the public commitments it has made to achieve carbon neutrality in lithium products by 2030, it is evaluating projects that contribute to mitigating Scope 1 and Scope 2 emissions, including projects to replace fossil fuel consumption with electrification of boilers and dryers at the El Carmen lithium chemical plant. Also, new alternatives for the supply of electricity from renewable sources are being evaluated. Already 30 MW of renewable energy capacity has been contracted to supply power at the Salar de Atacama facility from 2025 - 2026.

SQM's new decarbonisation pathway will be submitted to the Race to Zero programme in October 2023 for evaluation and validation. The new pathway will be presented to SQM's Board of Directors to estimate the necessary investment that the company must make to achieve carbon neutrality targets by updating the marginal abatement curve, and considering the new decarbonisation alternatives.

List the emissions reduction initiatives which contributed most to achieving this target

<Not Applicable>

Target reference number

Int 2

Is this a science-based target?

Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

Target ambition

1.5°C aligned

Year target was set

2021

Target coverage

Business division

Scope(s)

Scope 1
Scope 2

Scope 2 accounting method

Market-based

Scope 3 category(ies)

<Not Applicable>

Intensity metric

Metric tons CO2e per unit revenue

Base year

2021

Intensity figure in base year for Scope 1 (metric tons CO2e per unit of activity)

61.25

Intensity figure in base year for Scope 2 (metric tons CO2e per unit of activity)

66.86

Intensity figure in base year for Scope 3, Category 1: Purchased goods and services (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 2: Capital goods (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 5: Waste generated in operations (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 6: Business travel (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 7: Employee commuting (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 8: Upstream leased assets (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 10: Processing of sold products (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 11: Use of sold products (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 13: Downstream leased assets (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 14: Franchises (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 15: Investments (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Other (upstream) (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Other (downstream) (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for total Scope 3 (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for all selected Scopes (metric tons CO2e per unit of activity)

128.11

% of total base year emissions in Scope 1 covered by this Scope 1 intensity figure

100

% of total base year emissions in Scope 2 covered by this Scope 2 intensity figure

100

% of total base year emissions in Scope 3, Category 1: Purchased goods and services covered by this Scope 3, Category 1: Purchased goods and services intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 2: Capital goods covered by this Scope 3, Category 2: Capital goods intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) covered by this Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution covered by this Scope 3, Category 4: Upstream transportation and distribution intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 5: Waste generated in operations covered by this Scope 3, Category 5: Waste generated in operations intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 6: Business travel covered by this Scope 3, Category 6: Business travel intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 7: Employee commuting covered by this Scope 3, Category 7: Employee commuting intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 8: Upstream leased assets covered by this Scope 3, Category 8: Upstream leased assets intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution covered by this Scope 3, Category 9: Downstream transportation and distribution intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 10: Processing of sold products covered by this Scope 3, Category 10: Processing of sold products intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 11: Use of sold products covered by this Scope 3, Category 11: Use of sold products intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products covered by this Scope 3, Category 12: End-of-life treatment of sold products intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 13: Downstream leased assets covered by this Scope 3, Category 13: Downstream leased assets intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 14: Franchises covered by this Scope 3, Category 14: Franchises intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 15: Investments covered by this Scope 3, Category 15: Investments intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Other (upstream) covered by this Scope 3, Other (upstream) intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Other (downstream) covered by this Scope 3, Other (downstream) intensity figure

<Not Applicable>

% of total base year emissions in Scope 3 (in all Scope 3 categories) covered by this total Scope 3 intensity figure

<Not Applicable>

% of total base year emissions in all selected Scopes covered by this intensity figure

15

Target year

2030

Targeted reduction from base year (%)

90

Intensity figure in target year for all selected Scopes (metric tons CO2e per unit of activity) [auto-calculated]

12.811

% change anticipated in absolute Scope 1+2 emissions

23

% change anticipated in absolute Scope 3 emissions

0

Intensity figure in reporting year for Scope 1 (metric tons CO2e per unit of activity)

8.23

Intensity figure in reporting year for Scope 2 (metric tons CO2e per unit of activity)

9.73

Intensity figure in reporting year for Scope 3, Category 1: Purchased goods and services (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 2: Capital goods (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 5: Waste generated in operations (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 6: Business travel (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 7: Employee commuting (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 8: Upstream leased assets (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 10: Processing of sold products (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 11: Use of sold products (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 13: Downstream leased assets (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 14: Franchises (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 15: Investments (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Other (upstream) (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Other (downstream) (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for total Scope 3 (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for all selected Scopes (metric tons CO2e per unit of activity)

17.96

Does this target cover any land-related emissions?

No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

% of target achieved relative to base year [auto-calculated]

95.5342197243688

Target status in reporting year

Underway

Please explain target coverage and identify any exclusions

SQM has made a public commitment to achieve carbon neutrality in lithium products by 2030, considering scopes 1 and 2.

A maximum of 90% of residual emissions to be offset by 2030 has been considered, while the remaining 90% will be managed by replacing fossil fuels through the electrification of boilers and dryers (management in scope 1), while for scope 2, renewable energy contracts are expected to be in place.

Emissions associated with lithium products have been considered through a cradle-to-gate approach at the Salar de Atacama facility and the El Carmen lithium chemical plant.

Revenues from lithium products in 2021 were 33% of the company's total, by 2022, total revenues reached 76%.

Plan for achieving target, and progress made to the end of the reporting year

Due to SQM's sustainability strategy and the public commitments it has made to achieve carbon neutrality in lithium products by 2030, it is evaluating projects that contribute to mitigating Scope 1 and Scope 2 emissions, including projects to replace fossil fuel consumption with electrification of boilers and dryers at the El Carmen lithium chemical plant. Also, new alternatives for the supply of electricity from renewable sources are being evaluated. Already 30 MW of renewable energy capacity has been contracted to supply power at the Salar de Atacama facility from 2025 - 2026.

SQM's new decarbonisation pathway will be submitted to the Race to Zero programme in October 2023 for evaluation and validation. The new pathway will be presented to SQM's Board of Directors to estimate the necessary investment that the company must make to achieve carbon neutrality targets by updating the marginal abatement curve and considering the new decarbonisation alternatives.

List the emissions reduction initiatives which contributed most to achieving this target

<Not Applicable>

Target reference number

Int 3

Is this a science-based target?

Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

Target ambition

1.5°C aligned

Year target was set

2021

Target coverage

Business division

Scope(s)

Scope 1
Scope 2

Scope 2 accounting method

Market-based

Scope 3 category(ies)

<Not Applicable>

Intensity metric

Metric tons CO2e per metric ton of product

Base year

2021

Intensity figure in base year for Scope 1 (metric tons CO2e per unit of activity)

3.94

Intensity figure in base year for Scope 2 (metric tons CO2e per unit of activity)

9.67

Intensity figure in base year for Scope 3, Category 1: Purchased goods and services (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 2: Capital goods (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 5: Waste generated in operations (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 6: Business travel (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 7: Employee commuting (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 8: Upstream leased assets (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 10: Processing of sold products (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 11: Use of sold products (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 13: Downstream leased assets (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 14: Franchises (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 15: Investments (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Other (upstream) (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Other (downstream) (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for total Scope 3 (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for all selected Scopes (metric tons CO2e per unit of activity)

13.61

% of total base year emissions in Scope 1 covered by this Scope 1 intensity figure

100

% of total base year emissions in Scope 2 covered by this Scope 2 intensity figure

100

% of total base year emissions in Scope 3, Category 1: Purchased goods and services covered by this Scope 3, Category 1: Purchased goods and services intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 2: Capital goods covered by this Scope 3, Category 2: Capital goods intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) covered by this Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution covered by this Scope 3, Category 4: Upstream transportation and distribution intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 5: Waste generated in operations covered by this Scope 3, Category 5: Waste generated in operations intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 6: Business travel covered by this Scope 3, Category 6: Business travel intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 7: Employee commuting covered by this Scope 3, Category 7: Employee commuting intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 8: Upstream leased assets covered by this Scope 3, Category 8: Upstream leased assets intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution covered by this Scope 3, Category 9: Downstream transportation and distribution intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 10: Processing of sold products covered by this Scope 3, Category 10: Processing of sold products intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 11: Use of sold products covered by this Scope 3, Category 11: Use of sold products intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products covered by this Scope 3, Category 12: End-of-life treatment of sold products intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 13: Downstream leased assets covered by this Scope 3, Category 13: Downstream leased assets intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 14: Franchises covered by this Scope 3, Category 14: Franchises intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 15: Investments covered by this Scope 3, Category 15: Investments intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Other (upstream) covered by this Scope 3, Other (upstream) intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Other (downstream) covered by this Scope 3, Other (downstream) intensity figure

<Not Applicable>

% of total base year emissions in Scope 3 (in all Scope 3 categories) covered by this total Scope 3 intensity figure

<Not Applicable>

% of total base year emissions in all selected Scopes covered by this intensity figure

18

Target year

2040

Targeted reduction from base year (%)

90

Intensity figure in target year for all selected Scopes (metric tons CO2e per unit of activity) [auto-calculated]

1.361

% change anticipated in absolute Scope 1+2 emissions

10

% change anticipated in absolute Scope 3 emissions

0

Intensity figure in reporting year for Scope 1 (metric tons CO2e per unit of activity)

3.92

Intensity figure in reporting year for Scope 2 (metric tons CO2e per unit of activity)

9.09

Intensity figure in reporting year for Scope 3, Category 1: Purchased goods and services (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 2: Capital goods (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 5: Waste generated in operations (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 6: Business travel (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 7: Employee commuting (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 8: Upstream leased assets (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 10: Processing of sold products (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 11: Use of sold products (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 13: Downstream leased assets (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 14: Franchises (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 15: Investments (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Other (upstream) (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Other (downstream) (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for total Scope 3 (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for all selected Scopes (metric tons CO2e per unit of activity)

13.01

Does this target cover any land-related emissions?

No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

% of target achieved relative to base year [auto-calculated]

4.89835904971834

Target status in reporting year

Underway

Please explain target coverage and identify any exclusions

SQM has made a public commitment to achieve carbon neutrality in its iodine products business line by 2040, considering scopes 1 and 2. The commitment has been modified from what SQM publicly announced from 2030 to 2040. The decision to delay the carbon neutrality target is due to i) the availability of electromobility alternatives to replace the trucks in the mining fleet has not matured as expected, as projected in 2020, ii) the allocation criteria for the mining operation and the leaching process was modified from a mass criterion to a production cost criterion. This meant moving from a carbon footprint of 6 to 18 tCO2e per tonne of iodine produced and, iii) the Nueva Victoria and Pedro de Valdivia facilities present more important strategic challenges related to water security, so it has been decided to prioritise progress in water security, promoting capital expenditure of close to 300 million dollars for seawater pumping projects to replace inland water consumption. A maximum of 90% of residual emissions to be offset by 2040 has been considered, while the remaining 90% will be managed by the replacement of the mining fleet by 2040, assuming the availability of cost-efficient alternatives in the decade from 2030 to 2040, while for scope 2, renewable energy contracts for the entire leaching process are expected to be in place.

Plan for achieving target, and progress made to the end of the reporting year

Due to SQM's sustainability strategy and the public commitments it has made to achieve carbon neutrality in iodine products by 2040, it is evaluating projects that contribute to mitigating Scope 1 and Scope 2 emissions, including projects to replace fossil fuel consumption with the electrification of the mining fleet at the Nueva Victoria facility. Also, new alternatives for electricity supply from renewable sources are being evaluated. SQM's new decarbonisation pathway will be submitted to the Race to Zero programme in October 2023 for evaluation and validation. The new pathway will be presented to SQM's Board of Directors to estimate the necessary investment that the company must make to achieve carbon neutrality targets by updating the marginal abatement curve, taking into account the new decarbonisation alternatives.

List the emissions reduction initiatives which contributed most to achieving this target

<Not Applicable>

Target reference number

Int 4

Is this a science-based target?

Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

Target ambition

1.5°C aligned

Year target was set

2021

Target coverage

Business division

Scope(s)

Scope 1
Scope 2

Scope 2 accounting method

Please select

Scope 3 category(ies)

<Not Applicable>

Intensity metric

Metric tons CO2e per unit revenue

Base year

2021

Intensity figure in base year for Scope 1 (metric tons CO2e per unit of activity)

96.74

Intensity figure in base year for Scope 2 (metric tons CO2e per unit of activity)

237.48

Intensity figure in base year for Scope 3, Category 1: Purchased goods and services (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 2: Capital goods (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 5: Waste generated in operations (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 6: Business travel (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 7: Employee commuting (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 8: Upstream leased assets (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 10: Processing of sold products (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 11: Use of sold products (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 13: Downstream leased assets (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 14: Franchises (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 15: Investments (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Other (upstream) (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Other (downstream) (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for total Scope 3 (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for all selected Scopes (metric tons CO2e per unit of activity)

334.22

% of total base year emissions in Scope 1 covered by this Scope 1 intensity figure

100

% of total base year emissions in Scope 2 covered by this Scope 2 intensity figure

100

% of total base year emissions in Scope 3, Category 1: Purchased goods and services covered by this Scope 3, Category 1: Purchased goods and services intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 2: Capital goods covered by this Scope 3, Category 2: Capital goods intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) covered by this Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution covered by this Scope 3, Category 4: Upstream transportation and distribution intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 5: Waste generated in operations covered by this Scope 3, Category 5: Waste generated in operations intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 6: Business travel covered by this Scope 3, Category 6: Business travel intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 7: Employee commuting covered by this Scope 3, Category 7: Employee commuting intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 8: Upstream leased assets covered by this Scope 3, Category 8: Upstream leased assets intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution covered by this Scope 3, Category 9: Downstream transportation and distribution intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 10: Processing of sold products covered by this Scope 3, Category 10: Processing of sold products intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 11: Use of sold products covered by this Scope 3, Category 11: Use of sold products intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products covered by this Scope 3, Category 12: End-of-life treatment of sold products intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 13: Downstream leased assets covered by this Scope 3, Category 13: Downstream leased assets intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 14: Franchises covered by this Scope 3, Category 14: Franchises intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 15: Investments covered by this Scope 3, Category 15: Investments intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Other (upstream) covered by this Scope 3, Other (upstream) intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Other (downstream) covered by this Scope 3, Other (downstream) intensity figure

<Not Applicable>

% of total base year emissions in Scope 3 (in all Scope 3 categories) covered by this total Scope 3 intensity figure

<Not Applicable>

% of total base year emissions in all selected Scopes covered by this intensity figure

18

Target year

2040

Targeted reduction from base year (%)

90

Intensity figure in target year for all selected Scopes (metric tons CO2e per unit of activity) [auto-calculated]

33.422

% change anticipated in absolute Scope 1+2 emissions

10

% change anticipated in absolute Scope 3 emissions

0

Intensity figure in reporting year for Scope 1 (metric tons CO2e per unit of activity)

64.28

Intensity figure in reporting year for Scope 2 (metric tons CO2e per unit of activity)

148.9

Intensity figure in reporting year for Scope 3, Category 1: Purchased goods and services (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 2: Capital goods (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 5: Waste generated in operations (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 6: Business travel (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 7: Employee commuting (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 8: Upstream leased assets (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 10: Processing of sold products (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 11: Use of sold products (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 13: Downstream leased assets (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 14: Franchises (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 15: Investments (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Other (upstream) (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Other (downstream) (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for total Scope 3 (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for all selected Scopes (metric tons CO2e per unit of activity)

213.18

Does this target cover any land-related emissions?

No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

% of target achieved relative to base year [auto-calculated]

40.2396292528541

Target status in reporting year

Underway

Please explain target coverage and identify any exclusions

SQM has made a public commitment to achieve carbon neutrality in its iodine products business line by 2040, considering scopes 1 and 2. The commitment has been modified from what SQM publicly announced from 2030 to 2040. The decision to delay the carbon neutrality target is due to i) the availability of electromobility alternatives to replace the trucks in the mining fleet has not matured as expected, as projected in 2020, ii) the distribution criteria for the mining operation and the leaching process was modified from a mass criterion to a production cost criterion. This meant moving from a carbon footprint of 6 to 18 tCO2e per tonne of iodine produced and, iii) the Nueva Victoria and Pedro de Valdivia facilities present more important strategic challenges related to water, so it has been decided to prioritise progress in water security, promoting capital expenditure of close to 300 million dollars for seawater pumping projects to replace inland water consumption.

A maximum of 90% of residual emissions are considered to be offset by 2040, while the remaining 90% will be managed by the replacement of the mining fleet by 2040, assuming the availability of cost-efficient alternatives in the decade from 2030 to 2040, while for Scope 2, renewable energy contracts are expected to be in place for the entire leaching process.

Revenues from iodine products in 2021 were 15% of the company's total, by 2022, total revenues reached 7% of SQM's total. Despite a 100% price increase between 2021 and 2022, reaching historic values of USD 70 per kilogram of iodine, the significant increase in lithium product prices decreased the contribution of iodine to the company's total.

Plan for achieving target, and progress made to the end of the reporting year

Due to SQM's sustainability strategy and the public commitments it has made to achieve carbon neutrality in iodine products by 2040, it is evaluating projects that contribute to mitigating Scope 1 and Scope 2 emissions, including projects to replace fossil fuel consumption with the electrification of the mining fleet at the Nueva Victoria facility. Also, new alternatives for electricity supply from renewable sources are being evaluated.

SQM's new decarbonisation pathway will be submitted to the Race to Zero programme in October 2023 for evaluation and validation. The new pathway will be presented to SQM's Board of Directors to estimate the necessary investment that the company must make to achieve carbon neutrality targets by updating the marginal abatement curve, taking into account the new decarbonisation alternatives.

List the emissions reduction initiatives which contributed most to achieving this target

<Not Applicable>

Target reference number

Int 5

Is this a science-based target?

Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

Target ambition

1.5°C aligned

Year target was set

2021

Target coverage

Business division

Scope(s)

Scope 1

Scope 2

Scope 2 accounting method

Please select

Scope 3 category(ies)

<Not Applicable>

Intensity metric

Metric tons CO2e per metric ton of product

Base year

2021

Intensity figure in base year for Scope 1 (metric tons CO2e per unit of activity)

0.21

Intensity figure in base year for Scope 2 (metric tons CO2e per unit of activity)

0.31

Intensity figure in base year for Scope 3, Category 1: Purchased goods and services (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 2: Capital goods (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 5: Waste generated in operations (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 6: Business travel (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 7: Employee commuting (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 8: Upstream leased assets (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 10: Processing of sold products (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 11: Use of sold products (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 13: Downstream leased assets (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 14: Franchises (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 15: Investments (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Other (upstream) (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Other (downstream) (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for total Scope 3 (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for all selected Scopes (metric tons CO2e per unit of activity)

0.51

% of total base year emissions in Scope 1 covered by this Scope 1 intensity figure

100

% of total base year emissions in Scope 2 covered by this Scope 2 intensity figure

100

% of total base year emissions in Scope 3, Category 1: Purchased goods and services covered by this Scope 3, Category 1: Purchased goods and services intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 2: Capital goods covered by this Scope 3, Category 2: Capital goods intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) covered by this Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution covered by this Scope 3, Category 4: Upstream transportation and distribution intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 5: Waste generated in operations covered by this Scope 3, Category 5: Waste generated in operations intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 6: Business travel covered by this Scope 3, Category 6: Business travel intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 7: Employee commuting covered by this Scope 3, Category 7: Employee commuting intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 8: Upstream leased assets covered by this Scope 3, Category 8: Upstream leased assets intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution covered by this Scope 3, Category 9: Downstream transportation and distribution intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 10: Processing of sold products covered by this Scope 3, Category 10: Processing of sold products intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 11: Use of sold products covered by this Scope 3, Category 11: Use of sold products intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products covered by this Scope 3, Category 12: End-of-life treatment of sold products intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 13: Downstream leased assets covered by this Scope 3, Category 13: Downstream leased assets intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 14: Franchises covered by this Scope 3, Category 14: Franchises intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 15: Investments covered by this Scope 3, Category 15: Investments intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Other (upstream) covered by this Scope 3, Other (upstream) intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Other (downstream) covered by this Scope 3, Other (downstream) intensity figure

<Not Applicable>

% of total base year emissions in Scope 3 (in all Scope 3 categories) covered by this total Scope 3 intensity figure

<Not Applicable>

% of total base year emissions in all selected Scopes covered by this intensity figure

53

Target year

2040

Targeted reduction from base year (%)

90

Intensity figure in target year for all selected Scopes (metric tons CO2e per unit of activity) [auto-calculated]

0.051

% change anticipated in absolute Scope 1+2 emissions

-7

% change anticipated in absolute Scope 3 emissions

0

Intensity figure in reporting year for Scope 1 (metric tons CO2e per unit of activity)

0.21

Intensity figure in reporting year for Scope 2 (metric tons CO2e per unit of activity)

0.33

Intensity figure in reporting year for Scope 3, Category 1: Purchased goods and services (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 2: Capital goods (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 5: Waste generated in operations (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 6: Business travel (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 7: Employee commuting (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 8: Upstream leased assets (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 10: Processing of sold products (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 11: Use of sold products (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 13: Downstream leased assets (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 14: Franchises (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 15: Investments (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Other (upstream) (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Other (downstream) (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for total Scope 3 (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for all selected Scopes (metric tons CO2e per unit of activity)

0.55

Does this target cover any land-related emissions?

No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

% of target achieved relative to base year [auto-calculated]

-8.71459694989108

Target status in reporting year

Underway

Please explain target coverage and identify any exclusions

SQM has made a public commitment to achieve carbon neutrality in its business line of speciality fertiliser products and solar salts by 2040, considering scopes 1 and 2. The main fuel consumptions are natural gas, diesel and fuel oil for the thermal requirements of hot water and steam in the salt dissolution and conversion processes. Within the intensity targets set, there are no exclusions from Scope 1 and Scope 2.

A maximum of 90% of residual emissions are considered to be offset by 2040, while the remaining 90% will be managed by displacing fossil fuels by electrification of boilers and dryers, while for scope 2, renewable energy contracts are expected to be in place for the entire process at the Coya Sur facility.

Plan for achieving target, and progress made to the end of the reporting year

Due to SQM's sustainability strategy and the public commitments it has made to achieve carbon neutrality in its speciality fertiliser and solar salt products by 2040, it is evaluating projects that contribute to mitigating Scope 1 and Scope 2 emissions. Of particular note is the project to replace fossil fuel consumption with electrification through the "Power to Heat" project, which seeks to electrify boilers and dryers with electricity from a photovoltaic plant near the Coya Sur facility. This plant will replace thermal consumption by about 90% between 2026 and 2027. New alternatives for electricity supply from renewable sources are also being evaluated.

SQM's new decarbonisation pathway will be submitted to the Race to Zero programme in October 2023 for evaluation and validation. The new pathway will be presented to SQM's Board of Directors to estimate the necessary investment that the company must make to achieve carbon neutrality targets by updating the marginal abatement curve, taking into account the new decarbonisation alternatives.

List the emissions reduction initiatives which contributed most to achieving this target

<Not Applicable>

Target reference number

Int 6

Is this a science-based target?

Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

Target ambition

1.5°C aligned

Year target was set

2021

Target coverage

Business division

Scope(s)

Scope 1

Scope 2

Scope 2 accounting method

Market-based

Scope 3 category(ies)

<Not Applicable>

Intensity metric

Metric tons CO2e per unit revenue

Base year

2021

Intensity figure in base year for Scope 1 (metric tons CO2e per unit of activity)

163.55

Intensity figure in base year for Scope 2 (metric tons CO2e per unit of activity)

244.15

Intensity figure in base year for Scope 3, Category 1: Purchased goods and services (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 2: Capital goods (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 5: Waste generated in operations (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 6: Business travel (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 7: Employee commuting (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 8: Upstream leased assets (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 10: Processing of sold products (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 11: Use of sold products (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 13: Downstream leased assets (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 14: Franchises (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 15: Investments (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Other (upstream) (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Other (downstream) (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for total Scope 3 (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for all selected Scopes (metric tons CO2e per unit of activity)

407.7

% of total base year emissions in Scope 1 covered by this Scope 1 intensity figure

100

% of total base year emissions in Scope 2 covered by this Scope 2 intensity figure

100

% of total base year emissions in Scope 3, Category 1: Purchased goods and services covered by this Scope 3, Category 1: Purchased goods and services intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 2: Capital goods covered by this Scope 3, Category 2: Capital goods intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) covered by this Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution covered by this Scope 3, Category 4: Upstream transportation and distribution intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 5: Waste generated in operations covered by this Scope 3, Category 5: Waste generated in operations intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 6: Business travel covered by this Scope 3, Category 6: Business travel intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 7: Employee commuting covered by this Scope 3, Category 7: Employee commuting intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 8: Upstream leased assets covered by this Scope 3, Category 8: Upstream leased assets intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution covered by this Scope 3, Category 9: Downstream transportation and distribution intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 10: Processing of sold products covered by this Scope 3, Category 10: Processing of sold products intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 11: Use of sold products covered by this Scope 3, Category 11: Use of sold products intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products covered by this Scope 3, Category 12: End-of-life treatment of sold products intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 13: Downstream leased assets covered by this Scope 3, Category 13: Downstream leased assets intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 14: Franchises covered by this Scope 3, Category 14: Franchises intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 15: Investments covered by this Scope 3, Category 15: Investments intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Other (upstream) covered by this Scope 3, Other (upstream) intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Other (downstream) covered by this Scope 3, Other (downstream) intensity figure

<Not Applicable>

% of total base year emissions in Scope 3 (in all Scope 3 categories) covered by this total Scope 3 intensity figure

<Not Applicable>

% of total base year emissions in all selected Scopes covered by this intensity figure

53

Target year

2040

Targeted reduction from base year (%)

90

Intensity figure in target year for all selected Scopes (metric tons CO2e per unit of activity) [auto-calculated]

40.77

% change anticipated in absolute Scope 1+2 emissions

-7

% change anticipated in absolute Scope 3 emissions

0

Intensity figure in reporting year for Scope 1 (metric tons CO2e per unit of activity)

116.28

Intensity figure in reporting year for Scope 2 (metric tons CO2e per unit of activity)

180.03

Intensity figure in reporting year for Scope 3, Category 1: Purchased goods and services (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 2: Capital goods (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 5: Waste generated in operations (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 6: Business travel (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 7: Employee commuting (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 8: Upstream leased assets (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 10: Processing of sold products (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 11: Use of sold products (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 13: Downstream leased assets (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 14: Franchises (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 15: Investments (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Other (upstream) (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Other (downstream) (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for total Scope 3 (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for all selected Scopes (metric tons CO2e per unit of activity)

296.31

Does this target cover any land-related emissions?

No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

% of target achieved relative to base year [auto-calculated]

30.3572888561851

Target status in reporting year

Underway

Please explain target coverage and identify any exclusions

SQM has made a public commitment to achieve carbon neutrality in its business line of speciality fertiliser products and solar salts by 2040, considering Scope 1 and 2. The main fuel consumption is natural gas, diesel and fuel oil for the thermal requirements of hot water and steam in the salt dissolution and conversion processes.

A maximum of 90% of residual emissions are considered to be offset by 2040, while the remaining 90% will be managed by the displacement of fossil fuels by the electrification of boilers and dryers, while for scope 2, renewable energy contracts are expected to be in place for the entire process at the Coya Sur facility.

In 2021, total revenues from sales of speciality fertiliser products and solar salts accounted for about 37% of the total, while by 2022, the total contribution was 13%. The price of fertilisers in 2021 ranged between 690 - 940 USD per tonne, while in 2022 the price peaked at 1,440 USD per tonne.

Within the intensity targets set, there are no exclusions from Scope 1 and Scope 2.

Plan for achieving target, and progress made to the end of the reporting year

Due to SQM's sustainability strategy and the public commitments it has made to achieve carbon neutrality in its speciality fertiliser and solar salt products by 2040, it is evaluating projects that contribute to mitigating Scope 1 and Scope 2 emissions. Of particular note is the project to replace fossil fuel consumption with electrification through the "Power to Heat" project, which seeks to electrify boilers and dryers with electricity from a photovoltaic plant near the Coya Sur facility. This plant will replace thermal consumption by about 90% between 2026 and 2027. New alternatives for electricity supply from renewable sources are also being evaluated.

SQM's new decarbonisation pathway will be submitted to the Race to Zero programme in October 2023 for evaluation and validation. The new pathway will be presented to SQM's Board of Directors to estimate the necessary investment that the company must make to achieve carbon neutrality targets by updating the marginal abatement curve, taking into account the new decarbonisation alternatives.

List the emissions reduction initiatives which contributed most to achieving this target

<Not Applicable>

Target reference number

Int 7

Is this a science-based target?

Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

Target ambition

1.5°C aligned

Year target was set

2021

Target coverage

Company-wide

Scope(s)

Scope 3

Scope 2 accounting method

<Not Applicable>

Scope 3 category(ies)

Category 1: Purchased goods and services

Category 2: Capital goods

Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2)

Category 4: Upstream transportation and distribution

Category 5: Waste generated in operations

Category 6: Business travel

Category 7: Employee commuting

Category 9: Downstream transportation and distribution

Category 10: Processing of sold products

Category 11: Use of sold products

Category 15: Investments

Intensity metric

Metric tons CO2e per metric ton of product

Base year

2021

Intensity figure in base year for Scope 1 (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 2 (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 1: Purchased goods and services (metric tons CO2e per unit of activity)

0.1688

Intensity figure in base year for Scope 3, Category 2: Capital goods (metric tons CO2e per unit of activity)

0.0067

Intensity figure in base year for Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e per unit of activity)

0.0184

Intensity figure in base year for Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e per unit of activity)

0.1936

Intensity figure in base year for Scope 3, Category 5: Waste generated in operations (metric tons CO2e per unit of activity)

0.0014

Intensity figure in base year for Scope 3, Category 6: Business travel (metric tons CO2e per unit of activity)

0.0004

Intensity figure in base year for Scope 3, Category 7: Employee commuting (metric tons CO2e per unit of activity)

0.0039

Intensity figure in base year for Scope 3, Category 8: Upstream leased assets (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e per unit of activity)

0.0521

Intensity figure in base year for Scope 3, Category 10: Processing of sold products (metric tons CO2e per unit of activity)

0.2219

Intensity figure in base year for Scope 3, Category 11: Use of sold products (metric tons CO2e per unit of activity)

0.3028

Intensity figure in base year for Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 13: Downstream leased assets (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 14: Franchises (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 15: Investments (metric tons CO2e per unit of activity)

0.0006

Intensity figure in base year for Scope 3, Other (upstream) (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Other (downstream) (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for total Scope 3 (metric tons CO2e per unit of activity)

0.9707

Intensity figure in base year for all selected Scopes (metric tons CO2e per unit of activity)

0.9707

% of total base year emissions in Scope 1 covered by this Scope 1 intensity figure

<Not Applicable>

% of total base year emissions in Scope 2 covered by this Scope 2 intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 1: Purchased goods and services covered by this Scope 3, Category 1: Purchased goods and services intensity figure

67

% of total base year emissions in Scope 3, Category 2: Capital goods covered by this Scope 3, Category 2: Capital goods intensity figure

67

% of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) covered by this Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) intensity figure

67

% of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution covered by this Scope 3, Category 4: Upstream transportation and distribution intensity figure

67

% of total base year emissions in Scope 3, Category 5: Waste generated in operations covered by this Scope 3, Category 5: Waste generated in operations intensity figure

67

% of total base year emissions in Scope 3, Category 6: Business travel covered by this Scope 3, Category 6: Business travel intensity figure

67

% of total base year emissions in Scope 3, Category 7: Employee commuting covered by this Scope 3, Category 7: Employee commuting intensity figure

67

% of total base year emissions in Scope 3, Category 8: Upstream leased assets covered by this Scope 3, Category 8: Upstream leased assets intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution covered by this Scope 3, Category 9: Downstream transportation and distribution intensity figure

67

% of total base year emissions in Scope 3, Category 10: Processing of sold products covered by this Scope 3, Category 10: Processing of sold products intensity figure

67

% of total base year emissions in Scope 3, Category 11: Use of sold products covered by this Scope 3, Category 11: Use of sold products intensity figure

67

% of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products covered by this Scope 3, Category 12: End-of-life treatment of sold products intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 13: Downstream leased assets covered by this Scope 3, Category 13: Downstream leased assets intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 14: Franchises covered by this Scope 3, Category 14: Franchises intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 15: Investments covered by this Scope 3, Category 15: Investments intensity figure

67

% of total base year emissions in Scope 3, Other (upstream) covered by this Scope 3, Other (upstream) intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Other (downstream) covered by this Scope 3, Other (downstream) intensity figure

<Not Applicable>

% of total base year emissions in Scope 3 (in all Scope 3 categories) covered by this total Scope 3 intensity figure

67

% of total base year emissions in all selected Scopes covered by this intensity figure

100

Target year

2031

Targeted reduction from base year (%)

70

Intensity figure in target year for all selected Scopes (metric tons CO2e per unit of activity) [auto-calculated]

0.29121

% change anticipated in absolute Scope 1+2 emissions

0

% change anticipated in absolute Scope 3 emissions

8.83

Intensity figure in reporting year for Scope 1 (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 2 (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 1: Purchased goods and services (metric tons CO2e per unit of activity)

0.2283

Intensity figure in reporting year for Scope 3, Category 2: Capital goods (metric tons CO2e per unit of activity)

0.0471

Intensity figure in reporting year for Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e per unit of activity)

0.0264

Intensity figure in reporting year for Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e per unit of activity)

0.1695

Intensity figure in reporting year for Scope 3, Category 5: Waste generated in operations (metric tons CO2e per unit of activity)

0.0033

Intensity figure in reporting year for Scope 3, Category 6: Business travel (metric tons CO2e per unit of activity)

0.0007

Intensity figure in reporting year for Scope 3, Category 7: Employee commuting (metric tons CO2e per unit of activity)

0.0043

Intensity figure in reporting year for Scope 3, Category 8: Upstream leased assets (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e per unit of activity)

0.0803

Intensity figure in reporting year for Scope 3, Category 10: Processing of sold products (metric tons CO2e per unit of activity)

0.4378

Intensity figure in reporting year for Scope 3, Category 11: Use of sold products (metric tons CO2e per unit of activity)

0.3647

Intensity figure in reporting year for Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 13: Downstream leased assets (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 14: Franchises (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 15: Investments (metric tons CO2e per unit of activity)

0.0008

Intensity figure in reporting year for Scope 3, Other (upstream) (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Other (downstream) (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for total Scope 3 (metric tons CO2e per unit of activity)

1.3633

Intensity figure in reporting year for all selected Scopes (metric tons CO2e per unit of activity)

1.3633

Does this target cover any land-related emissions?

Yes, it covers land-related emissions only (e.g. FLAG SBT)

% of target achieved relative to base year [auto-calculated]

-57.7786280887136

Target status in reporting year

Underway

Please explain target coverage and identify any exclusions

SQM joined the Race To Zero program in 2021 and has committed to the 1.5°C ambition in the short term. This year marks the 24-month deadline for submitting the form and compliance strategy for decarbonization. In this regard, the target for Scope 3 is mandatory, as Scope 3 represents more than 40% of the total emissions inventory. Therefore, SQM seeks to manage 67% of the total inventory, assessing which category could have higher management beyond the required 67%.

SQM is evaluating submitting a physical intensity target (tCO2e per tonne of product), estimating a minimum reduction of 7% per year, achieving a 70% reduction of 67% of the total scope 3 inventory.

Of the categories considered, category 8, category 12, category 13, and Category 14 have not been included, as they do not apply to SQM's reality and business.

Likewise, of the total emissions of the scope 3 inventory, it was estimated that for the base year, it was 3,232 million tons of CO2e, where the most important categories are category 10, processing of products sold, and category 11, use of products sold. Lithium products, being part of the battery production value chain, are the line that contributes the most emissions to Category 10 (22.9% of the total, while fertilizer products and their direct application and use in agriculture are the most important products in Category 11, accounting for 31.2% of the total scope 3. Category 11 is a category with FLAG targets that are in the process of being evaluated for the submission of SQM's form and targets to the Race to Zero program.

The lithium products business line is in a strong process of increasing production, with the aim of contributing to decarbonization with the increase in electromobility and the demand for lithium for battery production. By 2026, lithium carbonate production is expected to increase by 100%, reaching a production of 240,000 tons per year, while lithium hydroxide production is expected to reach 97,000 tons. This increase in production will push Scope 3 emissions upwards, especially emissions associated with Category 10 "use of products sold" as well as Category 2 "capital goods", due to the expansion process of the El Carmen lithium chemical plant facilities.

Of the total base year inventory (2021), emissions from Category 10 and Category 11 represent 54.1% of the total, which imposes a major challenge for SQM and the realization of commitments with SQM's customers in the processing of lithium products, as well as an increase in the efficiency of use of agricultural products such as fertilizers.

Plan for achieving target, and progress made to the end of the reporting year

SQM is managing its Scope 3 through its responsible sourcing policy, which seeks to evaluate SQM's suppliers in terms of sustainability. Likewise, during the year 2022, SQM's complete Scope 3 information and estimation was carried out. This is an important step in SQM's sustainability management, as it will allow us to identify the relevant Scope 3 categories and will enable us to start engaging with customers and suppliers to improve sustainability throughout the entire value chain in SQM's five lines of business.

SQM's new decarbonization pathway will be submitted to the Race to Zero program in October 2023 for evaluation and validation. The new pathway will be presented to SQM's Board of Directors to estimate the necessary investment that the company must make to achieve carbon neutrality targets through the update of the marginal abatement curve, considering the new decarbonization alternatives.

SQM's total Scope 3 intensity increased from 1,449 tCO₂e per total tonne of product (considering the total of the 5 business lines) to a total of 2,035. In other words, the total intensity increased by 8.83% between 2022 and the base year 2021.

This is due to a decrease in SQM's total production, with total tonnes produced in 2022 decreasing by -22.5% compared to the base year, mainly due to a decrease in the production of speciality fertilisers and solar salts. Additionally, the production of lithium carbonate products increased by 42% compared to 2021, this impacts category 11 "processing of products sold" due to the use of this product in the production of battery cathodes. Category 11 "use of products sold" despite decreasing by -6.66% compared to 2021 is a material category that contributes between 30% to 50% of SQM's total Scope 3.

Increasing engagement with customers across the value chain of SQM's different types of customers is key to advancing SQM's sustainability strategy.

List the emissions reduction initiatives which contributed most to achieving this target

<Not Applicable>

Target reference number

Int 8

Is this a science-based target?

Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

Target ambition

1.5°C aligned

Year target was set

2021

Target coverage

Company-wide

Scope(s)

Scope 3

Scope 2 accounting method

<Not Applicable>

Scope 3 category(ies)

Category 1: Purchased goods and services

Category 2: Capital goods

Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2)

Category 4: Upstream transportation and distribution

Category 5: Waste generated in operations

Category 6: Business travel

Category 7: Employee commuting

Category 9: Downstream transportation and distribution

Category 10: Processing of sold products

Category 11: Use of sold products

Category 15: Investments

Intensity metric

Metric tons CO₂e per unit revenue

Base year

2021

Intensity figure in base year for Scope 1 (metric tons CO₂e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 2 (metric tons CO₂e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 1: Purchased goods and services (metric tons CO₂e per unit of activity)

131.6

Intensity figure in base year for Scope 3, Category 2: Capital goods (metric tons CO₂e per unit of activity)

5.19

Intensity figure in base year for Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO₂e per unit of activity)

14.35

Intensity figure in base year for Scope 3, Category 4: Upstream transportation and distribution (metric tons CO₂e per unit of activity)

150.93

Intensity figure in base year for Scope 3, Category 5: Waste generated in operations (metric tons CO₂e per unit of activity)

1.13

Intensity figure in base year for Scope 3, Category 6: Business travel (metric tons CO₂e per unit of activity)

0.34

Intensity figure in base year for Scope 3, Category 7: Employee commuting (metric tons CO₂e per unit of activity)

3.04

Intensity figure in base year for Scope 3, Category 8: Upstream leased assets (metric tons CO₂e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e per unit of activity)
40.59

Intensity figure in base year for Scope 3, Category 10: Processing of sold products (metric tons CO2e per unit of activity)
172.98

Intensity figure in base year for Scope 3, Category 11: Use of sold products (metric tons CO2e per unit of activity)
236.03

Intensity figure in base year for Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for Scope 3, Category 13: Downstream leased assets (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for Scope 3, Category 14: Franchises (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for Scope 3, Category 15: Investments (metric tons CO2e per unit of activity)
0.49

Intensity figure in base year for Scope 3, Other (upstream) (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for Scope 3, Other (downstream) (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for total Scope 3 (metric tons CO2e per unit of activity)
756.68

Intensity figure in base year for all selected Scopes (metric tons CO2e per unit of activity)
756.68

% of total base year emissions in Scope 1 covered by this Scope 1 intensity figure
<Not Applicable>

% of total base year emissions in Scope 2 covered by this Scope 2 intensity figure
<Not Applicable>

% of total base year emissions in Scope 3, Category 1: Purchased goods and services covered by this Scope 3, Category 1: Purchased goods and services intensity figure
67

% of total base year emissions in Scope 3, Category 2: Capital goods covered by this Scope 3, Category 2: Capital goods intensity figure
67

% of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) covered by this Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) intensity figure
67

% of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution covered by this Scope 3, Category 4: Upstream transportation and distribution intensity figure
67

% of total base year emissions in Scope 3, Category 5: Waste generated in operations covered by this Scope 3, Category 5: Waste generated in operations intensity figure
67

% of total base year emissions in Scope 3, Category 6: Business travel covered by this Scope 3, Category 6: Business travel intensity figure
67

% of total base year emissions in Scope 3, Category 7: Employee commuting covered by this Scope 3, Category 7: Employee commuting intensity figure
67

% of total base year emissions in Scope 3, Category 8: Upstream leased assets covered by this Scope 3, Category 8: Upstream leased assets intensity figure
<Not Applicable>

% of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution covered by this Scope 3, Category 9: Downstream transportation and distribution intensity figure
67

% of total base year emissions in Scope 3, Category 10: Processing of sold products covered by this Scope 3, Category 10: Processing of sold products intensity figure
67

% of total base year emissions in Scope 3, Category 11: Use of sold products covered by this Scope 3, Category 11: Use of sold products intensity figure
67

% of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products covered by this Scope 3, Category 12: End-of-life treatment of sold products intensity figure
<Not Applicable>

% of total base year emissions in Scope 3, Category 13: Downstream leased assets covered by this Scope 3, Category 13: Downstream leased assets intensity figure
<Not Applicable>

% of total base year emissions in Scope 3, Category 14: Franchises covered by this Scope 3, Category 14: Franchises intensity figure
<Not Applicable>

% of total base year emissions in Scope 3, Category 15: Investments covered by this Scope 3, Category 15: Investments intensity figure
67

% of total base year emissions in Scope 3, Other (upstream) covered by this Scope 3, Other (upstream) intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Other (downstream) covered by this Scope 3, Other (downstream) intensity figure

<Not Applicable>

% of total base year emissions in Scope 3 (in all Scope 3 categories) covered by this total Scope 3 intensity figure

67

% of total base year emissions in all selected Scopes covered by this intensity figure

100

Target year

2031

Targeted reduction from base year (%)

70

Intensity figure in target year for all selected Scopes (metric tons CO2e per unit of activity) [auto-calculated]

227.004

% change anticipated in absolute Scope 1+2 emissions

0

% change anticipated in absolute Scope 3 emissions

8.83

Intensity figure in reporting year for Scope 1 (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 2 (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 1: Purchased goods and services (metric tons CO2e per unit of activity)

36.85

Intensity figure in reporting year for Scope 3, Category 2: Capital goods (metric tons CO2e per unit of activity)

7.61

Intensity figure in reporting year for Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e per unit of activity)

4.26

Intensity figure in reporting year for Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e per unit of activity)

27.37

Intensity figure in reporting year for Scope 3, Category 5: Waste generated in operations (metric tons CO2e per unit of activity)

0.54

Intensity figure in reporting year for Scope 3, Category 6: Business travel (metric tons CO2e per unit of activity)

0.11

Intensity figure in reporting year for Scope 3, Category 7: Employee commuting (metric tons CO2e per unit of activity)

0.7

Intensity figure in reporting year for Scope 3, Category 8: Upstream leased assets (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e per unit of activity)

12.97

Intensity figure in reporting year for Scope 3, Category 10: Processing of sold products (metric tons CO2e per unit of activity)

70.67

Intensity figure in reporting year for Scope 3, Category 11: Use of sold products (metric tons CO2e per unit of activity)

58.87

Intensity figure in reporting year for Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 13: Downstream leased assets (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 14: Franchises (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 15: Investments (metric tons CO2e per unit of activity)

0.13

Intensity figure in reporting year for Scope 3, Other (upstream) (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Other (downstream) (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for total Scope 3 (metric tons CO2e per unit of activity)

220.07

Intensity figure in reporting year for all selected Scopes (metric tons CO2e per unit of activity)

220.07

Does this target cover any land-related emissions?

Yes, it covers land-related emissions only (e.g. FLAG SBT)

% of target achieved relative to base year [auto-calculated]

101.309102168118

Target status in reporting year

Underway

Please explain target coverage and identify any exclusions

SQM joined the Race To Zero program in 2021 and has committed to the 1.5°C ambition in the short term. This year marks the 24-month deadline for submitting the form and compliance strategy for decarbonization. In this regard, the target for Scope 3 is mandatory, as Scope 3 represents more than 40% of the total emissions inventory. Therefore, SQM seeks to manage 67% of the total inventory, assessing which category could have higher management beyond the required 67%.

SQM is evaluating submitting a physical intensity target (tCO₂e per tonne of product), estimating a minimum reduction of 7% per year, achieving a 70% reduction of 67% of the total scope 3 inventory.

Of the categories considered, category 8, category 12, category 13, and Category 14 have not been included, as they do not apply to SQM's reality and business.

Likewise, of the total emissions of the scope 3 inventory, it was estimated that for the base year, it was 3,232 million tons of CO₂e, where the most important categories are category 10, processing of products sold, and category 11, use of products sold. Lithium products, being part of the battery production value chain, are the line that contributes the most emissions to Category 10 (22.9% of the total, while fertilizer products and their direct application and use in agriculture are the most important products in Category 11, accounting for 31.2% of the total scope 3. Category 11 is a category with FLAG targets that are in the process of being evaluated for the submission of SQM's form and targets to the Race to Zero program.

The lithium products business line is in a strong process of increasing production, with the aim of contributing to decarbonization with the increase in electromobility and the demand for lithium for battery production. By 2026, lithium carbonate production is expected to increase by 100%, reaching a production of 240,000 tons per year, while lithium hydroxide production is expected to reach 97,000 tons. This increase in production will push Scope 3 emissions upwards, especially emissions associated with Category 10 "use of products sold" as well as Category 2 "capital goods", due to the expansion process of the El Carmen lithium chemical plant facilities.

Of the total base year inventory (2021), emissions from Category 10 and Category 11 represent 54.1% of the total, which imposes a major challenge for SQM and the realization of commitments with SQM's customers in the processing of lithium products, as well as an increase in the efficiency of use of agricultural products such as fertilizers.

SQM's sales revenue will increase from USD 2,862.3 million to USD 10,710.6 million between 2021 and 2022, an increase of 274%. This is driven by historic prices for lithium and iodine products during 2022.

Plan for achieving target, and progress made to the end of the reporting year

SQM is managing its Scope 3 through its responsible sourcing policy, which seeks to evaluate SQM's suppliers in terms of sustainability. Likewise, during the year 2022, SQM's complete Scope 3 information and estimation was carried out. This is an important step in SQM's sustainability management, as it will allow us to identify the relevant Scope 3 categories and will enable us to start engaging with customers and suppliers to improve sustainability throughout the entire value chain in SQM's five lines of business.

SQM's new decarbonization pathway will be submitted to the Race to Zero program in October 2023 for evaluation and validation. The new pathway will be presented to SQM's Board of Directors to estimate the necessary investment that the company must make to achieve carbon neutrality targets through the update of the marginal abatement curve, considering the new decarbonization alternatives.

SQM's total Scope 3 intensity increased from 1,449 tCO₂e per total tonne of product (considering the total of the 5 business lines) to a total of 2,035. In other words, the total intensity increased by 8.83% between 2022 and the base year 2021.

This is due to a decrease in SQM's total production, with total tonnes produced in 2022 decreasing by -22.5% compared to the base year, mainly due to a decrease in the production of speciality fertilisers and solar salts. Additionally, the production of lithium carbonate products increased by 42% compared to 2021, this impacts category 11 "processing of products sold" due to the use of this product in the production of battery cathodes. Category 11 "use of products sold" despite decreasing by -6.66% compared to 2021 is a material category that contributes between 30% to 50% of SQM's total Scope 3.

Increasing engagement with customers across the value chain of SQM's different types of customers is key to advancing SQM's sustainability strategy

List the emissions reduction initiatives which contributed most to achieving this target

<Not Applicable>

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?

Target(s) to increase low-carbon energy consumption or production

C4.2a

(C4.2a) Provide details of your target(s) to increase low-carbon energy consumption or production.

Target reference number

Low 1

Year target was set

2021

Target coverage

Company-wide

Target type: energy carrier

All energy carriers

Target type: activity

Consumption

Target type: energy source

Renewable energy source(s) only

Base year

2021

Consumption or production of selected energy carrier in base year (MWh)

598950.2

% share of low-carbon or renewable energy in base year

0

Target year

2040

% share of low-carbon or renewable energy in target year

90

% share of low-carbon or renewable energy in reporting year

0

% of target achieved relative to base year [auto-calculated]

0

Target status in reporting year

Underway

Is this target part of an emissions target?

SQM has made a public commitment to achieve carbon neutrality in lithium products by 2030, and in all its products by 2040, considering Scope 1 and 2. The replacement of energy from fossil fuel use and consumption with renewable alternatives is linked to the company's emissions targets and carbon neutrality commitments.

Is this target part of an overarching initiative?

No, it's not part of an overarching initiative

Please explain target coverage and identify any exclusions

In 2021, SQM consumed around 2,017,061 MWh of energy, 59.7% of which was fossil fuel consumption, 29.7% electricity consumption (market-based criteria under SQM's current electricity contract) and 10.6% energy consumed by service providers. The target set for the year 2040 considers 2021 consumption as the baseline, with no exclusions.

Plan for achieving target, and progress made to the end of the reporting year

Due to SQM's sustainability strategy and the public commitments it has made to achieve carbon neutrality by 2030 for lithium products and for iodine products, speciality fertilisers and solar salts by 2040, it is evaluating projects that contribute to the mitigation of Scope 1 and Scope 2 emissions. The project to replace fossil fuel consumption with electrification through the "Power to Heat" project, which seeks to electrify boilers and dryers with an electricity supply from a photovoltaic plant near the Coya Sur facility, stands out. For the lithium chemical plant, similar alternatives are being evaluated to replace fossil fuel consumption with electrification with renewable energy. Also, new alternatives for electricity supply from renewable sources are being evaluated. SQM has signed a renewable energy contract for a capacity of 30 MW (about 262,000 MWh) that will cover about 43% of the energy consumed by SQM in 2026 - 2027 and about 13% of the total energy consumed by SQM in the same period. SQM's new decarbonisation pathway will be submitted to the Race to Zero programme in October 2023 for evaluation and validation. The new pathway will be presented to SQM's Board of Directors to estimate the necessary investment that the company must make to achieve carbon neutrality targets by updating the marginal abatement curve and considering the new decarbonisation alternatives.

List the actions which contributed most to achieving this target

<Not Applicable>

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	7	711000
To be implemented*	2	10000
Implementation commenced*	25	10000
Implemented*	7	21183
Not to be implemented	0	0

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Transportation	Company fleet vehicle replacement
----------------	-----------------------------------

Estimated annual CO2e savings (metric tonnes CO2e)

10000

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 3 category 4: Upstream transportation & distribution

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

0

Investment required (unit currency – as specified in C0.4)

83000

Payback period

No payback

Estimated lifetime of the initiative

16-20 years

Comment

In 2022 and 2021, SQM implemented the reforestation of 5,000 native species of 8 varieties on the large island of Chiloé, for the compensation / mitigation of emissions from the transportation of the Salar de Atacama - Carmen Lithium Chemical Plant route; equivalent to 10,000 tons of CO2 for the complete cycle of the trees. Further information in our sustainability report 2022.

Initiative category & Initiative type

Transportation	Company fleet vehicle replacement
----------------	-----------------------------------

Estimated annual CO2e savings (metric tonnes CO2e)

102

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 3 category 4: Upstream transportation & distribution

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

0

Investment required (unit currency – as specified in C0.4)

330000

Payback period

1-3 years

Estimated lifetime of the initiative

3-5 years

Comment

SQM will begin piloting an electric truck to evaluate its behaviour and performance on the route for transporting lithium chloride solution between the Salar de Atacama facility and the El Carmen lithium chemical plant. The truck will be a pilot between SQM and Volvo, as well as transport service providers. The test truck costs US\$330,000 and is expected to achieve a 52% reduction in energy consumption compared to a traditional truck.

It is expected that the availability and maturity of the technology will be reached in the period 2025 - 2027, which will provide attractive technical and economical alternatives for the total replacement of the transport fleet. It is estimated that the emissions abated could reach 60,000 to 80,000 tonnes of CO2e.

The potential monetary savings are not estimated.

Initiative category & Initiative type

Energy efficiency in production processes	Motors and drives
---	-------------------

Estimated annual CO2e savings (metric tonnes CO2e)

458

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 1

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

120098

Investment required (unit currency – as specified in C0.4)

216000

Payback period

<1 year

Estimated lifetime of the initiative

3-5 years

Comment

Catalytic converters have been installed in the mining fleet to increase combustion efficiency in the 90 and 150-tonne trucks. Estimated savings of 170 m3 of diesel per year.

Initiative category & Initiative type

Low-carbon energy consumption	Solar PV
-------------------------------	----------

Estimated annual CO2e savings (metric tonnes CO2e)

10

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

4000

Investment required (unit currency – as specified in C0.4)

30000

Payback period

4-10 years

Estimated lifetime of the initiative

11-15 years

Comment

Installation of solar panels on the laboratory roof at the Nueva Victoria facility.

Initiative category & Initiative type

Low-carbon energy generation	Solar PV
------------------------------	----------

Estimated annual CO2e savings (metric tonnes CO2e)

34683.76

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 1

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

9001454

Investment required (unit currency – as specified in C0.4)

460000

Payback period

<1 year

Estimated lifetime of the initiative

6-10 years

Comment

Installation of solar panels on a steel structure, which will serve a double purpose in some sectors, serving as car parks and solar park.

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Internal price on carbon	A methodology is used for the application of the internal carbon price for evaluations, internal suppliers and projects. The objective of this methodology is to help meet the corporate objective of achieving a 10% intensity reduction in CO2eq emissions, and then to reach neutrality in the medium / long term of carbon in our operations. The 2022 price was set at 15 \$US/tCO2e.
Dedicated budget for other emissions reduction activities	As part of our sustainability plan, we have developed an incentive initiative for projects that seek to reduce greenhouse gas emissions. During the first semester of 2022, the application for a contest was opened that delivers a total fund to be distributed among the winners of \$US 2 million. The minimum requirements to participate were to have a positive impact on Sustainability, measurable annually in reducing Greenhouse Gas emissions. As a result, the fund was awarded to 5 winning projects for a total amount of 632 k\$US. In 2021 6 projects were funded for a total amount of 844 k\$US
Internal incentives/recognition programs	All employees receive incentives through monetary or non-monetary rewards. Performance is incentivized by linking the reward through the annual bonus scheme that includes operational efficiency objectives within the performance metrics. Additionally, Sustainability and its initiatives have been included within the excellence programs as criteria to reward outstanding workers. In addition, through our recognition system, it allows us to reward those outstanding behaviors of our corporate values of workers aimed at reducing water consumption, operational efficiency and the reduction of greenhouse gases have been applied during 2021.
Other (Sustainability Committees and reporting)	Visibility through the sustainability committees based on the preparation of reports and monitoring of the sustainability management team, which are presented to the CEO and the board of directors through the SHE committee (see previous question). The above allows showing progress, generating synergies between operations and encouraging the different teams to achieve the common goal.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products?

Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products.

Level of aggregation

Group of products or services

Taxonomy used to classify product(s) or service(s) as low-carbon

The EU Taxonomy for environmentally sustainable economic activities

Type of product(s) or service(s)

Chemicals and plastics	Other, please specify (Lithium products)
------------------------	--

Description of product(s) or service(s)

Lithium products are elaborated from natural brine extracted in Salar de Atacama, and in its first stage of concentration solar energy is mainly used. This process is comparative less energy intensive with respect to a mining process to get lithium from spodumene.

Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

Yes

Methodology used to calculate avoided emissions

Other, please specify (Internal LCA audit by a third party, LCA performed by a third party, and Ecoinvent Database, v3.8 APOS model for benchmark.)

Life cycle stage(s) covered for the low-carbon product(s) or services(s)

Cradle-to-gate

Functional unit used

1 tonne of product

Reference product/service or baseline scenario used

SQM production 2022:

Lithium Carbonate: 136,452 t.

Lithium Hydroxide: 15,850 t.

Benchmark: Ecoinvent Database, v3.8 APOS model

Life cycle stage(s) covered for the reference product/service or baseline scenario

Cradle-to-gate

Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario

704126

Explain your calculation of avoided emissions, including any assumptions

The Ecoinvent Database, v3.8 APOS model, was used for benchmarking between the available information and SQM products.

The PCF for Lithium Carbonate used: 8.1 tCO2e/t LC. It was selected that Lithium Carbonate produced from spodumene was the raw material and China (CN) was the location of production.

The PCF for Lithium Hydroxide used: 14.7 tCO2e/t LH. It was selected the Lithium Hydroxide produced from Lithium Carbonate (spodumene) and RER was the location of production.

The SQM's PCF was 3.73 tCO2e/t for Lithium Carbonate and 7.81 tCO2e/t for Lithium Hydroxide, respectively.

The avoided emissions were estimated considering the SQM's production with Ecoinvent's PCF intensity, discounting the absolute emission of SQM production.

Details of emissions by scope, tonnes produced and emissions intensity are available in our Sustainability Report 2022.

Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

76

Level of aggregation

Group of products or services

Taxonomy used to classify product(s) or service(s) as low-carbon

No taxonomy used to classify product(s) or service(s) as low carbon

Type of product(s) or service(s)

Chemicals and plastics	Other, please specify (Fertilizers and Solar Salts.)
------------------------	--

Description of product(s) or service(s)

Caliche ore is a natural resource with high content of Nitrate. With a process of superficial mining and leaching process, the nitrate is removed from the ore and concentrated in solar evaporation ponds. After that, the nitrate salt is sent to the Coya Sur facility for its conversion and refining into fertilizers and solar salts. This process is comparative less energy intensive compared with a chemical process with the consumption of nitric acid and ammonia.

Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

Yes

Methodology used to calculate avoided emissions

Other, please specify (Internal LCA audit by a third party, LCA performed by a third party, and Ecoinvent Database, v3.8 APOS model for benchmark.)

Life cycle stage(s) covered for the low-carbon product(s) or services(s)

Cradle-to-gate

Functional unit used

1 tonne of product

Reference product/service or baseline scenario used

SQM production 2022:

Fertilizers and solar salts: 725,291 t.

Benchmark: Ecoinvent Database, v3.8 APOS model

Life cycle stage(s) covered for the reference product/service or baseline scenario

Cradle-to-gate

Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario

981939

Explain your calculation of avoided emissions, including any assumptions

The Ecoinvent Database, v3.8 APOS model, was used for benchmarking between the available information and SQM products.

The PCF for Sodium Nitrate used: 3.28 tCO2e/t LC. It was selected the production from potassium chloride and nitric acid and RER was the location of production.

The PCF for Potassium Nitrate used: 2.01 tCO2e/t KNO3. It was selected the production from potassium chloride and nitric acid and RER was the location of production.

The SQM's PCF was 0.47 tCO2e/t for KNO3 and NaNO3.

The avoided emissions were estimated considering the SQM's production with Ecoinvent's PCF intensity, discounting the absolute emission of SQM production

Details of emissions by scope, tonnes produced and emissions intensity are available in our Sustainability Report 2022.

Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

12

C5. Emissions methodology

C5.1

(C5.1) Is this your first year of reporting emissions data to CDP?

No

C5.1a

(C5.1a) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

Row 1

Has there been a structural change?

No

Name of organization(s) acquired, divested from, or merged with

<Not Applicable>

Details of structural change(s), including completion dates

<Not Applicable>

C5.1b

(C5.1b) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

	Change(s) in methodology, boundary, and/or reporting year definition?	Details of methodology, boundary, and/or reporting year definition change(s)
Row 1	Yes, a change in boundary	<p>A change was made to the limits for the estimation of Scope 3 emissions, incorporating more categories to obtain a more representative analysis of emissions. This inventory update was generated for the years 2021 and 2022, therefore, the values reported for the year 2021 suffered modifications that have been explained in the corresponding comment boxes. The inventory update included and/or updated the following categories:</p> <ul style="list-style-type: none"> - Purchased goods and services: emissions from the tolling of lithium products are estimated. - Capital goods: emissions from assets acquired by SQM overseas are estimated. - Fuel-and-energy-related activities (not included in Scope 1 or 2): emissions estimates for this category are included in the inventory. - Upstream transportation and distribution: includes maritime transportation of products from Chile to SQM's various subsidiaries around the world. - Waste generated in operations: emissions estimates for this category are included in the inventory. - Business travel: emissions estimates for this category are included in the inventory. - Employee commuting: more data was obtained through an employee's survey performed. - Downstream transportation and distribution: Emissions associated with the transportation of products that were sold to customers are included in the inventory. - Processing of sold products: emissions estimates for this category are included in the inventory. - Use of sold products: emissions estimates for this category are included in the inventory. - Investments: emissions estimates for this category are included in the inventory. <p>*Disclaimer: The categories included in the scope 3 emissions inventory update are not reflected in the 2022 sustainability report (available at: https://www.sqm.com/wp-content/uploads/2023/05/SQM-Reporte-2022-v12.pdf) because the update was not completed prior to the publication of the report. The verified categories that are incorporated in the 2022 Sustainability Report are: purchased goods and services (does not include tolling or other inputs), upstream and downstream transportation (includes only the movement of intermediate products between sites and movement of final products to final destination in Chile) and employee commuting.</p>

C5.1c

(C5.1c) Have your organization's base year emissions and past years' emissions been recalculated as a result of any changes or errors reported in C5.1a and/or C5.1b?

	Base year recalculation	Scope(s) recalculated	Base year emissions recalculation policy, including significance threshold	Past years' recalculation
Row 1	Yes	Scope 3	SQM has not recalculated Scope 1 and 2 emissions. For Scope 3 it has updated the emissions inventory, incorporating the categories not reported in previous years in order to provide more representative values. In addition, SQM has defined 2021 as the base year for the company's various sustainability goals. This has led to the need to update the values reported in 2021.	No

C5.2

(C5.2) Provide your base year and base year emissions.

Scope 1

Base year start

January 1 2021

Base year end

December 31 2021

Base year emissions (metric tons CO2e)

286571.859

Comment

This category incorporates Direct GHG emissions resulting from the combustion of fuels in stationary or fixed sources purchased directly by our organization, such as boilers, furnaces, turbines, among others. Emissions associated with generators, machinery and generators that are stationary and use fossil fuels for their operation were included. On the other hand, the direct GHG emissions resulting from the combustion of fuels in mobile sources owned or controlled by our company were considered. This included vehicles leased and controlled by the organization (through the purchase of fuel) and the emissions associated with the activities of contractors, since 100% of the services they provide correspond to SQM.

The methodology applied for this calculation was based on the use of activity data recorded in terms of mass or volume. For this method, the mass or volume of fuel purchased by our company was multiplied by an emission factor in terms of mass of CO2e/kg (or mass of CO2e/liter). The emission factor represents the emissions from the combustion of the fuel. The main consumptions included diesel fuel, fuel oil, LPG and NG from contract suppliers.

Scope 2 (location-based)

Base year start

January 1 2021

Base year end

December 31 2021

Base year emissions (metric tons CO2e)

234009.84

Comment

This category includes the emissions associated with the generation of electrical energy that our organization acquires through the energy matrix of the country in which our facilities are located, in this case, Chile. According to the location based methodology, electricity consumption is considered to come from the local energy matrix according to the location of each facility. According to the market based methodology, electricity consumption is considered according to the electricity supplier, using the emission factor corresponding to each supplier.

The methodology incorporated the use of activity data recorded in kWh consumed per year. For this method, the kWh consumed was multiplied by an emission factor in terms of mass of CO2e/kWh. The emission factor quantifies the emissions associated with electricity generation in the corresponding matrix. The emission factor used corresponded to 0,3907 CO2e/MWh (available at <http://energiaabierta.cl/visualizaciones/factor-de-emision-sic-sing/>).

Scope 2 (market-based)

Base year start

January 1 2021

Base year end

December 31 2021

Base year emissions (metric tons CO2e)

509107.259

Comment

This category includes the emissions associated with the generation of electrical energy that our organization acquires through the energy matrix of the country in which our facilities are located, in this case, Chile. According to the location based methodology, electricity consumption is considered to come from the local energy matrix according to the location of each facility. According to the market based methodology, electricity consumption is considered according to the electricity supplier, using the emission factor corresponding to each supplier.

The methodology incorporated the use of activity data recorded in kWh consumed per year. For this method, the kWh consumed was multiplied by an emission factor in terms of mass of CO2e/kWh. The emission factor quantifies the emissions associated with electricity generation in the corresponding matrix. The emission factor provided by our electric power supplier was 0.85 CO2e/MWh the base year.

Scope 3 category 1: Purchased goods and services

Base year start

January 1 2021

Base year end

December 31 2021

Base year emissions (metric tons CO2e)

562224.78

Comment

The evaluation of the emissions regarding to Purchased goods and services in our operations incorporates the indirect GHG emissions resulting from the extraction and production of goods (raw materials, inputs, etc.) and services purchased or acquired by our company. The methodology was based on the use of activity data recorded in terms of mass, volume or monetary value. For this method, the mass, volume or value of inputs purchased by our company was multiplied by an emission factor in terms of mass of CO2e/kg, CO2e/liters or CO2e/USD (obtained from the 2021 database of the Department for Environment, Food and Rural Affairs of UK and Ecoinvent v3.8 2021 database) which represents the emissions from the production of each input or performance of a service, as appropriate. Also, in this evaluation the emissions associated with the following were considered: Services reported in our suppliers' database and Services delivered by Tolling. For the emissions associated with the services delivered by Tolling, Scope 1 and 2 were calculated to estimate the emissions associated with the processing of lithium in these facilities.

The main goods and services acquired and incorporated in the category were hydrochloric acid, sulfonitric acid, sulfuric acid, sulfur, lime, soda ash, chlorine, diesel, exxal, gasoline, kerosene, ammonium nitrate, peroxid, scaid, caustic soda.

*Disclaimer: The emissions reported in 2021 (which is our current base year) are now higher due to an emissions inventory update that included more amount of inputs and transportation in order to give a better representative value of emissions of 2021 and 2022. The emissions added correspond to purchased goods and services of suppliers that are 67.944,17 tonCO2e, and for Purchased Goods and Services of Tolling the emissions are 27.574,63 tCO2e.

Scope 3 category 2: Capital goods

Base year start

January 1 2021

Base year end

December 31 2021

Base year emissions (metric tons CO2e)

22176.141

Comment

The evaluation of the emissions regarding Capital goods included indirect GHG emissions resulting from the acquisition and production of capital goods owned by our company. The extent of the evaluation included our operations in Chile, and warehouses in Chile, Mexico, USA and Europe.

The methodology was based on the use of the monetary value of the assets acquired as activity data. For this method, the monetary value of the assets was multiplied by an emission factor in terms of mass of CO2e/USD. The emission factors used come from national data (INGEI National Greenhouse Gas Inventory and GDP Gross Domestic Product) because they better reflect the economic and environmental reality of the country. However, for cases where the categorization of the activity does not fit adequately between GDP and INGEI, the average emission factor of Eurostat, a database that gathers the emission factors associated with the economic activity of the countries of the European Union, was used. The emission factors developed are aligned in order of magnitude with those developed by the Partnership for Carbon Accounting Financials (PCAF) for other countries in the region.

*Disclaimer: This category was not reported in 2021 and is not reported in our 2022 Sustainability Report. SQM has updated its emissions inventory for 2021 and 2022 which could not be finished before the releasing of our 2022 SQM Sustainability Report, therefore the categories are not verified yet.

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

Base year start

January 1 2021

Base year end

December 31 2021

Base year emissions (metric tons CO2e)

61310.783

Comment

The fuel and energy related activities calculated in this category correspond to the emissions from the extraction, production and transport of fuels or energy in stationary and mobile sources consumed by our company.

The methodology was based on the use of activity data recorded in terms of mass or volume. For this method, the mass or volume of fuel purchased by our company was multiplied by an emission factor in terms of mass of CO2e/kg or mass of CO2e/liter (obtained from the 2021 database of the Department for Environment, Food and Rural Affairs of UK).

In stationary sources we calculated diesel fuel, fuel oil, LPG and NG emissions, meanwhile for mobile sources we calculated diesel fuel, LPG and gasoline emissions. Of the total amount 35,369 tCO2 come from fixed sources and 25,942 from mobile sources.

*Disclaimer: This category was not reported in 2021 and is not reported in our 2022 Sustainability Report. SQM has updated its emissions inventory for 2021 and 2022 which could not be finished before the releasing of our 2022 SQM Sustainability Report, therefore the categories are not verified yet.

Scope 3 category 4: Upstream transportation and distribution

Base year start

January 1 2021

Base year end

December 31 2021

Base year emissions (metric tons CO2e)

644796.32

Comment

This category evaluates the indirect GHG emissions from the transportation of inputs, products and waste of our direct suppliers or within the value chain. The methodology was based on the use of activity data recorded in terms of mass and distances traveled recorded in kilometers. For this method, the mass or volume of inputs and products purchased by our company along with the route distance was multiplied by an emission factor in terms of mass of CO2e/kg-km (obtained from the 2021 database of the Department for Environment, Food and Rural Affairs of UK). The emission factor is related to the means of transport used to move the input or product financed by SQM. The distance of the routes were obtained from Google Maps and from MarineTraffic. In this evaluation was assumed that the transportation between the production sites in Chile and the first customer, which can be SQM or third parties, is paid by SQM. Transfers after the first customer abroad are assumed to be paid by the customers.

*Disclaimer: The emissions reported in 2021 (which is our current base year) are now higher due to an emissions inventory update that included more amount of inputs and transportation in order to give a better representative value of emissions of 2021 and 2022.

Scope 3 category 5: Waste generated in operations

Base year start

January 1 2021

Base year end

December 31 2021

Base year emissions (metric tons CO2e)

4816.599

Comment

This category includes the indirect GHG emissions from the treatment or disposal of waste generated by third-part operations within the organization. The methodology was based on the use of activity data recorded in terms of mass or volume. For this method, the mass or volume of waste generated by our company was multiplied by an emission factor in terms of mass of CO2e/kg or mass of CO2e/liter that depends on the type of treatment or disposal the waste receives (obtained from the 2021 database of the Department for Environment, Food and Rural Affairs of UK). For sewage water, the methodology incorporated the emission factor associated to the transportation of it.

*Disclaimer: This category was not reported in 2021 and is not reported in our 2022 Sustainability Report. SQM has updated its emissions inventory for 2021 and 2022 which could not be finished before the releasing of our 2022 SQM Sustainability Report, therefore the categories are not verified yet.

Scope 3 category 6: Business travel

Base year start

January 1 2021

Base year end

December 31 2021

Base year emissions (metric tons CO2e)

1470

Comment

This category incorporates the indirect GHG emissions resulting from the combustion of mobile sources that are not owned or controlled by our organization, but are used for the transportation of personnel due to business trips or any type of sporadic travel. The methodology was based on the distance traveled by employees on each business trip. Only air travel was considered. For this method, the distance traveled was multiplied by an emission factor in terms of mass of CO2e/km-person-km traveled. The emission factor depends on the type of cabin and type of flight and were obtained from the 2021 database of the Department for Environment, Food and Rural Affairs of UK.

*Disclaimer: This category was not reported in 2021 and is not reported in our 2022 Sustainability Report. SQM has updated its emissions inventory for 2021 and 2022 which could not be finished before the releasing of our 2022 SQM Sustainability Report, therefore the categories are not verified yet.

Scope 3 category 7: Employee commuting

Base year start

January 1 2021

Base year end

December 31 2021

Base year emissions (metric tons CO2e)

13001.68

Comment

This category estimates the indirect GHG emissions resulting from the combustion of mobile sources that are not owned or controlled by our organization, but are used for the transportation of people related to it, mainly associated with the daily transportation of personnel. Therefore, it includes transportation services for the transfer of workers between their place of origin and SQM's sites. A survey was conducted to obtain data from workers at SQM's corporate buildings.

The methodology was based on the distance traveled by workers to reach their usual place of work, and the type of vehicle used for the trip. For this method, the distance traveled was multiplied by an emission factor in terms of mass of CO2e/km-person traveled, obtained from the 2021 database of the Department for Environment, Food and Rural Affairs of UK. The type of vehicle and the number of people per trip was considered. For workers abroad, it was assumed that they travel an average distance of 20 kilometers between Monday and Friday. Also, it was assumed that 50% travel by public transportation and the other 50% travel by private vehicle.

*Disclaimer: The emissions reported in 2021 (which is our current base year) are now higher due to an emissions inventory update that included more amount of inputs and transportation in order to give a better representative value of emissions of 2021 and 2022.

Scope 3 category 8: Upstream leased assets

Base year start

January 1 2021

Base year end

December 31 2021

Base year emissions (metric tons CO2e)

0

Comment

This category was not calculated because it does not apply to SQM due to the company does not have leased assets in our productive system or chain value.

Scope 3 category 9: Downstream transportation and distribution

Base year start

January 1 2021

Base year end

December 31 2021

Base year emissions (metric tons CO2e)

173424.87

Comment

This category estimates the indirect GHG emissions resulting from the transportation of cargo, carried out by third parties, downstream after the point of sale. The Methodology was based on the use of activity data recorded in terms of mass and distances traveled recorded in kilometers. For this method, the mass or volume of inputs and products purchased by our company along with the route distance were multiplied by an emission factor in terms of mass of CO2e/kg-km (obtained from the 2021 database of the Department for Environment, Food and Rural Affairs of UK). The emission factor is related to the means of transport used to move the input or product financed by SQM. It was assumed that the transportation between the production sites in Chile and the first customer, which can be SQM or third parties, was paid by SQM. Transfers after the first customer abroad were assumed to be paid by the customers. For unspecified destinations that do not allow identifying the route between the overseas warehouses and the customers, average distances to the destination countries were used.

*Disclaimer: This category was not reported in 2021 and is not reported in our 2022 Sustainability Report. SQM has updated its emissions inventory for 2021 and 2022 which could not be finished before the releasing of our 2022 SQM Sustainability Report, therefore the categories are not verified yet.

Scope 3 category 10: Processing of sold products

Base year start

January 1 2021

Base year end

December 31 2021

Base year emissions (metric tons CO2e)

738978.422

Comment

The methodology was based on the mass sold of each product and the types of downstream processing reported with each product. For this method, the mass of each product was multiplied by an emission factor representing the emissions from the average processing of iodine or lithium, as appropriate.

A single factor was created for lithium and its derivatives, and another for iodine and its derivatives. The emission factor constructed included potential emissions from the first transformation of the SQM product in the customer's value chain. This emission factor depends on the nature of the product sold, whether it is Lithium or Iodine. For its calculation it was considered:

- Percentage of sales per customer: percentage distribution of the mass of Lithium/Iodine products sold per customer or type of industry (obtained from primary data).
- Production factor: mass of client's final products produced per mass of SQM product consumption (obtained from bibliographic sources).
- Processing emission factor: emission factor associated with the good or service produced by the client (obtained from bibliographic sources).
- Raw material allocation: emissions from production of the customer's good or service associated with the SQM product consumed (obtained from bibliographic sources).

In the case of lithium and its derivatives, 84% of its sales were to industries associated with the production of lithium cathodes, while the main industries for iodine products and its derivatives are the pharmaceutical industry, contrast media, LCD screens, among others.

The emission factor associated with lithium products and its derivatives corresponds to 7.58 tCO2e per ton of lithium sold by SQM. In the case of iodine, the factor reaches a value of 4.60 tCO2e per ton of iodine sold by SQM. A conservative scenario was considered in order not to underestimate emissions.

From the total amount of emissions, Lithium products and its derivatives contribute 690,811 tCO2e while iodine and its derivatives contribute 48,167 tCO2e.

*Disclaimer: This category was not reported in 2021 and is not reported in our 2022 Sustainability Report. SQM has updated its emissions inventory for 2021 and 2022 which could not be finished before the releasing of our 2022 SQM Sustainability Report, therefore the categories are not verified yet.

Scope 3 category 11: Use of sold products

Base year start

January 1 2021

Base year end

December 31 2021

Base year emissions (metric tons CO2e)

1008340.4

Comment

This category includes the emissions associated with the use that the final consumer gives to the products sold directly, without the need for additional processing. Emissions associated with the application of fertilizers sold by SQM to the soil were considered. The calculation was based on the mass of fertilizers that are applied to the soil and the percentage of nitrogen that each contains. For the calculation, the mass was multiplied with emission factors that represent the emissions associated with the application of fertilizers to the soil (4.65 kg CO2e/kg N), considering a conservative scenario in order not to underestimate emissions. For products containing nitrogen, but the exact composition could not be confirmed, it was assumed that they contained 15% nitrogen. The commercial products contributing the most emissions to this category are KNO3 with 527,116 tCO2e; other nitrate products with 182,552 tCO2e; QROP with 122,921 tCO2e and NaNO3 with 105,717 tCO2e .

*Disclaimer: This category was not reported in 2021 and is not reported in our 2022 Sustainability Report. SQM has updated its emissions inventory for 2021 and 2022 which could not be finished before the releasing of our 2022 SQM Sustainability Report, therefore the categories are not verified yet.

Scope 3 category 12: End of life treatment of sold products

Base year start

January 1 2021

Base year end

December 31 2021

Base year emissions (metric tons CO2e)

0

Comment

This category does not apply to SQM due to the type of products produced. The emissions must be accounted for in categories 10 and 11, respectively.

Scope 3 category 13: Downstream leased assets

Base year start

January 1 2021

Base year end

December 31 2021

Base year emissions (metric tons CO2e)

0

Comment

This category does not apply to SQM due to the company does not have downstream leased assets.

Scope 3 category 14: Franchises

Base year start

January 1 2021

Base year end

December 31 2021

Base year emissions (metric tons CO2e)

0

Comment

This category was not calculated for our base year emissions. It does not apply to SQM due to the company does not sell franchises to a third party.

Scope 3 category 15: Investments

Base year start

January 1 2021

Base year end

December 31 2021

Base year emissions (metric tons CO2e)

2075.089

Comment

This category included the emissions associated with the investments held by our company. Also applicable to investors and companies that provide financial services, it seeks to calculate the company's participation in the issues of the companies in which it invests.

The methodology used was based on the use of activity data recorded in terms of mass or volume. For this method, the mass or volume of fuel purchased by our company was multiplied by an emission factor in terms of mass of CO2e/kg or mass of CO2e/liter (obtained from the 2021 database of the Department for Environment, Food and Rural Affairs of UK). The emission factor was related to fuel combustion in stationary and mobile sources and refrigerant leakage for Scope 1 and to electric power generation in the matrix corresponding to each facility, for Scope 2. For Joint Ventures, the estimated Scope 1 and Scope 2 emissions were multiplied by SQM's percentage interest. Finally, SQM used primary data, consulted directly with each of the companies, to estimate emissions.

*Disclaimer: This category was not reported in 2021 and is not reported in our 2022 Sustainability Report. SQM has updated its emissions inventory for 2021 and 2022 which could not be finished before the releasing of our 2022 SQM Sustainability Report, therefore the categories are not verified yet.

Scope 3: Other (upstream)

Base year start

January 1 2021

Base year end

December 31 2021

Base year emissions (metric tons CO2e)

0

Comment

This category was not calculated for our base year emissions. Does not apply to SQM.

Scope 3: Other (downstream)

Base year start

January 1 2021

Base year end

December 31 2021

Base year emissions (metric tons CO2e)

0

Comment

This category does not apply to SQM.

C5.3

(C5.3) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

IPCC Guidelines for National Greenhouse Gas Inventories, 2006

ISO 14064-1

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

The Greenhouse Gas Protocol: Scope 2 Guidance

The Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Standard

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)

300298.97

Start date

January 1 2022

End date

December 31 2022

Comment

This category incorporates Direct GHG emissions resulting from the combustion of fuels in stationary or fixed sources purchased directly by our organization, such as boilers, furnaces, turbines, among others. Emissions associated with generators, machinery and generators that are stationary and use fossil fuels for their operation were included. On the other hand, the direct GHG emissions resulting from the combustion of fuels in mobile sources owned or controlled by our company were considered. This included vehicles leased and controlled by the organization (through the purchase of fuel) and the emissions associated with the activities of contractors, since 100% of the services they provide correspond to SQM.

The methodology applied for this calculation was based on the use of activity data recorded in terms of mass or volume. For this method, the mass or volume of fuel purchased by our company was multiplied by an emission factor in terms of mass of CO2e/kg or mass of CO2e/liter (obtained from the 2022 database of the Department for Environment, Food and Rural Affairs of UK). The emission factor represents the emissions from the combustion of the fuel. The main consumptions included diesel fuel, fuel oil, LPG and NG from contract suppliers.

Past year 1

Gross global Scope 1 emissions (metric tons CO2e)

286571.86

Start date

January 1 2021

End date

December 31 2021

Comment

This category incorporates Direct GHG emissions resulting from the combustion of fuels in stationary or fixed sources purchased directly by our organization, such as boilers, furnaces, turbines, among others. Emissions associated with generators, machinery and generators that are stationary and use fossil fuels for their operation were included. On the other hand, the direct GHG emissions resulting from the combustion of fuels in mobile sources owned or controlled by our company were considered. This included vehicles leased and controlled by the organization (through the purchase of fuel) and the emissions associated with the activities of contractors, since 100% of the services they provide correspond to SQM.

The methodology applied for this calculation was based on the use of activity data recorded in terms of mass or volume. For this method, the mass or volume of fuel purchased by our company was multiplied by an emission factor in terms of mass of CO2e/kg or mass of CO2e/liter (obtained from the 2021 database of the Department for Environment, Food and Rural Affairs of UK). The emission factor represents the emissions from the combustion of the fuel. The main consumptions included diesel fuel, fuel oil, LPG and NG from contract suppliers.

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We are reporting a Scope 2, market-based figure

Comment

We used the market-based methodology and the emission factor that our electric power supplier provided. According to the location based methodology, electricity consumption is considered to come from the local energy matrix according to the location of each facility while for the market based methodology, electricity consumption is considered according to the electricity supplier, using the emission factor corresponding to each supplier. The emission factor was used for the Product Carbon Footprint (PCF) verification and SQM's Sustainability Report 2021. However, our last TCFD report (available at <https://www.sqmsenlinea.com/uploads/documentations/87/original.pdf>) included the Market and Location Based method.

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based

177384.38

Scope 2, market-based (if applicable)

508077.01

Start date

January 1 2022

End date

December 31 2022

Comment

The Location-Based methodology incorporated the emission factor from the Chilean grid power (0.3006 tCO2e/MWh). This information is available at:

<http://energiaabierta.cl/visualizaciones/factor-de-emision-sic-sing/>

The Market-based methodology incorporated the emission factor provided by the company electrical power supplier (0.86 tCO2e/MWh).

Past year 1

Scope 2, location-based

234009.84

Scope 2, market-based (if applicable)

509107.26

Start date

January 1 2021

End date

December 31 2021

Comment

The Location-Based methodology incorporated the emission factor from the Chilean grid power (0.3907 tCO2e/MWh). This information is available at:

<http://energiaabierta.cl/visualizaciones/factor-de-emision-sic-sing/>

The Market-based methodology incorporated the emission factor provided by the company electrical power supplier (0.8550 tCO2e/MWh).

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1, Scope 2 or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure?

No

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

589047.16

Emissions calculation methodology

Supplier-specific method

Hybrid method

Fuel-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

63.22

Please explain

The evaluation of the emissions regarding to Purchased goods and services in our operations incorporates the indirect GHG emissions resulting from the extraction and production of goods (raw materials, inputs, etc.) and services purchased or acquired by our company. The methodology was based on the use of activity data recorded in terms of mass, volume or monetary value. For this method, the mass, volume or value of inputs purchased by our company was multiplied by an emission factor in terms of mass of CO2e/kg, CO2e/liters or CO2e/USD (obtained from the 2022 database of the Department for Environment, Food and Rural Affairs of UK and Ecoinvent v3.8 2021 database), which represents the emissions from the production of each input or performance of a service, as appropriate. Also, in this evaluation the emissions associated with the following were considered: Services reported in our suppliers' database and Services delivered by maquilas. For the emissions associated with the services delivered by the maquilas, Scope 1 and 2 of the maquilas were calculated to estimate the emissions associated with the processing of lithium in these facilities.

The main goods and services acquired and incorporated in the category were hydrochloric acid, sulfonitric acid, sulfuric acid, sulfur, lime, soda ash, chlorine, diesel, exxal, gasoline, kerosene, ammonium nitrate, peroxid, scaid, caustic soda.

* Disclaimer: The emissions reported in this section are higher than the values declared in our 2022 Sustainability Report due to the inventory emissions update for SQM, which was not finished before the releasing of our Sustainability Report and the Verification process (Reported in C10.1). In this inventory update we included the calculation of purchased goods and services of Other inputs and Tolling. The emissions associated to purchased goods and services of Other inputs are 82.703,27 tonCO2e, and for Tolling, the emissions are 12.545,58 tonCO2e.

Capital goods

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO₂e)

121583.9

Emissions calculation methodology

Hybrid method

Spend-based method

Asset-specific method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

The evaluation of the emissions regarding Capital goods included indirect GHG emissions resulting from the acquisition and production of capital goods owned by our company. The extent of the evaluation included our operations in Chile, and warehouses in Chile, Mexico, USA and Europe.

The methodology was based on the use of the monetary value of the assets acquired as activity data. For this method, the monetary value of the assets was multiplied by an emission factor in terms of mass of CO₂e/USD. The emission factors used come from national data (INGEI National Greenhouse Gas Inventory and GDP Gross Domestic Product) because they better reflect the economic and environmental reality of the country. However, for cases where the categorization of the activity does not fit adequately between GDP and INGEI, the average emission factor of Eurostat, a database that gathers the emission factors associated with the economic activity of the countries of the European Union, was used. The emission factors developed are aligned in order of magnitude with those developed by the Partnership for Carbon Accounting Financials (PCAF) for other countries in the region.

* Disclaimer: This category is not reported in our 2022 Sustainability Report due to an inventory emissions update for SQM that could not be finished before the releasing of our 2022 SQM Sustainability Report and its corresponding verification (Reported in C10.1).

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status

Not relevant, calculated

Emissions in reporting year (metric tons CO₂e)

68083.5

Emissions calculation methodology

Supplier-specific method

Hybrid method

Fuel-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

The fuel and energy related activities calculated in this category correspond to the emissions from the extraction, production and transport of fuels or energy in stationary and mobile sources consumed by our company.

The methodology was based on the use of activity data recorded in terms of mass or volume. For this method, the mass or volume of fuel purchased by our company was multiplied by an emission factor in terms of mass of CO₂e/kg or mass of CO₂e/liter (obtained from the 2022 database of the Department for Environment, Food and Rural Affairs of UK). In stationary sources we calculated diesel fuel, fuel oil, LPG and NG emissions, meanwhile for mobile sources we calculated diesel fuel, LPG and gasoline emissions.

*Disclaimer: This category is not reported in our 2022 Sustainability Report due to an inventory emissions update for SQM that could not be finished before the releasing of our 2022 SQM Sustainability Report and its corresponding verification (Reported in C10.1). Also we can disaggregate emissions data from fixed sources and mobile sources which correspond to 38.199,94 tonCO₂e and 29.883,64 tonCO₂e respectively.

Upstream transportation and distribution

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO₂e)

437477.342

Emissions calculation methodology

Hybrid method

Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

This category evaluates the indirect GHG emissions from the transportation of inputs, products and waste of our direct suppliers or within the value chain. The methodology was based on the use of activity data recorded in terms of mass and distances traveled recorded in kilometers. For this method, the mass or volume of inputs and products purchased by our company along with the route distance was multiplied by an emission factor in terms of mass of CO₂e/kg-km, obtained from the 2022 database of the Department for Environment, Food and Rural Affairs of UK. The emission factor is related to the means of transportation used to transport the input or product financed by SQM. It is assumed that the transportation between the production sites in Chile and the first customer, which can be SQM or third parties, is paid by SQM. Transfers after the first customer abroad are assumed to be paid by the customers.

* Disclaimer: The emissions reported in this section are higher than the values declared in our 2022 Sustainability Report due to the inventory emissions update for SQM, which was not finished before the releasing of our Sustainability Report and the Verification process (Reported in C10.1).

Waste generated in operations

Evaluation status

Not relevant, calculated

Emissions in reporting year (metric tons CO₂e)

8636.6

Emissions calculation methodology

Hybrid method

Waste-type-specific method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

This category includes the indirect GHG emissions from the treatment or disposal of waste generated by third-part operations within the organization. The methodology was based on the use of activity data recorded in terms of mass or volume. For this method, the mass or volume of waste generated by our company was multiplied by an emission factor in terms of mass of CO₂e/kg (or mass of CO₂e/liter) that depends on the type of treatment or disposal the waste receives obtained from the 2022 database of the Department for Environment, Food and Rural Affairs of UK. For sewage water, the methodology incorporated the emission factor associated to the transportation of it.
*Disclaimer: This category is not reported in our 2022 Sustainability Report due to an inventory emissions update for SQM that could not be finished before the releasing of our 2022 SQM Sustainability Report and its corresponding verification (Reported in C10.1).

Business travel

Evaluation status

Not relevant, calculated

Emissions in reporting year (metric tons CO₂e)

1796.09

Emissions calculation methodology

Hybrid method

Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

This category incorporates the indirect GHG emissions resulting from the combustion of mobile sources that are not owned or controlled by our organization, but are used for the transportation of personnel due to business trips or any type of sporadic travel. The methodology was based on the distance traveled by employees on each business trip. Only air travel was considered. For this method, the distance traveled was multiplied by an emission factor in terms of mass of CO₂e/km-person-km traveled. The emission factor depends on the type of cabin and type of flight and were obtained from the 2022 database of the Department for Environment, Food and Rural Affairs of UK.

*Disclaimer: This category is not reported in our 2022 Sustainability Report due to an inventory emissions update for SQM that could not be finished before the releasing of our 2022 SQM Sustainability Report and its corresponding verification (Reported in C10.1).

Employee commuting

Evaluation status

Not relevant, calculated

Emissions in reporting year (metric tons CO₂e)

11220.16

Emissions calculation methodology

Hybrid method

Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

This category estimates the indirect GHG emissions resulting from the combustion of mobile sources that are not owned or controlled by our organization, but are used for the transportation of people related to it, mainly associated with the daily transportation of personnel. Therefore, it includes transportation services for the transfer of workers between their place of origin and SQM's sites. A survey was conducted to obtain data from workers at SQM's corporate buildings.

The methodology was based on the distance traveled by workers to reach their usual place of work, and the type of vehicle used for the trip. For this method, the distance traveled was multiplied by an emission factor in terms of mass of CO₂e/km-person traveled, obtained from the 2022 database of the Department for Environment, Food and Rural Affairs of UK. The type of vehicle and the number of people per trip was considered. For workers abroad, it was assumed that they travel an average distance of 20 kilometers between Monday and Friday. Also, it was assumed that 50% travel by public transportation and the other 50% travel by private vehicle.

* Disclaimer: The emissions reported in this section are higher than the values declared in our 2022 Sustainability Report due to the inventory emissions update for SQM, which was not finished before the releasing of our Sustainability Report and the Verification process (Reported in C10.1).

Upstream leased assets

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO₂e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Our upstream leased assets are either operated by us, and as such scope 1 and 2 emissions are included in our inventory, or fully operated by a third party as a service, and thus included in category 1 - Purchased goods and services.

Downstream transportation and distribution

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO₂e)

207333

Emissions calculation methodology

Hybrid method

Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

This category estimates the indirect GHG emissions resulting from the transportation of cargo, carried out by third parties, downstream after the point of sale. The Methodology was based on the use of activity data recorded in terms of mass and distances traveled recorded in kilometers. For this method, the mass or volume of inputs and products purchased by our company along with the route distance were multiplied by an emission factor in terms of mass of CO₂e/kg-km (obtained from the 2022 database of the Department for Environment, Food and Rural Affairs of UK). The emission factor is related to the means of transport used to move the input or product financed by SQM. It was assumed that the transportation between the production sites in Chile and the first customer, which can be SQM or third parties, was paid by SQM. Transfers after the first customer abroad were assumed to be paid by the customers. For unspecified destinations that do not allow identifying the route between the overseas warehouses and the customers, average distances to the destination countries were used.

* Disclaimer: The emissions reported in this section are higher than the values declared in our 2022 Sustainability Report due to the inventory emissions update for SQM, which was not finished before the releasing of our Sustainability Report and the Verification process (Reported in C10.1).

Processing of sold products

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO₂e)

1129658.2

Emissions calculation methodology

Hybrid method

Average product method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

The methodology was based on the mass sold of each product and the types of downstream processing reported with each product. For this method, the mass of each product was multiplied by an emission factor representing the emissions from the average processing of iodine or lithium, as appropriate.

A single factor was created for lithium and its derivatives, and another for iodine and its derivatives. The emission factor constructed included potential emissions from the first transformation of the SQM product in the customer's value chain. This emission factor depends on the nature of the product sold, whether it is Lithium or Iodine. For its calculation it was considered:

- Percentage of sales per customer: percentage distribution of the mass of Lithium/Iodine products sold per customer or type of industry (obtained from primary data).
 - Production factor: mass of client's final products produced per mass of SQM product consumption (obtained from bibliographic sources).
 - Processing emission factor: emission factor associated with the good or service produced by the client (obtained from bibliographic sources).
 - Raw material allocation: emissions from production of the customer's good or service associated with the SQM product consumed (obtained from bibliographic sources).
- In the case of lithium and its derivatives, 84% of its sales were to industries associated with the production of lithium cathodes, while the main industries for iodine products and its derivatives are the pharmaceutical industry, contrast media, LCD screens, among others.

The emission factor associated with lithium products and its derivatives corresponds to 7.58 tCO₂e per ton of lithium sold by SQM. In the case of iodine, the factor reaches a value of 4.60 tCO₂e per ton of iodine sold by SQM. A conservative scenario was considered in order not to underestimate emissions.

From the total amount of emissions, Lithium products and its derivatives contribute 1,092,276 tCO₂e while iodine and its derivatives contribute 37,383 tCO₂e.

*Disclaimer: This category is not reported in our 2022 Sustainability Report due to an inventory emissions update for SQM that could not be finished before the releasing of our 2022 SQM Sustainability Report and its corresponding verification (Reported in C10.1).

Use of sold products

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

941159.2

Emissions calculation methodology

Hybrid method

Methodology for direct use phase emissions, please specify (4.65 kg CO2e/kg N C.S. Snyder, et al. (2009).)

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

This category includes the emissions associated with the use that the final consumer gives to the products sold directly, without the need for additional processing, where fertilizers are the only SQM products that apply in this category. Emissions associated with the application of fertilizers sold by SQM to the soil were considered. The calculation was based on the mass of fertilizers that are applied to the soil and the percentage of nitrogen that each contains. For the calculation, the mass was multiplied with emission factors that represent the emissions associated with the application of fertilizers to the soil (4.65 kg CO2e/kg N), considering a conservative scenario in order not to underestimate emissions. For products containing nitrogen, but the exact composition could not be confirmed, it was assumed that they contained 15% nitrogen. The commercial products contributing the most emissions to this category are QROP with 332,570 tCO2e; KNO3 with 325,624 tCO2e and other nitrate products with 111,406 tCO2e.

*Disclaimer: This category is not reported in our 2022 Sustainability Report due to an inventory emissions update for SQM that could not be finished before the releasing of our 2022 SQM Sustainability Report and its corresponding verification (Reported in C10.1).

End of life treatment of sold products

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

This category does not apply to SQM due to the type of products produced. The emissions must be accounted for in categories 10 and 11, respectively.

Downstream leased assets

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

This category does not apply to SQM due to the company does not have downstream leased assets.

Franchises

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

This category was not calculated for our reporting year emissions. It does not apply to SQM due to the company does not sell franchises to a third party.

Investments

Evaluation status

Not relevant, calculated

Emissions in reporting year (metric tons CO2e)

2083.8

Emissions calculation methodology

Hybrid method

Investment-specific method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

This category included the emissions associated with the investments held by our company. Also applicable to investors and companies that provide financial services, it seeks to calculate the company's participation in the issues of the companies in which it invests.

The methodology used was based on the use of activity data recorded in terms of mass or volume. For this method, the mass or volume of fuel purchased by our company was multiplied by an emission factor in terms of mass of CO2e/kg or mass of CO2e/liter (obtained from the 2021 database of the Department for Environment, Food and Rural Affairs of UK). The emission factor was related to fuel combustion in stationary and mobile sources and refrigerant leakage for Scope 1 and to electric power generation in the matrix corresponding to each facility, for Scope 2. For Joint Ventures, the estimated Scope 1 and Scope 2 emissions were multiplied by SQM's percentage interest. Finally, SQM used primary data, consulted directly with each of the companies, to estimate emissions.

*Disclaimer: This category is not reported in our 2022 Sustainability Report due to an inventory emissions update for SQM that could not be finished before the releasing of our 2022 SQM Sustainability Report and its corresponding verification (Reported in C10.1).

Other (upstream)

Evaluation status

Not evaluated

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

This category was not calculated for our reporting year emissions. Does not apply to SQM.

Other (downstream)

Evaluation status

Not evaluated

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Does not apply to SQM.

C6.5a

(C6.5a) Disclose or restate your Scope 3 emissions data for previous years.

Past year 1

Start date

January 1 2021

End date

December 31 2021

Scope 3: Purchased goods and services (metric tons CO2e)

562224.78

Scope 3: Capital goods (metric tons CO2e)

22176.14

Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

61310.78

Scope 3: Upstream transportation and distribution (metric tons CO2e)

644796.32

Scope 3: Waste generated in operations (metric tons CO2e)

4816.59

Scope 3: Business travel (metric tons CO2e)

1470.3

Scope 3: Employee commuting (metric tons CO2e)

13001.687

Scope 3: Upstream leased assets (metric tons CO2e)

0

Scope 3: Downstream transportation and distribution (metric tons CO2e)

173424.87

Scope 3: Processing of sold products (metric tons CO2e)

738978.42

Scope 3: Use of sold products (metric tons CO2e)

1008340.4

Scope 3: End of life treatment of sold products (metric tons CO2e)

0

Scope 3: Downstream leased assets (metric tons CO2e)

0

Scope 3: Franchises (metric tons CO2e)

0

Scope 3: Investments (metric tons CO2e)

2075.09

Scope 3: Other (upstream) (metric tons CO2e)

0

Scope 3: Other (downstream) (metric tons CO2e)

0

Comment

SQM updated the GHG Emissions inventory of scope 3 for 2021 and 2022 reporting. Through an analysis it was determined that of the 15 categories, these 11 applied for SQM: Purchased goods and services, Capital goods, Fuel-and-energy-related activities (not included in Scope 1 or 2), Upstream transportation and distribution, Waste generated in operations, Business travel, Employee commuting, Downstream transportation and distribution, Processing of sold products, Use of sold products and Investments. On the other hand, Upstream leased assets does not apply for us due to our upstream leased assets are either operated by us, and as such scope 1 and 2 emissions are included in our inventory, or fully operated by a third party as a service, and thus included in category 1 - Purchased goods and services. The End of life treatment of sold products category does not apply for us due to the type of products produced as the emissions must be accounted for in categories 10 and 11, respectively. The categories Downstream leased assets and Franchises does not apply to SQM due to the company doesn't have downstream lead assets and do not sell franchises to a third party.

The material categories for 2021's reporting emissions were: Use of sold products, Processing of sold products, Upstream transportation and distribution, Purchased goods and services and Downstream transportation and distribution.

Both the Verification process for scope 3 reported in C10.1 and our 2022 SQM Sustainability report does not include all the categories reported in C6.5 and C6.6. This is mainly because at the moment of ending our Emission's Verification process the updated Scope 3 analysis was not finished. Thus, Scope 3 Capital goods, Fuel and energy-related activities (not included in Scopes 1 or 2), Waste generated in operations, Business travel, Processing of sold products, Use of sold products and Investments have not been verified categories yet.

C6.7

(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?

No

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any

additional intensity metrics that are appropriate to your business operations.

Intensity figure

0.075

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

808375.99

Metric denominator

unit total revenue

Metric denominator: Unit total

10710578

Scope 2 figure used

Market-based

% change from previous year

72.9

Direction of change

Decreased

Reason(s) for change

Change in revenue

Please explain

The decrease in the intensity figure reported is due to an increase of revenues for the reporting year. According to 2022 Annual report (available at https://s25.q4cdn.com/757756353/files/doc_financials/2022/ar/sqm-2022-annual-report.pdf) the total production decreased but there was an increase of 40% in production of Lithium and Derivates regarding to 2021. In addition, the sales of Lithium and Derivates increased from a 33% in 2021 (936.1 MMUS\$) to 75% in 2022 (8,152 MMUS\$) and the average price of Lithium also experienced an increase of 462% regarding to 2021. For all that, despite the reduccion of total production in 2022, we experienced an increase of 770% in revenue of Lithium and Derivates regarding 2021.

Intensity figure

0.045

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

477683.35

Metric denominator

unit total revenue

Metric denominator: Unit total

10710578

Scope 2 figure used

Location-based

% change from previous year

75.5

Direction of change

Decreased

Reason(s) for change

Change in revenue

Please explain

The decrease in the intensity figure reported is due to an increase of revenues for the reporting year. According to 2022 Annual report (available at https://s25.q4cdn.com/757756353/files/doc_financials/2022/ar/sqm-2022-annual-report.pdf) the total production decreased but there was an increase of 40% in production of Lithium and Derivates regarding to 2021. In addition, the sales of Lithium and Derivates increased from a 33% in 2021 (936.1 MMUS\$) to 75% in 2022 (8,152 MMUS\$) and the average price of Lithium also experienced an increase of 462% regarding to 2021. For all that, despite the reduccion of total production in 2022, we experienced an increase of 770% in revenue of Lithium and Derivates regarding 2021.

Intensity figure

0.28

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

477683.35

Metric denominator

metric ton of product

Metric denominator: Unit total

1728973

Scope 2 figure used

Location-based

% change from previous year

18.4

Direction of change

Increased

Reason(s) for change

Change in output

Please explain

The increase of the intensity figure due to multiple factors. Eventhough the total production decrease from 2,231,238 ton in 2021 to 1,728,973 ton in 2022, our Scope 1 and

2 increased from 795,667 tCO₂e in 2021 to 808,376 tCO₂e in 2022. This increase is due to: issues in our facilities for the Natural Gas supply which led us to replace it with fuel oil and diesel oil in our nitrate line, and the potassium chloride and potassium sulfate experienced a decrease in grade resulting in an increase of use of these inputs.

Intensity figure

0.47

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO₂e)

808375.99

Metric denominator

metric ton of product

Metric denominator: Unit total

1728973

Scope 2 figure used

Market-based

% change from previous year

31.1

Direction of change

Increased

Reason(s) for change

Change in output

Please explain

The increase of the intensity figure is due to multiple factors. Eventhough the total production decrease from 2,231,238 ton in 2021 to 1,728,973 ton in 2022, our Scope 1 and 2 increased from 795,667 tCO₂e in 2021 to 808,376 tCO₂e in 2022. This increase is due to: issues in our facilities for the Natural Gas supply which led us to replace it with fuel oil and diesel oil in our nitrate line; the potassium chloride and potassium sulfate experienced a decrease in grade resulting in an increase of use of these inputs; and finally, the emission factor provided from our electricity supplier increased from 0.85 MWh/tCO₂e to 0.86 MWh/tCO₂e for 2022.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?

Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO ₂ e)	GWP Reference
CO ₂	229258.501	IPCC Fifth Assessment Report (AR5 – 100 year)
CH ₄	12.892	IPCC Fifth Assessment Report (AR5 – 100 year)
N ₂ O	2.564	IPCC Fifth Assessment Report (AR5 – 100 year)

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/area/region.

Country/area/region	Scope 1 emissions (metric tons CO ₂ e)
Chile	300298.97

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By facility

C7.3b

(C7.3b) Break down your total gross global Scope 1 emissions by business facility.

Facility	Scope 1 emissions (metric tons CO2e)	Latitude	Longitude
Coya Sur	134535	-22.3	-69.6
Nueva Victoria	61238.57	-20.9	-69.6
Pedro de Valdivia	409.02	-22.5	-69.6
Salar de Atacama	46116.18	-23.5	-68.3
Complejo Químico Carmen	56285.02	-23.6	-70
Puerto Tocopilla	265.75		
Otras	1368.44		

C-CE7.4/C-CH7.4/C-CO7.4/C-EU7.4/C-MM7.4/C-OG7.4/C-ST7.4/C-TO7.4/C-TS7.4

(C-CE7.4/C-CH7.4/C-CO7.4/C-EU7.4/C-MM7.4/C-OG7.4/C-ST7.4/C-TO7.4/C-TS7.4) Break down your organization's total gross global Scope 1 emissions by sector production activity in metric tons CO2e.

	Gross Scope 1 emissions, metric tons CO2e	Net Scope 1 emissions, metric tons CO2e	Comment
Cement production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Chemicals production activities	217374.05	<Not Applicable>	We consider our chemical operation to be the operations in our plants that produce lithium carbonate and hydroxide (Complejo Químico Carmen) in addition to our plants in Coya Sur, mainly where our fertilizer products such as potassium nitrate are produced. Additionally, we consider the rest of our productive tasks based on their management.
Coal production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Electric utility activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Metals and mining production activities	82648.82	<Not Applicable>	We consider our mining activities to be the operations that take place in Nueva Victoria where the resource "Caliche" is extracted, essential raw material for the fertilizers line based on the nitrate of this raw material. On the other hand, our operations in Salar de Atacama where we extract brine with a high content of potassium and lithium as raw material.
Oil and gas production activities (upstream)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (midstream)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (downstream)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Steel production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Transport OEM activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Transport services activities	<Not Applicable>	<Not Applicable>	<Not Applicable>

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/area/region.

Country/area/region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Chile	177384.38	508077.01

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By facility

C7.6b

(C7.6b) Break down your total gross global Scope 2 emissions by business facility.

Facility	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Coya Sur	56117.73	160736.42
Nueva Victoria	40432.37	115809.27
Pedro de Valdivia	7294.64	20893.84
Puerto Tocopilla	633.32	1814
Salar de Atacama	50276.38	144005.2
Complejo Químico Carmen	22383.66	64112.87
Otras	246.28	705.41

C7.7

(C7.7) Is your organization able to break down your emissions data for any of the subsidiaries included in your CDP response?

No

C-CE7.7/C-CH7.7/C-CO7.7/C-MM7.7/C-OG7.7/C-ST7.7/C-TO7.7/C-TS7.7

(C-CE7.7/C-CH7.7/C-CO7.7/C-MM7.7/C-OG7.7/C-ST7.7/C-TO7.7/C-TS7.7) Break down your organization's total gross global Scope 2 emissions by sector production activity in metric tons CO2e.

	Scope 2, location-based, metric tons CO2e	Scope 2, market-based (if applicable), metric tons CO2e	Comment
Cement production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Chemicals production activities	114700.45	328533.24	Chemicals production activities: We consider our chemical operation to be the operations in our plants that produce lithium carbonate and hydroxide (Complejo Químico Carmen) in addition to our plants in Coya Sur, mainly where our fertilizer products such as potassium nitrate are produced. Additionally, we consider the rest of our productive tasks based on their management.
Coal production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Metals and mining production activities	62683.92	179543.78	We consider our mining activities to be the operations that take place in Nueva Victoria where the resource "Caliche" is extracted, essential raw material for the fertilizers line based on the nitrate of this raw material. On the other hand, our operations in Salar de Atacama where we extract brine with a high content of potassium and lithium as raw material.
Oil and gas production activities (upstream)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (midstream)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (downstream)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Steel production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Transport OEM activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Transport services activities	<Not Applicable>	<Not Applicable>	<Not Applicable>

C-CH7.8

(C-CH7.8) Disclose the percentage of your organization's Scope 3, Category 1 emissions by purchased chemical feedstock.

Purchased feedstock	Percentage of Scope 3, Category 1 tCO2e from purchased feedstock	Explain calculation methodology
Soda ash	52.99	The purchased feedstocks reported represents 75.9% of the total emissions estimated in purchased goods and services by SQM. The reported value (%) was calculated with respect to total input emissions considering emissions associated with other inputs and tolling as reported in C6.5. The emission factor associated with Soda ash is 974.2 kgCO2e/ton and was obtained from Genesis Alkali.
Diesel oil	10.22	The purchased feedstocks reported represents 75.9% of the total emissions estimated in purchased goods and services by SQM. The reported value (%) was calculated with respect to total input emissions considering emissions associated with other inputs and tolling as reported in C6.5. The emission factor associated with Diesel oil is 2,695.50 kgCO2e/m3 and was obtained from IPCC 2019 Vol 2: Energy, Stationary Combustion Table 2.3/ GWP AR5.
Ammonia	0.01	The purchased feedstocks reported represents 75.9% of the total emissions estimated in purchased goods and services by SQM. The reported value (%) was calculated with respect to total input emissions considering emissions associated with other inputs and tolling as reported in C6.5. The emission factor associated with Ammonia (kg) is 3,930.72 kgCO2e/ton while for Ammonia (ton) is 2,515.9 kgCO2e/ton and were obtained from Ecoinvent version 3.7.1/ 2020 - Allocation APOS.
Other (please specify) (Quick Lime)	8.45	The purchased feedstocks reported represents 75.9% of the total emissions estimated in purchased goods and services by SQM. The reported value (%) was calculated with respect to total input emissions considering emissions associated with other inputs and tolling as reported in C6.5. The emission factor associated with Quick Lime is 1,189.1 kgCO2e/ton and was obtained from Ecoinvent version 3.7.1/ 2020 - Allocation APOS.
Other (please specify) (Ammonia Nitrate)	3.83	The purchased feedstocks reported represents 75.9% of the total emissions estimated in purchased goods and services by SQM. The reported value (%) was calculated with respect to total input emissions considering emissions associated with other inputs and tolling as reported in C6.5. The emission factor associated with Ammonia Nitrate is 1,540.00 kgCO2e/ton and was obtained from CML 2001 - JAN 2016/ Software GaBi.
Other (please specify) (Kerosenne)	0.4	The purchased feedstocks reported represents 75.9% of the total emissions estimated in purchased goods and services by SQM. The reported value (%) was calculated with respect to total input emissions considering emissions associated with other inputs and tolling as reported in C6.5. The emission factor associated with Kerosenne is 389.47 kgCO2e/m3 and was obtained from Ecoinvent version 3.7.1/ 2020 - Allocation APOS.
Other (please specify) (Sulfonitric Acid)	0	The purchased feedstocks reported represents 75.9% of the total emissions estimated in purchased goods and services by SQM. The reported value (%) was calculated with respect to total input emissions considering emissions associated with other inputs and tolling as reported in C6.5. The emission factor associated with Sulfonitric Acid is 634.5 kgCO2e/ton and was obtained from CML 2001 - JAN 2016/ Software GaBi.

C-CH7.8a

(C-CH7.8a) Disclose sales of products that are greenhouse gases.

	Sales, metric tons	Comment
Carbon dioxide (CO2)	0	This does not apply to SQM,
Methane (CH4)	0	This does not apply to SQM,
Nitrous oxide (N2O)	0	This does not apply to SQM,
Hydrofluorocarbons (HFC)	0	This does not apply to SQM,
Perfluorocarbons (PFC)	0	This does not apply to SQM,
Sulphur hexafluoride (SF6)	0	This does not apply to SQM,
Nitrogen trifluoride (NF3)	0	This does not apply to SQM,

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Increased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change in emissions	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	0	No change	0	Nowadays SQM have not acquired renewable energy sources contract but is working on a change in our energy grid supplier in order to align with our commitment with the reduction of emissions.
Other emissions reduction activities	0	No change	0	SQM is aligned with the Race to Zero initiative and SBTi therefore, we are actively working on our decarbonisation route through different emissions reductions activities, many of them in evaluation phases. With these projects we aim to generate a meaningful change in our numbers in the upcoming reports.
Divestment	0	No change	0	Not applicable.
Acquisitions	0	No change	0	Not applicable.
Mergers	0	No change	0	Not applicable.
Change in output	12709	Increased	1.59	The increase of the emissions due to multiple factors. Eventhough the total production decrease from 2,231,238 ton in 2021 to 1,728,973 ton in 2022, our Scope 1 and 2 increased from 795,667 tCO2e in 2021 to 808,376 tCO2e in 2022. This increase is due to: issues in our facilities for the Natural Gas supply which led us to replace it with fuel oil and diesel oil in our nitrate line; the potassium chloride and potassium sulfate experienced a decrease in grade resulting in an increase of use of these inputs; and finally, the emission factor provided from our electricity supplier increased from 0.85 MWh/tCO2e to 0.86 MWh/tCO2e for 2022.
Change in methodology	0	No change	0	Not applicable.
Change in boundary	0	No change	0	SQM facilities have not experienced any changes in boundaries.
Change in physical operating conditions	0	No change	0	SQM facilities have not experienced any changes in physical operating conditions.
Unidentified	0	No change	0	Not applicable.
Other	0	No change	0	Not applicable.

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Market-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	No

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	LHV (lower heating value)	0	1250836.41	1250836.41
Consumption of purchased or acquired electricity	<Not Applicable>	0	590101.06	590101.06
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Total energy consumption	<Not Applicable>	0	1840937.37	1840937.37

C-CH8.2a

(C-CH8.2a) Report your organization's energy consumption totals (excluding feedstocks) for chemical production activities in MWh.

Consumption of fuel (excluding feedstocks)

Heating value

LHV (lower heating value)

MWh consumed from renewable sources inside chemical sector boundary

0

MWh consumed from non-renewable sources inside chemical sector boundary (excluding recovered waste heat/gases)

923340.34

MWh consumed from waste heat/gases recovered from processes using fuel feedstocks inside chemical sector boundary

0

Total MWh (renewable + non-renewable + MWh from recovered waste heat/gases) consumed inside chemical sector boundary

923340.34

Consumption of purchased or acquired electricity

Heating value

<Not Applicable>

MWh consumed from renewable sources inside chemical sector boundary

0

MWh consumed from non-renewable sources inside chemical sector boundary (excluding recovered waste heat/gases)

590101.06

MWh consumed from waste heat/gases recovered from processes using fuel feedstocks inside chemical sector boundary

0

Total MWh (renewable + non-renewable + MWh from recovered waste heat/gases) consumed inside chemical sector boundary

590101.06

Total energy consumption

Heating value

<Not Applicable>

MWh consumed from renewable sources inside chemical sector boundary

0

MWh consumed from non-renewable sources inside chemical sector boundary (excluding recovered waste heat/gases)

1513441.4

MWh consumed from waste heat/gases recovered from processes using fuel feedstocks inside chemical sector boundary

0

Total MWh (renewable + non-renewable + MWh from recovered waste heat/gases) consumed inside chemical sector boundary

1513441.4

C-MM8.2a

(C-MM8.2a) Report your organization's energy consumption totals (excluding feedstocks) for metals and mining production activities in MWh.

	Heating value	Total MWh
Consumption of fuel (excluding feedstocks)	LHV (lower heating value)	326406.07
Consumption of purchased or acquired electricity	<Not Applicable>	208529.35
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	0
Total energy consumption	<Not Applicable>	534935.43

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	Yes
Consumption of fuel for the generation of heat	Yes
Consumption of fuel for the generation of steam	Yes
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Sustainable biomass

Heating value

Unable to confirm heating value

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

0

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

SQM does not use sustainable biomass.

Other biomass

Heating value

Unable to confirm heating value

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

0

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

SQM does not use sustainable biomass.

Other renewable fuels (e.g. renewable hydrogen)

Heating value

Unable to confirm heating value

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

0

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

SQM does not use other renewable fuels (e.g. renewable hydrogen).

Coal

Heating value

Unable to confirm heating value

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

0

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

SQM does not use coal.

Oil

Heating value

LHV

Total fuel MWh consumed by the organization

508218.13

MWh fuel consumed for self-generation of electricity

80402.52

MWh fuel consumed for self-generation of heat

386338.72

MWh fuel consumed for self-generation of steam

41476.88

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

We consumed diesel oil and fuel oil. The highest consumption of diesel oil occurs in the Mina area of the Nueva Victoria facility, reaching 216,808 MWh for heat generation (mobile sources). This is followed by diesel oil consumption for heat generation in the MOP G III Plant area with 60,890 MWh. The areas of Lithium well, NPT II-IV Plant and MOP S Plant comprise the next largest uses of diesel oil with 22,214 MWh for electricity generation, 15,210 MWh for steam generation and 14,840 MWh for heat generation, respectively. Fuel oil is only consumed in the areas of NPT III Plant for steam generation and in the Prill NV area for heat generation. Energy consumption reached 10,674 MWh and 7,426 MWh, respectively.

Gas

Heating value

LHV

Total fuel MWh consumed by the organization

742618.27

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

215644.91

MWh fuel consumed for self-generation of steam

526973.36

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

We consumed NG and LPG. The highest levels of NG consumption are in the NPT II-IV and NPT III Plants for steam generation, reaching 150,512 MWh and 149,628 MWh, respectively. This is followed by NG consumption at the Lithium Carbonate Plant with 106,004 MWh for steam generation; the Lithium Hydroxide Plant with 90,778 MWh also for steam generation and Prilado with 83,676 MWh for heat generation. LPG is consumed mostly by the Lithium Carbonate Plant, reaching 30,049 MWh for steam generation, and the MOP G III Plant, which used 11,907 MWh of LPG to generate heat.

Other non-renewable fuels (e.g. non-renewable hydrogen)

Heating value

Unable to confirm heating value

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

0

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

Not applicable.

Total fuel

Heating value

LHV

Total fuel MWh consumed by the organization

1250836.4

MWh fuel consumed for self-generation of electricity

80402.52

MWh fuel consumed for self-generation of heat

601983.63

MWh fuel consumed for self-generation of steam

568450.25

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

For the three categories selected, the largest amount of fuel consumed for Electricity generation was 22,214 MWh in Lithium well. In the case of heat generation, the majority of consumption was in Mine Nueva Victoria with 216,808 MWh. And last, for steam generation, the NPT II-IV consumed 150,512 MWh.

C8.2e

(C8.2e) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero or near-zero emission factor in the market-based Scope 2 figure reported in C6.3.

Country/area of low-carbon energy consumption

Chile

Sourcing method

None (no active purchases of low-carbon electricity, heat, steam or cooling)

Energy carrier

<Not Applicable>

Low-carbon technology type

<Not Applicable>

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

<Not Applicable>

Tracking instrument used

<Not Applicable>

Country/area of origin (generation) of the low-carbon energy or energy attribute

<Not Applicable>

Are you able to report the commissioning or re-powering year of the energy generation facility?

<Not Applicable>

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

<Not Applicable>

Comment

In our case, we do not have a green emission certificate, the company that delivers the electrical energy to us annually sends the information on the energy delivered based on consumption. Currently, we do not have contracts with suppliers of electricity from renewable sources; however, we are working on strategies that will allow us to reduce our emissions and consequently the environmental impact of our company. To this end, as stated in our 2022 Sustainability Report, as a company we are aligned with the Race to Zero challenge and are currently implementing the Energy Management System (EMS/ISO 50001) in our operations in order to improve energy performance at each site.

Also, we are working on the change of our electricity supplier from fossil fuel to renewable energy as SQM currently has a contracted capacity of 110 MW and according to our projections, the energy requirement will be exceeded by 2024. Therefore, SQM has contracted 30 MW of power from renewable sources and we aim to acquire more in the coming years.

C8.2g

(C8.2g) Provide a breakdown by country/area of your non-fuel energy consumption in the reporting year.

Country/area

Chile

Consumption of purchased electricity (MWh)

590101.06

Consumption of self-generated electricity (MWh)

0

Is this electricity consumption excluded from your RE100 commitment?

<Not Applicable>

Consumption of purchased heat, steam, and cooling (MWh)

0

Consumption of self-generated heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

590101.06

C-CH8.3

(C-CH8.3) Does your organization consume fuels as feedstocks for chemical production activities?

Yes

C-CH8.3a

(C-CH8.3a) Disclose details on your organization's consumption of fuels as feedstocks for chemical production activities.

Fuels used as feedstocks

Other, please specify (Kerosene)

Total consumption

5979.53

Total consumption unit

cubic metres

Inherent carbon dioxide emission factor of feedstock, metric tons CO2 per consumption unit

389.47

Heating value of feedstock, MWh per consumption unit

12

Heating value

LHV

Comment

Kerosene is used as an organic solvent to remove iodine from brine extracted in the leaching process of our NV facility. Kerosene emission factor is up to 389.47 kgCO2/m3 obtained from Ecoinvent 3.7.1.

C-CH8.3b

(C-CH8.3b) State the percentage, by mass, of primary resource from which your chemical feedstocks derive.

	Percentage of total chemical feedstock (%)
Oil	100
Natural Gas	0
Coal	0
Biomass	0
Waste (non-biomass)	0
Fossil fuel (where coal, gas, oil cannot be distinguished)	0
Unknown source or unable to disaggregate	0

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

Description

Energy usage

Metric value

24.01

Metric numerator

MWh

Metric denominator (intensity metric only)

Total ton LiCl solution produced

% change from previous year

40.7

Direction of change

Decreased

Please explain

The Salar de Atacama facility extracts brine from underground in the core of the salar flat. The brine is fed to solar evaporation ponds for brine concentration, precipitation of potassium salts and production of lithium chloride solution. The production of LiCl is the main purpose of the Salar de Atacama facility for subsequent conversion into lithium carbonate and lithium hydroxide at the chemical plant.

SQM estimates the solar energy used in the concentration process through evaporation rates (mm/day), recorded at the different weather stations, by the mirror area of the solar concentration ponds (m2) and the brine chemistry at the different concentration stages for the estimation of the specific heat.

In 2021, about 432 thousand tonnes of LiCl (4% - 6% w/w) were produced, while by 2022, the production increased to 729 thousand tonnes, i.e. an increase of 68.6%.

The estimated solar energy for the year 2021 was 17.5 million MWh with a specific use of 40.49 MWh per tonne of LiCl, while for the year 2022, an energy use of 16.8 million MWh was estimated, with a specific use of 24.01 MWh per tonne of LiCl.

C-CH9.3a

(C-CH9.3a) Provide details on your organization's chemical products.

Output product

Specialty chemicals

Production (metric tons)

136452

Capacity (metric tons)

100000

Direct emissions intensity (metric tons CO2e per metric ton of product)

0.3

Electricity intensity (MWh per metric ton of product)

0.5

Steam intensity (MWh per metric ton of product)

0

Steam/ heat recovered (MWh per metric ton of product)

0

Comment

SQM estimates the direct Carbon/Energy Footprint of its products considering the guidelines of ISO 14040:2006 and ISO 14044:2006, with a cradle-to-gate approach. The facilities involved in the manufacturing process of lithium carbonate and hydroxide are the El Carmen Chemical Plant and Salar de Atacama, and fuel and electricity consumption are distributed by mass allocation, as appropriate.

Lithium Carbonate emissions intensity decreased by 14% compared to 2021, and electricity intensity also decreased by 6%. However, Lithium Carbonate production increased from 95,887.70 tons in 2021 to 136,452 tons in 2022, also increasing fuel and energy consumption proportionally. Direct emissions associated with fuel consumption for lithium carbonate production increased from 33,501.37 tCO₂e in 2021 to 40,962.91 tCO₂e in 2022, while electricity consumption for production increased from 51,220.17 MWh in 2021 to 68,505.28 MWh in 2022.

For the production of lithium carbonate, energy consumption (fuels and electricity) was distributed mainly in the use of natural gas, with 39.25%, followed by electricity with 28.25% and finally diesel with 21.27%.

Despite having experienced increases in production and consumption of fuel and energy, emissions and electricity intensity decreased, which represents a more efficient use of fuel and energy in the production of lithium carbonate.

Output product

Specialty chemicals

Production (metric tons)

15850

Capacity (metric tons)

12000

Direct emissions intensity (metric tons CO2e per metric ton of product)

1.65

Electricity intensity (MWh per metric ton of product)

1.49

Steam intensity (MWh per metric ton of product)

0

Steam/ heat recovered (MWh per metric ton of product)

0

Comment

SQM estimates the direct Carbon/Energy Footprint of its products considering the guidelines of ISO 14040:2006 and ISO 14044:2006, with a cradle-to-gate approach. The facilities involved in the manufacturing process of lithium carbonate and hydroxide are the El Carmen Chemical Plant and Salar de Atacama, and fuel and electricity consumption are distributed by mass allocation, as appropriate.

Lithium hydroxide emissions intensity decreased by 20% compared to 2021, and electricity intensity also decreased by 23%. However, lithium hydroxide production increased from 11,325.65 tons in 2021 to 15,850 tons in 2022, also increasing fuel and energy consumption proportionally. Direct emissions associated with fuel consumption for Lithium Hydroxide production increased from 23,619.42 tCO₂e in 2021 to 26,151.22 tCO₂e in 2022, while energy consumption for production increased from 22,145.55 MWh in 2021 to 23,658.84 MWh in 2022.

On the other hand, for Lithium Hydroxide, energy consumption (fuels and electricity) was distributed mainly in the use of Natural Gas, with 74.73%, followed by electricity with 17.40% and finally Diesel with 5.41%.

Despite having experienced increases in fuel and energy production and consumption, emissions and electricity intensity decreased, which represents a more efficient use of fuel and energy in the production of lithium hydroxide.

Output product

Specialty chemicals

Production (metric tons)

12357.43

Capacity (metric tons)

17800

Direct emissions intensity (metric tons CO2e per metric ton of product)

3.95

Electricity intensity (MWh per metric ton of product)

10.63

Steam intensity (MWh per metric ton of product)

0

Steam/ heat recovered (MWh per metric ton of product)

0

Comment

The emissions intensity of Prill Iodine experienced a large increase of 1445% over 2021, while the electricity intensity experienced an increase of 230%. In addition, Prill Iodine production also increased from 10,752.36 tons in 2021 to 12,357.43 tons in 2022, also increasing, proportionally, the fuel and energy consumptions in the product manufacturing process. Fuel utilization for Prill Iodine production increased from 2,745.76 in 2021 to 48,779.81 in 2022 while energy consumption for production increased from 34,596.88 MWh in 2021 to 131,436.3 MWh in 2022.

The increase in fuel and power consumption intensity values reflected in 2022 is due to the change in the calculation methodology for the distribution of consumption and emissions associated with Prill Iodine. The calculation methodology reported in 2021 modeled a mass allocation of Iodine/Nitrates. This distribution corresponded to 1.28% for iodine products in Nueva Victoria facility (Heap leaching and operation/mine processes) and 1.03% for iodine production in Pedro de Valdivia facility (Heap leaching process only), with the change of methodology for reporting this period, the distribution is made by Price Allocation, modifying the distribution value to 73% proportion for iodine products in the operations of both facilities. The change of this distribution criterion is due to the fact that the purpose of the mining operation is the extraction of the iodate present in the Caliche ore, not the extraction of nitrate for fertilizer production. It should be noted that this methodology considers an update of the model if there is a different cost distribution for future products.

If we generate the calculation for the 2021 values with the 2022 methodology, the fuel consumption intensity takes on a value of 3.94 tCO₂e/t, while the electricity intensity takes on a value of 11.37 MWh/t. This would reflect that fuel consumption intensity remained constant, while electricity intensity would decrease by 6.5%. The above is due to an improvement in the iodine extraction performance in the leaching heaps.

For the Prill Iodine, energy consumption (fuel and electricity) was distributed mainly in the use of diesel, with 57.12%, followed by electricity with 40.59% and finally fuel oil with 2.29%. No consumption of Liquefied Gas or Natural Gas was recorded for this product.

Output product

Specialty chemicals

Production (metric tons)

627031

Capacity (metric tons)

2925000

Direct emissions intensity (metric tons CO₂e per metric ton of product)

0.04

Electricity intensity (MWh per metric ton of product)

0.12

Steam intensity (MWh per metric ton of product)

0

Steam/ heat recovered (MWh per metric ton of product)

0

Comment

SQM estimates the direct Carbon/Energy Footprint of its products considering the guidelines of ISO 14040:2006 and ISO 14044:2006, with a cradle-to-gate approach. The facility involved in the Muriate Of Potash manufacturing process is Salar de Atacama, and fuel and electricity consumption are distributed by mass allocation as appropriate. Both the emissions intensity and electricity intensity of the Muriate of Potash increased by 20% and 1.6% compared to 2021, respectively. This increase is mainly explained by a higher consumption of diesel in the processes, over the consumption of liquefied gas. Contrary to the products presented above, MOP production decreased from 757,574.51 tons in 2021 to 627,031 tons in 2022.

Direct emissions associated with fuel consumption for Muriate Of Potash production decreased from 29,587.32 tCO₂e in 2021 to 27,172.65 tCO₂e in 2022 while energy consumption for production went from 95,215.52 MWh in 2021 to 80,091.81 MWh in 2022.

For this product, energy consumption (fuels and electricity) was distributed mainly in the use of diesel, with 51.24%, followed by electricity with 42.31% and finally liquefied gas with 6.45%.

C-MM9.3a

(C-MM9.3a) Provide details on the commodities relevant to the mining production activities of your organization.

Output product

Other mining (Please specify) (Caliche Ore)

Capacity, metric tons

46000000

Production, metric tons

44324473

Production, copper-equivalent units (metric tons)

<Not Applicable>

Scope 1 emissions

58541.83

Scope 2 emissions

93671.96

Scope 2 emissions approach

Market-based

Pricing methodology for copper-equivalent figure

<Not Applicable>

Comment

The Caliche ore is extracted from our Nueva Victoria facility and its one of our main raw material. It is used for producing Nitrate and Iodine products.

Output product

Other mining (Please specify) (BRINE)

Capacity, metric tons

47553299.89

Production, metric tons

46286461.76

Production, copper-equivalent units (metric tons)

<Not Applicable>

Scope 1 emissions

22110.11

Scope 2 emissions

55374.85

Scope 2 emissions approach

Market-based

Pricing methodology for copper-equivalent figure

<Not Applicable>

Comment

The Brine extraction occurs in our Salar de Atacama facility and it's one of our main raw material. It is used for production of Muriate and Sulfate of Potash.

C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6

(C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6) Does your organization invest in research and development (R&D) of low-carbon products or services related to your sector activities?

	Investment in low-carbon R&D	Comment
Row 1	Yes	<p>The innovation management system is designed to organize efforts to develop skills and abilities that allow us to find solutions that add value and have an impact over time, based on four sub-systems.</p> <p>The system considers:</p> <ul style="list-style-type: none"> Corporate Leadership: Directing and mobilizing innovation initiatives inside of the company through decisions regarding strategic, tactical and operational areas. Capacity Building: Democratizing innovation capacities at all levels of the company by creating and making available tools and communicating results. Portfolio Management: Structuring innovation processes for the adequate management of the project portfolio and identification of internal and external opportunities. Ecosystem Strengthening: Amplifying the effect of the various innovation initiatives on the company and brand image through activities, events, projects and processes. <p>In 2021, we identified 1,222 SQM projects and ruled out most of them, keeping 42 projects to observe. The goal is to engage in a controlled exercise during the first stage. We created a preliminary portfolio with 16 innovation projects that were part of two different vice presidencies between IA solutions, and sustainability solutions among others.</p>

C-CH9.6a

(C-CH9.6a) Provide details of your organization's investments in low-carbon R&D for chemical production activities over the last three years.

Technology area

Other, please specify (Lithium and Water Recovery from Brine)

Stage of development in the reporting year

Pilot demonstration

Average % of total R&D investment over the last 3 years

2.77

R&D investment figure in the reporting year (unit currency as selected in C0.4) (optional)

17000

Average % of total R&D investment planned over the next 5 years

2.77

Explain how your R&D investment in this technology area is aligned with your climate commitments and/or climate transition plan

The project aims to increase the yield of lithium production. An additional production of 1190 ton/year of Lithium Carbonate is estimated along with a recovery of 145000 m³/year of ultra pure water from the brines. This water recovery is equivalent to 5% of the current fresh water extraction at the Salar de Atacama facility. Increasing the efficiency of the process will allow us to reduce emissions from production, as it will reduce water and energy consumption by allowing the recovery of lithium. In turn, the recovery of ultrapure water will help our water management to be effective, reducing the impact on both communities and the resource. During 2021, 2 pilots of this technology were conducted with SQM brine at the supplier's facilities (Netherlands), where it was validated that lithium and water recovery is generated in the expected proportions.

The average % of total R&D investment is obtained from the sum of all technological investment projects, and we plan to keep the % over the next 5 years as the minimum investment.

C-MM9.6a

(C-MM9.6a) Provide details of your organization's investments in low-carbon R&D for metals and mining production activities over the last three years.

Technology area

Other, please specify (Sea water impulsion)

Stage of development in the reporting year

Applied research and development

Average % of total R&D investment over the last 3 years

14.46

R&D investment figure in the reporting year (unit currency as selected in C0.4) (optional)

88500

Average % of total R&D investment planned over the next 5 years

14.46

Explain how your R&D investment in this technology area is aligned with your climate commitments and/or climate transition plan

The objective of the project is to build a seawater collection and impulsion system of 400 l/s that will be used to irrigate the leaching heaps, in the processes of the Iodide Plant and the Evaporation Ponds. The project will operate in two stages, phase I will have 200 l/s of seawater pumped in the first quarter of 2024 while phase II will pump 400 l/s by the end of 2026. This project will allow SQM to be more efficient and sustainable in the use of water resources in our operations, addressing our sustainable commitments to the environment and adjacent communities. In this way, by having a more sustainable and energy-saving technological alternative in our processes, our mining operations seek to reduce the pressure on water resources in the area.

The average % of total R&D investment is obtained from the sum of all technological investment projects, and we plan to keep the % over the next 5 years as the minimum investment.

Technology area

Other, please specify (Brine Filtration)

Stage of development in the reporting year

Large scale commercial deployment

Average % of total R&D investment over the last 3 years

26.64

R&D investment figure in the reporting year (unit currency as selected in C0.4) (optional)

163000

Average % of total R&D investment planned over the next 5 years

26.64

Explain how your R&D investment in this technology area is aligned with your climate commitments and/or climate transition plan

The project aims to improve the lithium yield in the well system through the filtration of fresh brine to remove impurities through nanofiltration. This nanofiltration process is widely used in Europe, and in Africa it has enabled the reuse of water in arid or semi-arid countries. This process will mainly allow obtaining a purer brine that will allow producing better quality lithium, which will consequently generate a decrease in the use of resources in production. In addition, this project generates a water recovery of up to 98%, which is of high quality and can be reused or discharged. This project will allow us to use resources more efficiently in our production processes and, at the same time, recover water. In this way, our sustainability commitments to the environment and the surrounding communities will be strengthened, given that the pressure on the water resource and its possible contamination will be reduced.

The average % of total R&D investment is obtained from the sum of all technological investment projects, and we plan to keep the % over the next 5 years as the minimum investment.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

DEF 2023 INFO Soc Quimica y Minera de Chile SA AT Huella de carbono MB Inglés.pdf

Page/ section reference

Page 4.

Relevant standard

ISAE 3410

Proportion of reported emissions verified (%)

100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach

Scope 2 location-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

DEF 2023 INFO Soc Quimica y Minera de Chile SA Huella carbono LB Adv22 Inglés.pdf

Page/ section reference

Page 4.

Relevant standard

ISAE 3410

Proportion of reported emissions verified (%)

100

Scope 2 approach

Scope 2 market-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

DEF 2023 INFO Soc Quimica y Minera de Chile SA AT Huella de carbono MB Inglés.pdf

Page/ section reference

Page 4.

Relevant standard

ISAE 3410

Proportion of reported emissions verified (%)

100

C10.1c

(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope 3 category

Scope 3: Purchased goods and services

Scope 3: Upstream transportation and distribution

Scope 3: Employee commuting

Scope 3: Downstream transportation and distribution

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Underway but not complete for current reporting year – first year it has taken place

Type of verification or assurance

Limited assurance

Attach the statement

DEF 2023 INFO Soc Quimica y Minera de Chile SA AT Huella de carbono MB Inglés.pdf

Page/section reference

Page 4. This verification process of Scope 3 includes 4 categories: Purchased goods and services, Upstream transportation, Downstream transportation and Employee commuting. The other categories (included in the Scope 3 inventory update and reported in C6) were not included in this verification process.

Relevant standard

ISAE 3410

Proportion of reported emissions verified (%)

19.2

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

Yes

C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C9. Additional metrics	Other, please specify (Life Cycle Assessment)	ISO 14040:2006 and ISO 14044:2006.	SQM conducted an LCA for Lithium, in order to estimate the environmental impact generated by the production of Lithium Carbonate and Lithium Hydroxide Monohydrate. The preparation of this LCA used data corresponding to the year 2021 and its main objective was to know the environmental impact of these products and thus find alternatives to reduce the impact, as well as to communicate this information to our stakeholders. The Critical Review of the Life Cycle Assessment of Lithium Carbonate and Lithium Hydroxide Monohydrate production is available at pages 49-50. SQM_Stakeholder_Presentation (Oeko Institute critical review)_FINAL.pdf
C9. Additional metrics	Other, please specify (Life Cycle Assessment)	ISO 14040:2006 and ISO 14044:2006.	SQM conducted a Cradle-to-Gate LCA for iodine in order to estimate the environmental impact generated by its production. The development of this LCA used data from 2019 and 2020 and its main objective was to quantify the amount of emissions associated with iodine production and to provide the first LCA using primary industry data for iodine production from caliche ore in Chile. The completion of this LCA allows us to deliver essential business information to our stakeholders. The LCA is part of a scientific paper of the Technische Universitaet Berlin, so its verification corresponds to the scientific validation necessary for it to be published. s11367-023-02200-x.pdf
C9. Additional metrics	Product footprint verification	Guidelines for National Greenhouse Gas Inventories (2006), the GHG Protocol and the ISO 14064 Greenhouse Gases Standard, in all material respects, under ISAE3410.	SQM has verified the Carbon Footprint of Iodine, Lithium Carbonate, Lithium Hydroxide, MOP, SOP Prilled and Dried Potassium Nitrate and Prilled and Dried Sodium Nitrate. The main objective of the elaboration of product footprints is to know their environmental impact in order to find reduction alternatives, as well as to communicate this information to our stakeholders. DEF 2023 INFO Soc Quimica y Minera de Chile SA Adv22 Ates Huella CO2 Inglés FIRMADO.pdf
C8. Energy	Energy consumption	Global Reporting Initiative	The Sustainability Report contains the company's estimated energy indicators as part of our sustainability commitments and objectives. A verification by Deloitte was performed and is presented on page 298 of the report. SQM-Reporte-2022-ing-vf.pdf

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

Yes

C11.1a

(C11.1a) Select the carbon pricing regulation(s) which impacts your operations.

Chile carbon tax

C11.1c

(C11.1c) Complete the following table for each of the tax systems you are regulated by.

Chile carbon tax

Period start date

January 1 2022

Period end date

December 31 2022

% of total Scope 1 emissions covered by tax

23.8

Total cost of tax paid

300298.98

Comment

The current Chilean law and its Green taxes system, only tax emissions from fixed sources like boilers and turbines that sum above 50 thermal MW of power. The only SQM facility under the current scheme is the Coya Sur facility. The other SQM facilities are not taxed (Salar de Atacama, Complejo Químico Carmen, Pedro de Valdivia and Nueva Victoria) and emissions from mobile sources and other thermal equipment like dryers are taxed neither.
The total cost paid for the Scope 1 emissions was 300,298.98 US\$.

C11.1d

(C11.1d) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?

Considering the continuous new regulations on ESG that aim to disclose better information on a mandatory basis, strengthen instruments such as increases to the carbon tax and particulate matter along with better preparation for natural events related to climate change, our sustainability strategy is continually addressing these issues and advances are presented that imply a better response to when any of these issues materialize with what we would achieve to be more resilient as a company. For this, potential changes such as emerging regulatory risks described in the transition risks section are analyzed and the effectiveness of mitigation initiatives and the complete sustainable development plan is evaluated through the sustainability management department.

C11.2

(C11.2) Has your organization canceled any project-based carbon credits within the reporting year?

No

C11.3

(C11.3) Does your organization use an internal price on carbon?

Yes

C11.3a

(C11.3a) Provide details of how your organization uses an internal price on carbon.

Type of internal carbon price

Internal fee

How the price is determined

Alignment with the price of allowances under an Emissions Trading Scheme

Alignment with the price of a carbon tax

The price was determined considering the analysis of emission reduction alternatives through a marginal abatement curve where the cost per unit abated for our operations was determined to be close to US\$10-15/ton. In addition, this also considered the current green tax system and its future change of criteria from a technological one -boilers and turbines- to an emissions one, with a cut-off threshold of 25 kCO₂e. Other international regulations have also been integrated into the price, such as the European Union's Carbon Border Adjustment Mechanism (CBAM), which will tax the importation of various goods produced outside the European Union, including fertilizers. This involves analyzing the potential affected emissions projected for each SQM operation plus the company's sustainability objectives.

Objective(s) for implementing this internal carbon price

Change internal behavior

Drive low-carbon investment

Identify and seize low-carbon opportunities

Navigate GHG regulations

The internal price on emissions is used as a criterion in the evaluation of the different types of projects to be executed in the calendar year, in order to promote and strengthen alternatives that are more sustainable, i.e., that have a lower impact on emissions, and that eventually are more costly without the inclusion of this internal tax.

Scope(s) covered

Scope 1

Scope 2

Pricing approach used – spatial variance

Uniform

Pricing approach used – temporal variance

Static

Indicate how you expect the price to change over time

<Not Applicable>

Actual price(s) used – minimum (currency as specified in C0.4 per metric ton CO₂e)

15

Actual price(s) used – maximum (currency as specified in C0.4 per metric ton CO₂e)

15

Business decision-making processes this internal carbon price is applied to

Capital expenditure

Operations

Mandatory enforcement of this internal carbon price within these business decision-making processes

Yes, for all decision-making processes

Explain how this internal carbon price has contributed to the implementation of your organization's climate commitments and/or climate transition plan

SQM has set an internal price for carbon dioxide emissions at US\$15 for each ton of carbon dioxide emitted. The price was determined considering the analysis of emission reduction alternatives through a marginal abatement curve where the cost per unit abated for our operations was determined to be close to US\$10-15/ ton. In addition, this also considered the current green tax system (SIV in Spanish) and its future change of criteria from a technological one -boilers and turbines- to an emissions one, with a cut-off threshold of 25 kCO₂e.

Other international regulations have also been integrated into the price, such as the European Union's Carbon Border Adjustment Mechanism (CBAM), which will tax the importation of various goods produced outside the European Union, including fertilizers. This involves analyzing the potential affected emissions projected for each SQM operation plus the company's sustainability objectives.

The internal price on emissions is used as a criterion in the evaluation of the different types of projects to be executed in the calendar year, in order to promote and strengthen alternatives that are more sustainable, i.e., that have a lower impact on emissions, and that eventually are more costly without the inclusion of this internal tax. Further information in our sustainability report 2022

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers

Yes, our customers/clients

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement

Information collection (understanding supplier behavior)

Details of engagement

Collect GHG emissions data at least annually from suppliers

Collect targets information at least annually from suppliers

% of suppliers by number

0.3

% total procurement spend (direct and indirect)

10

% of supplier-related Scope 3 emissions as reported in C6.5

11

Rationale for the coverage of your engagement

SQM launched the supplier portal to evaluate the performance of its critical suppliers on environmental, social and governance issues. It is a priority for SQM to evaluate its suppliers and to have the best information available to initiate or maintain business relationships with all those who sell inputs or provide services to SQM. Existing strategic suppliers are invited to complete the self-assessment on a voluntary basis and it is mandatory for all new suppliers who wish to start a business relationship with SQM.

We expect all suppliers with whom we engage to comply with applicable laws and regulations and to share our sustainability commitments in their own businesses. We urge all suppliers that provide services to SQM, including for inputs, services, consultancies, and intermediaries, among others, to:

- Respect the human rights of their workers
- Care for the environment
- Protect health and safety
- Prioritize ethics and integrity in their businesses
- Promote fair treatment of their own employees

To this end, in concrete terms, we seek to ensure at least that they:

- Enforce compliance with our Code of Ethics.
- Know and understand our policies
- Conduct a sustainability self-assessment on an annual basis.
- Commit to provide further information if requested and/or participate in additional validation.
- Apply corrective actions if necessary.

The self-assessment consists of categories ranging from Category A (maximum score) to Category F. All suppliers who score A or B are eligible to start a business relationship with SQM. For those suppliers with a C or lower grade, an action plan will be initiated to remedy those points that SQM considers key. There are certain critical questions that, regardless of the final evaluation, must be met in order to start a business relationship with SQM.

From the information requested, questions such as the following stand out:

Do you have an environmental management system (EMS) aligned with ISO 14001 or another standard?

Do you measure and monitor any environmental performance indicators related to your business?

Air quality and GHG emissions

Energy consumption

Waste generation, disposal and recycling

Do you have specific short, medium or long-term environmental targets?

Impact of engagement, including measures of success

From the evaluation carried out in 2022, the year the supplier portal was launched, all the strategic suppliers evaluated obtained an A and B rating. This is mainly because the suppliers considered strategic suppliers are larger companies that have integrated sustainability issues such as policies, actions and measurements. Smaller suppliers, which are being evaluated during 2023, are expected to have C or lower grades, for which an action plan will be developed to improve their performance and, above all, those that are local suppliers or close to the area of operation of an SQM facility.

The results show that the global average corresponds to a score of 83.7%, with the highest category corresponding to business ethics, while the lowest was the environment and corporate social responsibility, in which 14 of the 18 suppliers were rated A, while 4 were rated B. This gives us a baseline to continue advancing in sustainability by working directly with our suppliers to further align our criteria as established in the program.

This was verified under GRI standards 407-1, 408-1 and 409-1 of our 2022 sustainability report.

Comment

In 2022, SQM had a commercial relationship with close to 6,000 suppliers, of which 18 were invited (0.3% of all suppliers) to respond to the responsible sourcing self-assessment launched in 2022. The invited suppliers provide essential inputs for SQM's operational continuity, such as soda ash, ammonium nitrate, quicklime, and sulphuric acid, among others. Of the total purchases made in 2022, SQM spent around 2,389 million dollars, of which 236 million (10% of the total) correspond to purchases made from the suppliers evaluated.

In terms of emissions, the suppliers consulted correspond to 11.0% of the total of scope 3 (all categories) and correspond to 66.2% of the total emissions of category 1 of scope 3 "goods and services purchased". In other words, the evaluated suppliers contribute 387,000 tonnes of CO₂e out of a total of 3.5 million tonnes. Given SQM's growth between 2021 and 2022, the contribution of these suppliers to the total inventory will increase by 25.5%, from 8.8% in 2021 to 11.0% in 2022.

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement & Details of engagement

Education/information sharing	Share information about your products and relevant certification schemes (i.e. Energy STAR)
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% of customers by number

13.8

% of customer - related Scope 3 emissions as reported in C6.5

9.5

Please explain the rationale for selecting this group of customers and scope of engagement

During 2022, SQM received requests for information from 37 customers in the lithium products business line (out of a total of 269), especially producers of lithium batteries for electric vehicles, producers of battery cathodes and, to a lesser extent, producers of greases and lubricants and ceramic and glass products.

In line with its sustainability, ethics and human rights policy and its responsible sourcing policy, SQM has provided specific information on its environmental, social and governance performance to all those who request it, as an exercise in transparency in these areas. SQM has also verified the product footprints and impact of its lithium products with independent third parties to provide quality, independent information on the carbon and water footprints of its lithium carbonate and lithium hydroxide products. SQM, with these actions, hopes to build relationships of trust, as well as a fluid exchange of information on the impacts of the entire value chain of lithium products.

Along these lines, in 2023 SQM expects to collect primary information from its customers to improve the estimates of emissions in category 10 of Scope 3, "Processing of products sold", to improve the accuracy of the estimates and generate commitments with its customers in the areas of climate change and water security. During 2022, SQM has made an effort on these points by assessing its suppliers and, in the next steps, will start assessing our customers.

Impact of engagement, including measures of success

SQM exchanged information with 37 customers in the lithium business line, which is equivalent to 13.8% of the total number of lithium customers (269). The clients that consulted information is equivalent to 30.5% of the total tonnes of lithium carbonate and lithium hydroxide sold in 2022. In terms of emissions, SQM estimated emissions for lithium products in category 10, processing products sold, for a total of 1.09 million tonnes of CO₂e, of this total, customers who consulted information on SQM's performance equate to 333,490 tonnes of CO₂e, i.e. 9.5% of total scope 3 emissions.

C12.2

(C12.2) Do your suppliers have to meet climate-related requirements as part of your organization's purchasing process?

No, but we plan to introduce climate-related requirements within the next two years

C12.3

(C12.3) Does your organization engage in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate?

Row 1

External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

Yes, our membership of/engagement with trade associations could influence policy, law, or regulation that may impact the climate

Does your organization have a public commitment or position statement to conduct your engagement activities in line with the goals of the Paris Agreement?

Yes

Attach commitment or position statement(s)

We joined this program, which focuses on science-based target setting (SBTi), in 2021. The initiative's campaign is "Business Ambition for 1.5°C." We are committed to reducing emissions in all of our activities in accordance with the Paris Accords through transparent action plans and solid short-term goals. Race to Zero is a global UN-led movement that brings together non-governmental stakeholders throughout the global economy to take immediate steps to reduce global emissions by half by 2030 and offer a more just and healthy carbon-free world. In order to participate in Race to Zero, SQM will have to meet four requirements: 1. Commit: We must commit to reaching net zero as soon as possible and establish a transitory objective of a 50% reduction by 2030 (Scopes 1 and 2); 2. Develop: Within 24 months of joining, we must explain which measures we will take to achieve the provisional commitments and longer-term goals. 3. Submit: We must take immediate, meaningful measures aligning with the goals set. 4. Disclose: SQM will report on its progress annually by publishing our goals publicly.

Additional information in our sustainability report 2022, page 153.

SQM-Reporte-2022-ing-vf.pdf

Describe the process(es) your organization has in place to ensure that your external engagement activities are consistent with your climate commitments and/or climate transition plan

In 2020, the company announced an ambitious Sustainable Development Plan, which establishes specific measurable goals that seek to make SQM a leader in sustainability worldwide. The main goals proposed are i) A 65% reduction in the use of fresh water by the year 2040 and 40% by 2030, with respect to BAU (business as usual). ii) A 50% reduction in brine extraction from the Salar de Atacama by 2030, starting with 20% by November 2020, compared to the environmental permit. iii) Ensure that all our products are carbon neutral by 2040 and in the case of lithium, iodine and potassium chloride, this goal is for 2030. iv) Stimulate more and better instances for dialogue with the communities near the operations. In line with this, we have established a political commitment in our new sustainability, ethics and human rights policy where one of the approaches is climate change where we declare that we are deeply aware that our products are used in industries that play a vital role in human development and wellbeing. We have therefore set extremely ambitious goals in terms of greenhouse gas (GHG) emissions reduction, covering scope 1 and 2 emissions, and incorporating some categories for scope 3 emissions.

These goals are reflected in our Sustainability Plan. Thus, our climate change approach lines of work are:

4.B.i Mitigation through quantification of GHG emissions according to international methodologies and periodically verified, in search of internal management in each of our facilities to meet the reduction goals specified in our sustainability strategy. Our procedure includes the identification, evaluation and implementation of opportunities to reduce our energy consumption and GHG emissions and their periodic review.

4.B.ii Adaptation of our operations and production and logistics processes in accordance with the specific needs and risks of each project, incorporating climate change amongst the factors for periodic risk assessment, in order to identify, evaluate, and successfully manage possible impacts of the growing effects of climate change. Thus, as an integral part of SQM's strategy, the reduction goals will support better business performance through cost reductions and will be consistent with the value pillar of sustainability, energy management and Emissions of greenhouse gases.

Primary reason for not engaging in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

<Not Applicable>

Explain why your organization does not engage in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

<Not Applicable>

C12.3b

(C12.3b) Provide details of the trade associations your organization is a member of, or engages with, which are likely to take a position on any policy, law or regulation that may impact the climate.

Trade association

Other, please specify (SONAMI (National Mining Society of Chile))

Is your organization's position on climate change policy consistent with theirs?

Consistent

Has your organization attempted to influence their position in the reporting year?

Yes, we publicly promoted their current position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position

SONAMI (National Mining Society Chile): SONAMI's main objectives include promoting the development of private mining to align Chile's objectives in the long-term climate strategy with the reality of the industry and be the benchmark for private mining activity in Chile.

Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)

0

Describe the aim of your organization's funding

<Not Applicable>

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Trade association

Other, please specify (Global Battery Alliance)

Is your organization's position on climate change policy consistent with theirs?

Consistent

Has your organization attempted to influence their position in the reporting year?

Yes, we publicly promoted their current position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position

We joined the Global Battery Alliance (GBA) to work for a sustainable battery supply chain by making a public, transparent commitment to the alliance's principles. The

organizations that signed this agreement include representatives of the mining, chemicals, battery, automotive and energy industries and several other international organizations; SQM is the only company that produces lithium carbonate and lithium hydroxide.

Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)

50000

Describe the aim of your organization's funding

Payment related to the membership as a member of the Global Battery Alliance.

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Trade association

Other, please specify (Race to Zero)

Is your organization's position on climate change policy consistent with theirs?

Consistent

Has your organization attempted to influence their position in the reporting year?

Yes, we publicly promoted their current position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position

Race to Zero is a global campaign supported by the UN that brings together non-governmental stakeholders in the global economy to make rigorous decisions to reduce emissions by half by 2030 and create a healthier world without carbon emissions in time. We are part of its commitment to reduce emissions quickly and fairly in all areas in accordance with the Paris Accords through transparent action plans and solid long-term goals.

Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)

10000

Describe the aim of your organization's funding

Payment related to the membership as a member of Race to Zero.

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Trade association

Other, please specify (Energy Efficiency and Emissions Reduction Network in Mining)

Is your organization's position on climate change policy consistent with theirs?

Consistent

Has your organization attempted to influence their position in the reporting year?

Yes, we publicly promoted their current position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position

Energy Efficiency and Emissions Reduction Network in Mining: Join to share experiences to continuously develop projects that aim at energy efficiency in mining promoting emission reductions aligned with the country's commitments.

The initiative seeks to develop knowledge and report on the current performance in sustainability matters such as the measurement of carbon, water and energy footprint of different companies in the metallic and non-metallic mining sector in Chile.

Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)

0

Describe the aim of your organization's funding

<Not Applicable>

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Trade association

Other, please specify (Initiative form Responsible Mining Assurance (IRMA))

Is your organization's position on climate change policy consistent with theirs?

Consistent

Has your organization attempted to influence their position in the reporting year?

Yes, we publicly promoted their current position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position

The Initiative for Responsible Mining Assurance (IRMA) standard provides a framework for developing responsible processes in our value chain throughout the mining life cycle. This standard contributes to an analysis of 26 areas and their requirements based on four principles: Business Integrity, Planning for Positive Legacies, Social Responsibility and Environmental Responsibility. With this certification, we seek to promote a shift in mining toward a focus on sustainable production processes that generate positive social and environmental impacts.

Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)

45000

Describe the aim of your organization's funding

Payment related to membership of the IRMA standard and the external audit process to obtain IRMA 75 qualification.

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Trade association

Other, please specify (Acción Empresas)

Is your organization's position on climate change policy consistent with theirs?

Consistent

Has your organization attempted to influence their position in the reporting year?

Yes, we publicly promoted their current position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position

This entity has over 130 affiliate companies that have decided to manage their businesses sustainably in Chile. They are committed to people and work, sustainable territories, responsible sourcing, climate change, the circular economy, and ethics and governance. Together with Acción Empresas we have worked on issues such as human rights, climate change risk assessment, and initiation of the Clean Production Agreement, among others.

Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)

0

Describe the aim of your organization's funding

<Not Applicable>

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Trade association

Other, please specify (Cool Farm Alliance)

Is your organization's position on climate change policy consistent with theirs?

Consistent

Has your organization attempted to influence their position in the reporting year?

Yes, we publicly promoted their current position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position

SQM joined this organization to contribute to its goal of helping growers measure and assess their environmental impact in order to work towards and achieve sustainable farming. The Cool Farm tool allows farmers to measure and assess their entire value chain so that they can make more informed decisions and reduce their impacts on the environment

Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)

0

Describe the aim of your organization's funding

<Not Applicable>

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Trade association

Other, please specify (International Fertilizer Industry Association (IFA))

Is your organization's position on climate change policy consistent with theirs?

Consistent

Has your organization attempted to influence their position in the reporting year?

Yes, we publicly promoted their current position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position

IFA represents 75-80% of global fertilizer production, including producers, sellers and distributors. We adhere to its principles of promoting efficiency and responsibility in the production, distribution and use of fertilizers around the world.

Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)

0

Describe the aim of your organization's funding

<Not Applicable>

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Trade association

Other, please specify (INTERNATIONAL LITHIUM ASSOCIATION (ILiA))

Is your organization's position on climate change policy consistent with theirs?

Consistent

Has your organization attempted to influence their position in the reporting year?

Yes, we publicly promoted their current position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position

ILiA is the global trade association for the lithium industry and represents the entire lithium value chain. The Association was established in 2021 as an international not-for-profit industry association run by and for its members.

ILiA seeks to lay the methodological foundations, through a Product Environmental Footprint rulebook, for estimating the impacts of the lithium industry throughout its value chain and the different types of industries where it is used, from batteries to ceramic products.

Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)

0

Describe the aim of your organization's funding

<Not Applicable>

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication

In voluntary sustainability report

Status

Complete

Attach the document

SQM-Reporte-2022-ing-vf.pdf

Page/Section reference

Page 37: Business Strategy

Page 52 & 65: Governance

Page 63: Risk Management

Page 172: Climate Change Management

Page 179: Biodiversity, Ecosystems and Impact Assessments

Page 187: Water Management

Page 191: Waste Management

Page 195: Emissions Management

Page 201: Energy Management

Content elements

Governance

Strategy

Risks & opportunities

Emissions figures

Emission targets

Other metrics

Other, please specify (Biodiversity, Ecosystems and Impact Assessments)

Comment

We have issued reports in accordance with the Global Reporting Initiative (GRI) principles for the past 13 years. Since 2020, we have included information regarding our management to achieve the targets of the Sustainable Development Goals (SDGs) of the Global Compact to which we adhere. We are committed to these transparency practices, which we engage in annually.

We have opted for external assurance of this report for the fourth year in a row based on international requirements and internal goals. Deloitte Advisory SpA conducted this assurance process. This report covers all entities included in the consolidated financial statements. Indicators with a limited scope are noted in each case next to the information provided.

There were no significant changes in our organization and its supply chain during the period reported. It is the responsibility of the Board of Directors to review the Sustainability Report and report on its usefulness and acceptance by relevant stakeholders. For more information regarding this report and SQM's sustainability work, contact us at sustentabilidad@sqm.com. For more information on our financial reporting, contact our Investor Relations at ir@sqm.com

Publication

In mainstream reports, incorporating the TCFD recommendations

Status

Underway – previous year attached

Attach the document

SQM_TCFD_final.pdf

Page/Section reference

Page 1: Governance

Page 10: Strategy

Page 23: Risks & opportunities

Page 29: Emissions figures & Emission targets

Content elements

Governance

Strategy

Risks & opportunities

Emissions figures

Emission targets

Comment

At the time of submission of this form, our update of our TCFD 2023 report was under development and will be published in August 2023.

The report will incorporate progress on identifying climate change threats and risks, as well as 2023 metrics and indicators.

Our TCFD 2022 report and its next update are available on the website: <https://www.sqmsenlinea.com/documentation/category/8>

Publication

In mainstream reports

Status

Complete

Attach the document

sqm-2022-annual-report.pdf

Page/Section reference

Page 19: Governance

Page 46: Strategy

Page 127: Suppliers Management

Content elements

Governance

Strategy

Risks & opportunities

Emissions figures

Emission targets

Other, please specify (Supplier Management)

Comment

SQM's 2022 annual report shows the company's financial performance, as well as the new legal requirements of the Chilean Financial Markets Commission (CMF), where the business strategy, our people, our business, supplier management, sustainability indicators, as well as an annex of potential risks for SQM's business are shown.

C12.5

(C12.5) Indicate the collaborative frameworks, initiatives and/or commitments related to environmental issues for which you are a signatory/member.

	Environmental collaborative framework, initiative and/or commitment	Describe your organization's role within each framework, initiative and/or commitment
Row 1	Business Ambition for 1.5C Race to Zero Campaign UN Global Compact	<p>Global Compact</p> <p>Our commitment is based on the Principles of the United Nations Global Compact, the Universal Declaration of Human Rights, the International Compact on Civil and Political Rights, and the International Compact on Economic, Social and Cultural Rights. We support the UN Guiding Principles on Business and Human Rights, which are among the most important international standards for preventing and combating possible human rights violations in regard to business activities and statements recognized at the global level that apply to multinational corporations. These include the OECD Guidelines for Multinational Companies, the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy and the ILO Social Policy and key labour regulations.</p> <p>Race to Zero/ Business Ambition for 1.5 °C</p> <p>Race to Zero is a global campaign supported by the UN that brings together non-governmental stakeholders in the global economy to make rigorous decisions to reduce emissions by half by 2030 and create a healthier world without carbon emissions in time. We are part of its commitment to reduce emissions quickly and fairly in all areas in accordance with the Paris Accords through transparent action plans and solid long-term goals.</p>

C15. Biodiversity

C15.1

(C15.1) Is there board-level oversight and/or executive management-level responsibility for biodiversity-related issues within your organization?

	Board-level oversight and/or executive management-level responsibility for biodiversity-related issues	Description of oversight and objectives relating to biodiversity	Scope of board-level oversight
Row 1	Yes, both board-level oversight and executive management-level responsibility	<p>The purpose of the CSSMA (Safety, Health and Environment Committee, short in Spanish) is to assist the Board of Directors to meet its responsibilities in reviewing and recommending policies related to social issues, safety, health, environment and sustainability that affect the Company and is made up of three directors who meet at least four times year.</p> <p>SQM operations are located in desert areas with scarce biodiversity. However, there are some areas near our operations with significant ecological value. In these areas, we have implemented ongoing protection, monitoring and control plans with ongoing early warnings to help protect the environment.</p> <p>Our Nueva Victoria site is located in the district of Pozo Almonte in the Tarapacá Region, and is subject to a very extensive environmental monitoring plan given its proximity to the Pampa Tamarugal National Reserve, Bellavista sector, Pintados sector and Salar de Lamara. An identification of flora and fauna has been made at the Nueva Victoria and Salar de Atacama sites, from which the IUCN vulnerability status shows that in Nueva Victoria there are 3 Endangered species, 2 Vulnerable species and 2 species of Least Concern. In addition, the presence of these species has encouraged SQM to participate in the construction of a Seabird Rescue Center. In addition to this initiative to protect Nueva Victoria's biodiversity, an Environmental Education Center (CEDAM) was inaugurated in the Salar de Lamara sector, which allows the community to learn about the biodiversity of the area.</p> <p>Our Salar de Atacama site is located in the district of San Pedro de Atacama, Antofagasta Region, close to the National Flamingo Reserve, specifically the Agua de Quelarna and Soncor sectors. According to the IUCN, 3 Endangered, 5 Vulnerable, 6 Near Threatened, 13 Least Concern and 1 Data Deficient species were identified.</p> <p>All this information and more detail available at our 2022 Sustainability Report pages 179-186: https://www.sqm.com/en/sustentabilidad/ reporte-de-sustentabilidad/.</p> <p>On the other hand, our regulatory commitments include the monitoring of Vegetation and Fauna in Salar de Atacama, which are reflected in our Environmental Monitoring Reports and available at: https://www.sqmsenlinea.com/monitoreo-biotico.</p>	<Not Applicable>

C15.2

(C15.2) Has your organization made a public commitment and/or endorsed any initiatives related to biodiversity?

	Indicate whether your organization made a public commitment or endorsed any initiatives related to biodiversity	Biodiversity-related public commitments	Initiatives endorsed
Row 1	Yes, we have made public commitments and publicly endorsed initiatives related to biodiversity	<p>Commitment to respect legally designated protected areas</p> <p>Commitment to avoidance of negative impacts on threatened and protected species</p> <p>Commitment to secure Free, Prior and Informed Consent (FPIC) of Indigenous Peoples</p>	<p>SDG</p> <p>Other, please specify (Initiative responsible for mining assurance)</p>

C15.3

(C15.3) Does your organization assess the impacts and dependencies of its value chain on biodiversity?

Impacts on biodiversity

Indicate whether your organization undertakes this type of assessment

No, but we plan to within the next two years

Value chain stage(s) covered

<Not Applicable>

Portfolio activity

<Not Applicable>

Tools and methods to assess impacts and/or dependencies on biodiversity

<Not Applicable>

Please explain how the tools and methods are implemented and provide an indication of the associated outcome(s)

<Not Applicable>

Dependencies on biodiversity

Indicate whether your organization undertakes this type of assessment

No, but we plan to within the next two years

Value chain stage(s) covered

<Not Applicable>

Portfolio activity

<Not Applicable>

Tools and methods to assess impacts and/or dependencies on biodiversity

<Not Applicable>

Please explain how the tools and methods are implemented and provide an indication of the associated outcome(s)

<Not Applicable>

C15.4

(C15.4) Does your organization have activities located in or near to biodiversity- sensitive areas in the reporting year?

Yes

C15.4a

(C15.4a) Provide details of your organization’s activities in the reporting year located in or near to biodiversity -sensitive areas.

Classification of biodiversity -sensitive area

Key Biodiversity Area (KBAs)

Country/area

Chile

Name of the biodiversity-sensitive area

Reserva Nacional Pampa Tamarugal

Proximity

Up to 25 km

Briefly describe your organization’s activities in the reporting year located in or near to the selected area

Nueva Victoria facility is where our mining activities take place, obtaining Caliche which is an essential raw material for the fertilizers line based on the nitrate and also for our Iodine products.

Indicate whether any of your organization’s activities located in or near to the selected area could negatively affect biodiversity

No

Mitigation measures implemented within the selected area

<Not Applicable>

Explain how your organization’s activities located in or near to the selected area could negatively affect biodiversity, how this was assessed, and describe any mitigation measures implemented

Mining operations could generate a decrease in the area’s water resources, which would affect the biodiversity adjacent to the site, influencing its habitat and feeding habits. The extraction of fresh water for production purposes is subject to strict environmental evaluations, which helps prevent damage to important environmental elements (vegetation, flora and fauna) in aquifers and surface water sources where the Company has water extraction rights. In conjunction with these studies, extensive hydrogeological modeling is designed and validated under the supervision of national and international experts, based on which the company conducts ongoing monitoring of expected behavior of the systems. Of the total groundwater resources extracted for Nueva Victoria in 2022, 895,908 m3 were re-injected as part of the mitigation measures for the Pampa Hermosa project in Salar de Llamara, Tarapacá Region.

Classification of biodiversity -sensitive area

Key Biodiversity Area (KBAs)

Country/area

Chile

Name of the biodiversity-sensitive area

Salar de Atacama

Proximity

Up to 25 km

Briefly describe your organization’s activities in the reporting year located in or near to the selected area

Our operations in Salar de Atacama are mining operations in where we extract brine with a high content of potassium and lithium as raw material.

Indicate whether any of your organization’s activities located in or near to the selected area could negatively affect biodiversity

No

Mitigation measures implemented within the selected area

<Not Applicable>

Explain how your organization’s activities located in or near to the selected area could negatively affect biodiversity, how this was assessed, and describe any mitigation measures implemented

Mining operations could generate a decrease in the area’s water resources, which would affect the biodiversity adjacent to the site, influencing its habitat and feeding habits. The extraction of fresh water for production purposes is subject to strict environmental evaluations, which helps prevent damage to important environmental elements (vegetation, flora and fauna) in aquifers and surface water sources where the Company has water extraction rights.

We incorporate environmental variables early on in the design of our projects in order to avoid, prevent and implement control and mitigation measures necessary with appropriate management of waste and emissions. We have installed systems for monitoring variables such as the extraction of water and brine in Salar de Atacama. This information is public and is available online.

We have implemented an Environmental Monitoring Plan in Salar de Atacama. which entails: 1. Measuring the levels and physical and chemical qualities of water distributed among shallow and deep wells, metric rods at lagoon level and gauging stations, and 2: Measuring meteorological variables at stations known as the Chaxa and KCI stations.

C15.5

(C15.5) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

	Have you taken any actions in the reporting period to progress your biodiversity-related commitments?	Type of action taken to progress biodiversity- related commitments
Row 1	Yes, we are taking actions to progress our biodiversity-related commitments	Species management Education & awareness

C15.6

(C15.6) Does your organization use biodiversity indicators to monitor performance across its activities?

	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
Row 1	No, we do not use indicators, but plan to within the next two years	State and benefit indicators

C15.7

(C15.7) Have you published information about your organization's response to biodiversity-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Report type	Content elements	Attach the document and indicate where in the document the relevant biodiversity information is located
In voluntary sustainability report or other voluntary communications	Content of biodiversity-related policies or commitments Governance Details on biodiversity indicators Risks and opportunities Biodiversity strategy	2022 Sustainability Report pages 179-186. SQM-Reporte-2022-ing-vf.pdf
In other regulatory filings	Content of biodiversity-related policies or commitments Details on biodiversity indicators	Annual Biodiversity Monitoring Report in spanish. This report among with other monitoring regulatory commitments available at: https://www.sqmsenlinea.com/monitoreo-biotico . PSAB 2022.pdf

C16. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

For more details of our work in 2023, please see our sustainability report 2022 as well as our financial report.

Both files are available at

<https://www.sqm.com/sustentabilidad/reporte-de-sustentabilidad/>

<https://ir.sqm.com/English/financials/annual-reports/default.aspx>

C16.1

(C16.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Chief Sustainability Manager. Sustainability Submanager.	Environment/Sustainability manager

SC. Supply chain module

SC0.0

(SC0.0) If you would like to do so, please provide a separate introduction to this module.

SC0.1

(SC0.1) What is your company's annual revenue for the stated reporting period?

	Annual Revenue
Row 1	

SC1.1

(SC1.1) Allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period.

SC1.2

(SC1.2) Where published information has been used in completing SC1.1, please provide a reference(s).

SC1.3

(SC1.3) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?

Allocation challenges	Please explain what would help you overcome these challenges
We face no challenges	SQM has performed an internal LCA (scope cradle-to-gate) and it has collected and systematised continuously primary data for the quantification of Iodine's Carbon Footprint. The Iodine Carbon Footprint was verified by a third independent part (see C10).

SC1.4

(SC1.4) Do you plan to develop your capabilities to allocate emissions to your customers in the future?

No

SC1.4b

(SC1.4b) Explain why you do not plan to develop capabilities to allocate emissions to your customers.

SQM has performed an internal LCA (scope cradle-to-gate) and it has collected and systematised continuously primary data for the quantification of Iodine's Carbon Footprint. internally SQM has traceability of all data needed to identify single consumption and emission to some products and costumer.

SC2.1

(SC2.1) Please propose any mutually beneficial climate-related projects you could collaborate on with specific CDP Supply Chain members.

SC2.2

(SC2.2) Have requests or initiatives by CDP Supply Chain members prompted your organization to take organizational-level emissions reduction initiatives?

SC4.1

(SC4.1) Are you providing product level data for your organization's goods or services?

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

Please select your submission options	I understand that my response will be shared with all requesting stakeholders	Response permission
	Yes	Public

Please confirm below

I have read and accept the applicable Terms