SQM ESG SUPPORT DOCUMENT 2022

Complementary Information

1. Governance & Economic Dimension

1.1 Transparency & Reporting

1.1.1 Sustainability Reporting Boundaries

SQM ESG Support Document scope: All activities consolidated for financial reporting purposes are covered. Indicators with a limited scope are noted in each case next to the information provided.

1.2 Corporate Governance

1.2.11 Management Ownership

- CEO's shares as a multiple of base salary: 0
- Average across other executive committee members owning shares as a multiple of base salary: 0.45

1.3 Materiality

1.3.1 Materiality Analysis

An in-depth materiality study is conducted biennially, while annual reviews of materiality are performed with minor adjustments. The most recent formal materiality study was conducted for the 2020 report. In 2021, a selective review of a few topics was carried out, resulting in updates. Subsequently, in 2022, given alterations to the GRI methodology, a more comprehensive reevaluation of material topics was undertaken.

1.3.3 Materiality Metrics for Enterprise Value Creation

Executive Compensation

- Environmental compliance:
    - Goal: Reducing continental water consumption by 65% by 2040 beginning with a 40% decrease by 2030, as forecast in 2020.
    - Sustainability and Community Relations Manager at SQM (10% of variable bonus).
- Human Rights and Business:
    - Goal: 25% female workforce by 2025.
    - Vice President of People and Development at SQM (20% of variable bonus).
- Global Health and Safety Challenges:
    - Goal: Carbon neutrality by 2040 in all our products, taking 2019 as the base year
    - Sustainability and Community Relations Manager at SQM (10% of variable bonus).

1.3.5 Materiality Metrics for External Stakeholders

Material Issue for External Stakeholder	Output metric	Impact Valuation	Impact Metric
Water availability in the communities	# of persons with stable drinking water access	-Increased physical safety -Improved/decreased quality of the air and water and associated health impact -Increase in access to water resources	-% decrease in chronic illnesses indexes in the local area -Social cost of water -% gain in farm production - Health-Adjusted Life Years" (HALYs)

Community Relations	# new local entrepreneurs #new graduates	Household Income Increase for Entrepreneurs	- % increase in self-confidence - Cost of quality life year gained - Reduction in unemployment metrics -Improvement in mental health conditions -Increase in access to nutritious food -Reduction in crime rates

1.4 Risk & Crisis Management
1.4 2 Risk Management Processes

SQM developed its Corporate Business Risk Management Policy, which establishes the general framework that regulates risk management in the company. In addition, a corporate risk management procedure was developed that seeks to establish the specific activities necessary for risk management, based on our Policy and standards established for this purpose. The importance of sound risk management lies in its ability to detect areas for improvement in business management. This not only makes it possible to recognize potential threats and obstacles, but also to identify opportunities, thus enhancing the prospects of achieving organizational objectives more effectively.

Risk analysis contemplates the study of the causes and consequences in the event of risk materialization. A risk may have multiple causes and consequences, which may affect more than one risk, so its correct identification will provide an in-depth analysis of the risk and its possible consequences, both qualitative and quantitative.

The risk assessment consists of determining two dimensions for each risk: the probability of occurrence and the impact it would have on the Company if the risk were to materialize. The probability and impact are quantified from 1 to 5, with 1 being the lowest level. The impact can be: Negligible, Minor, Moderate, High, or Very High, while Probability can be: Unlikely, Unlikely, Possible, Probable, Likely or Almost Certain. On the other hand, the level of risk will be determined through severity, which is the weighting between impact and probability. Being a 5x5 matrix, there are 25 risk levels, which are divided into 4 main categories: Extreme, Significant, Medium, and Low.

The risk management methodology indicates that there are different ways of dealing with risks, which must be considered on a case-by-case basis. The way to treat risk will depend mainly on the risk appetite defined for each case.

Risk appetite is a statement of how a company manages risk in pursuit of an objective; basically, it is the total risk that the company is willing to accept. Having said that, risks are defined as extreme, and in accordance with established procedures, it is decided to mitigate them with as many controls as possible and reduce their probability and impact to a minimum.

- OHS

Risk area	Description	Risk level	Risk appetite
Occupational Health and Safety	Outbreaks of infections or communicable diseases, or other public health pandemics, such as COVID-19 experienced worldwide, have impacted, and may further affect the markets in which SQM operates, and could have a material adverse effect on SQM's business operations, financial condition, and results of operations.	Very High	Very Low

- Financial

Risk area	Description	Risk level	Risk appetite
Contracts with the Government	The inability to extend or renew the mineral exploitation rights related to the Salar de Atacama concession, on which SQM's business is substantially dependent, beyond its current expiration date in December 2030, could have a material adverse effect on SQM's business, financial condition and results of operations.	Very High	Very Low
Commercial contracts	International trade tensions could have a negative effect on the Company's financial performance. Increased tensions in international relations with China could result in political and economic measures against Chinese-owned companies, which could have an adverse impact on the Company's business, financial condition, and results of operations.	Very High	Very Low
Execution and development of projects	Investment plan that is subject to significant risks and uncertainties. Sales to emerging markets and expansion strategy expose SQM to risks related to economic conditions and trends in those countries. Changes in technology or other developments could result in a preference for substitute products. Volatility in world prices of lithium, fertilizers and other chemicals and changes in production capacities could affect the business, financial position, and results of operations.	High	Low
Accounts receivable	Measures to minimize bad debt exposure may not be effective and a significant increase in accounts receivable, together with the financial condition of customers, may result in losses that could have a material adverse effect on the business, financial condition, and results of operations.	High	Low
Fraud	Subject to Chilean and international laws against corruption, bribery, money laundering and international trade. Failure to comply with these laws could have an adverse impact on our business, financial condition and results of operations.	High	Low

- Legal and Regulatory Compliance

Risk area	Description	Risk level	Risk appetite
Environmental permits	Environmental laws and regulations could expose the company to increased costs, liabilities, claims and non-compliance with current and future production targets.	Very High	Very Low
Free competition	A significant percentage of SQM's shares are held by two groups of major shareholders that may have interests that differ from those of other shareholders and from each other. Any change in these major shareholder groups could result in a change of control of the Company, its board of directors or its management, which could have a material adverse effect on our business, financial condition and results of operations.	High	Low

- Public image and reputation

Risk area	Description	Risk level	Risk appetite
Community Relations	Environmental laws and regulations could expose the company to increased costs, liabilities, claims and non-compliance with current and future production targets.	High	Low

- Operations

Risk area	Description	Risk level	Risk appetite
Cibersecurity	Environmental laws and regulations could expose the company to increased costs, liabilities, claims and non-compliance with current and future production targets.	Very High	Very Low
Strategic resources	High raw material and energy prices could increase our production costs and cost of sales, and energy availability may not be available regardless of price.	High	Low

- Sustainability

Risk area	Description	Risk level	Risk appetite
Unavailability of natural resources	Water supply could be affected by geological changes or climate changes.	High	Low
Climate change	Climate change and a global transition to a low-carbon economy may create physical and other risks that could adversely affect our business and operations; and adverse weather conditions or significant changes in weather patterns could have a material adverse impact on our results of operations.	Very High	Very Low

Mitigating Actions

- Workplace Health and Safety

Health and safety risks in the workplace are material aspects of the management of mining operations. For this reason, SQM carries out a permanent systematic process to keep workers protected and safe in each of the tasks they perform in the operations.

The company has a Risk Prevention and Occupational Health Management System capable of identifying, developing, and sustaining behaviors and conditions that guarantee the care of all those who work at the Company's sites, projects and offices. As part of the operationalization of the commitments regarding Occupational Health and Safety (OHS), SQM has developed a Comprehensive Occupational Health and Safety System, whose purposes are:

- Establish obligations and responsibilities to adopt all necessary measures to effectively protect and safeguard the life and health of all workers who work at SQM, including contractors and subcontractors.
- Define and establish standards to control all risks inherent to the processes, to define and establish the minimum specifications for Occupational Health and Safety Management.
- Safeguard facilities, equipment, machinery, and all critical materials related to the operations and processes developed at SQM.

As part of the implementation of the Occupational Health and Safety management system, SQM has developed an Operational Risk Management System (SISGRO), which contains a series of activities grouped into 13 elements, including training, control and supervision in the field, emergency plans, system audits and investigations in case of accidents to understand the root cause and prevent. All these SISGRO activities are integrated with the Operational Excellence Program, called M1, which allows M1's Lean system tools to be standardized for risk management, obtaining better results.

The company expects to be certified to ISO 45,001 (Occupational Health and Safety Management Systems) in all operations by 2025.

- Climate Change

Climate change and a global transition to a low-carbon economy may entail physical risks from acute or chronic events, such as droughts, tidal waves, or floods. They can also expose the company to reputational risks and loss of competitive advantage. To avoid the materialization of these risks and mitigate them, SQM manages and monitors a series of sustainability indicators.

In October 2020, we announced our sustainable development plan, which includes voluntarily expanding our monitoring systems, promoting better and deeper conversations with neighboring communities, becoming carbon neutral, and reducing water withdrawal by 65% and brine extraction by 50% of the authorized limit. We also announced our goal to obtain international certifications and participate in international sustainability indices that we consider essential for a sustainable future. We have participated in voluntary certifications such as Ecovadis, International Certifications such as Responsible Care from the Chilean Chemical Industries Association, Protect&Sustain from the International Fertilizer Association, ISO 14001, ISO 45001 and ISO 50001, and began the IRMA Standard Certification Audit to promote responsible mining.

In 2021, Puerto Tocopilla was certified in Responsible Care, obtaining level 2 certification. Likewise, during 2022 the Nueva Victoria site was recertified, obtaining level 1 certification as a result. In Coya Sur, Salar de Atacama, Antofagasta, Santiago, and our part of Tocopilla, we have participated in the Protect&Sustain certification.

During 2022, the external IRMA on-site certification audit (phase 2) was initiated at the Salar de Atacama operation, and results are expected to be received during 2023. The Tocopilla Port was certified in January 2022 in ISO 14001, the ISO 14001 and 45001 certification process was initiated at Salar de Atacama and the Carmen

chemical plant, and the ISO 50001 implementation process to support the decarbonization goals associated with the energy management systems. During 2022 we participated in the DJSI (Dow Jones Sustainability Index) assessment and were accepted in the MILA and Chile indices during the year. In addition, we were evaluated in CDP (Carbon Disclosure Project) where we obtained the B category associated with the fact that we are at a management level. While we are dedicated to our sustainability-related efforts, if we do not adequately address all relevant stakeholder concerns regarding ESG criteria, we may face opposition, which could negatively affect our reputation, delay operations, or result in threats or litigation actions. Failure to maintain our reputation with key stakeholders and interest groups, and to effectively manage these sensitive issues, could adversely affect our business, results of operations, and financial condition.

1.4.3 Emerging Risks

- **Risks arising from heavy rain impacting operational continuity.**

Description: Given the potential impact of climate change, the likelihood of more frequent and intensified extreme weather events becomes a concern for SQM. The heightened severity and frequency of unusual meteorological phenomena, particularly heavy rains, can potentially disrupt our operations, compromise the safety of our workforce, and impact our supply chain. Certainly, while these events are currently sporadic, scientific projections indicate that the frequency and magnitude of such occurrences will likely escalate. Anticipated patterns suggest shorter yet highly intense periods of rainfall, underscoring the urgency for SQM to proactively address the potential consequences of intensified heavy rain incidents as part of our climate resilience strategy.

Impact: The increased occurrence of heavy rainfall events could trigger floods, leading to the potential rupture of ponds and disruptions in roads and access routes. These developments could pose significant challenges to our production operations, particularly concerning the concentration ponds that house critical assets. Given that our processes involve vast areas dedicated to evaporating water and concentrating brines, any disruptions could result in a setback to our production capabilities.

Furthermore, the heightened frequency and severity of heavy rainfall events might lead to extended processing times due to dilution effects. This would necessitate an increased focus on evaporation, potentially prolonging the production cycle. Additionally, the occurrence of extreme weather events may trigger power outages in certain operational areas, contributing to temporary production downtimes. This could result in an increase in the idle capacity of our assets during such instances.

Mitigating actions: To address sensitivity and vulnerability to climate change. We tailor mitigation strategies to minimize the potential effects of extreme weather events like heavy rains on our operations. Through proactive risk management, we enhance resilience, safeguard assets, and ensure business continuity.

We have selected some scenarios to have concrete estimates of future days of intense rain and to identify potential impacts along with adaptation measurements and their applications. Also, a series of adaptation measures have been quantified that correspond to the structural reinforcement of the ponds. In case an acute event occurs, SQM has insurance that would cover a large part of a potential loss.

Also, we are working with communities to create their emergency plan and to coordinate them with SQM's emergency plans.

- **International trade tensions could have a negative effect on our financial performance.**

<u>Description</u>: The escalating tensions in international relations, particularly with China, pose a potential risk for SQM. These tensions could lead to political and economic measures targeting Chinese-owned companies, potentially resulting in adverse effects on our business, financial standing, and operational outcomes.

China holds a significant position as a key market for our company. However, its economic conditions remain vulnerable to global economic fluctuations. Recent disruptions in the global financial markets, triggered by trade disputes and tariff actions between the United States, China, and other countries, are a cause for concern. The imposition of substantial tariffs on goods by both governments has the potential to escalate further, impacting various sectors.

<u>Impact:</u> There's no assurance that the list of goods impacted by additional tariffs won't expand or that the tariffs won't increase significantly. We can't predict how the policies of the Chinese and U.S. governments, especially the escalation of a trade war between China and the U.S. and the imposition of additional tariffs on bilateral imports, might continue affecting global economic conditions. If the list of goods is further expanded or the tariff is further increased, it could impact the global economic conditions of both countries. This, in turn, could lead to decreased demand for commodities like lithium or other basic products, potentially resulting in a material adverse effect on our business, financial standing, and operational outcomes.

Furthermore, escalating tensions in international relations with China could lead to political and economic measures against Chinese-owned companies, potentially resulting in an adverse impact on our business, financial standing, and operational outcomes.

<u>Mitigating actions:</u> We are actively monitoring these developments and proactively assessing our strategies to mitigate the potential impacts on our business, financial health, and operational outcomes. As an example, we have made strides in diversifying our operations. A notable achievement in 2022 was the acquisition of our inaugural refining plant outside of Chile, situated in China. This facility is dedicated to the production of lithium hydroxide from lithium sulfate extracted from our Salar de Atacama operation. This strategic move enables us to manufacture a maximum of 30,000 metric tons of lithium hydroxide annually using lithium sulfate sourced from Chile. Another significant advancement in this direction was our investment in the construction of a new lithium hydroxide mine and refining plant in Mt. Holland, Western Australia, with a projected capacity of 50,000 metric tons. We are also committed to achieving our expansion goals responsibly, while focusing on enhancing efficiency through various projects, including innovation initiatives.

1.5 Business Ethics

1.5.3 Codes of Conduct: Systems/Procedures

- #### Compliance system is certified/audited/verified by a third party.

Our organization has received certification from the credit rating agency Feller Rate, acknowledging our robust compliance with the company's comprehensive compliance program. This certification was awarded in 2021 and remains valid until September 2023. The assessment conducted by this external body encompassed both our code of conduct and code of ethics, entailing a meticulous review of policies, internal regulations, and the precise functioning of our whistleblower reporting system. This certification ensures not only the effective management of reports received but also underscores our commitment to upholding fundamental principles, including whistleblower anonymity and protection against any form of retaliation.

- #### Employee performance appraisal systems integrates compliance/codes of conduct:

Each year, our employees undergo performance evaluations, comprising self-assessment and supervisor assessment, along with feedback from both parties. In 2019, the Company introduced a team recognition element to commend groups of employees who have enacted noteworthy improvements within their respective domains. This program is built upon four pillars: People Development, Continuous Improvement, Common Goals, and Efficient Processes.
Under the Continuous Improvement pillar, we appraise whether employees "Identify and manage risks, issues, and/or improvement opportunities related to the value of integrity and SQM's ethics and compliance program." Moreover, for the "Efficient Processes" pillar, leaders are also evaluated based on their ability to ensure that their decisions and actions, as well as those of their departments, align with the value of Integrity and SQM's Ethics and Compliance Program.

- #### Compliance linked to employee remuneration:

In 2021, we strategically integrated integrity objectives into the Vice President's incentive program, utilizing a comprehensive compliance methodology with a weight of 7%. Furthermore, our performance evaluation framework, designed to encompass compliance criteria, carries a substantial weight within the overall assessment. This weight significantly contributes to determining the achievement of objectives tied to bonus allocation, firmly establishing the alignment of compliance with employee remuneration.

1.5.5 Reporting on breaches

Reporting areas	Number of breaches in FY 2022
Corruption or bribery	0
Discrimination or harassment	3
Customer privacy data	0
Conflicts of interest	1
Money laundering or insider trading	0
Others	30[1]

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[1] The other cases involve inappropriate behavior, non-compliance with internal regulations, fraud, among others.

1.7 Supply Chain Management

1.7.2 Supplier ESG Program

SQM diligently adheres to the following requirements to ensure the robust implementation of its supplier ESG program (as detailed in Chat 1: Supply Chain Management):

1. **Oversight of Implementation:**
SQM demonstrates a high level of accountability by designating the Board of Directors as the highest decision-making body responsible for overseeing the implementation of the supplier ESG program.

2. **Continuous Review of Purchasing Practices:**
SQM ensures that its purchasing practices align with the Supplier Code of Conduct and upholds ESG requirements by conducting annual reviews. This proactive approach helps prevent potential conflicts and reinforces the company's commitment to responsible supplier relationships.

3. **Supplier Exclusion Based on ESG Requirements:**
SQM maintains strict adherence to ESG standards by excluding suppliers from contracting if they fail to meet minimum ESG requirements within a specified timeframe. This unwavering stance underscores SQM's dedication to sustainability.

4. **Preference for High ESG Performance Suppliers:**
SQM demonstrates its commitment to promoting sustainability by favoring suppliers with strong ESG performance. This preference is reflected in supplier selection and contract awarding processes, where ESG criteria are accorded a minimum weight.

5. **Training for Procurement Team:**
SQM recognizes the pivotal role of its procurement team in driving the success of the supplier ESG program. To empower its team members, SQM has successfully trained 13 procurement professionals through the 'Sustainable Supply Chain Management' course, offered by the Corporate Sustainability Academy of the Acción Empresas association. This comprehensive course has significantly enhanced their understanding of the paramount sustainability standards adhered to by SQM. As a result, participants are better equipped to foster ongoing improvements within their roles.

1.7.3 Supplier Screening

SQM has developed a responsible sourcing program aligned with the five pillars that constitute the core of our business sustainability strategy: 1) ethics and corporate governance, 2) our workforce, 3) our value chain, 4) environment and sustainable development, and 5) our communities. In line with these pillars, we aim to ensure that our suppliers comprehend and can meet our expectations to uphold our high standards. Consequently, we have published our Responsible Sourcing Policy, which encapsulates our requirements for the value chain.

Furthermore, we have a screening process which establishes the key areas for selection and evaluation concerning our suppliers.

This comprehensive process considers not only business priorities but also our environmental, social, and governance focal points (as detailed in Chat 1: Supply Chain Management). Risk dimensions are assessed through various sub-processes led by risk and compliance, procurement, sustainability, and health and safety management.

Some factors determining high risk in screening include relationships with public officials and entities, organizations with potential conflicts of interest, entities with a history of crimes or economic sanctions, organizations residing, domiciled, or having their headquarters or commercial office in certain prohibited countries or geographic areas (related to terrorism, narcotics trafficking, proliferation of weapons of mass destruction, transnational criminal organizations, and grave human rights violations), in accordance with the Conflict-Affected and High-Risk Areas (CAHRAs) list (https://www.cahraslist.net/).

The procedures for supplier screening are internally documented in the following:

1. General Procedure to Initiate Business Relationships with Third Parties,
2. Internal Guide for determining the risk level of a Third Party,
3. Compliance Procedure: Anti-Corruption for Third-Party Intermediaries,
4. SERCOL Evaluation, which certifies compliance with labor and social security obligations of our contracting companies, and
5. Pre-Procurement Activity Evaluation: is a form that encompasses ethical, social, human rights, environmental, supply chain, quality, and process aspects.

In the latter, the environmental and social assessment holds weight and was designed to favor the selection of suppliers aligned with our expectations.

This approach allows us to analyze the significance of our suppliers' roles thoroughly. Moreover, our suppliers encompass a wide array of attributes, including varying sizes, sectors of operation, and the type of material or commodity they provide. This exercise enabled us to identify the most significant risks within our value chain, thereby forming the foundation for prioritizing aspects considered during our supplier evaluations.

Chart 1: Supply Chain Management SQM
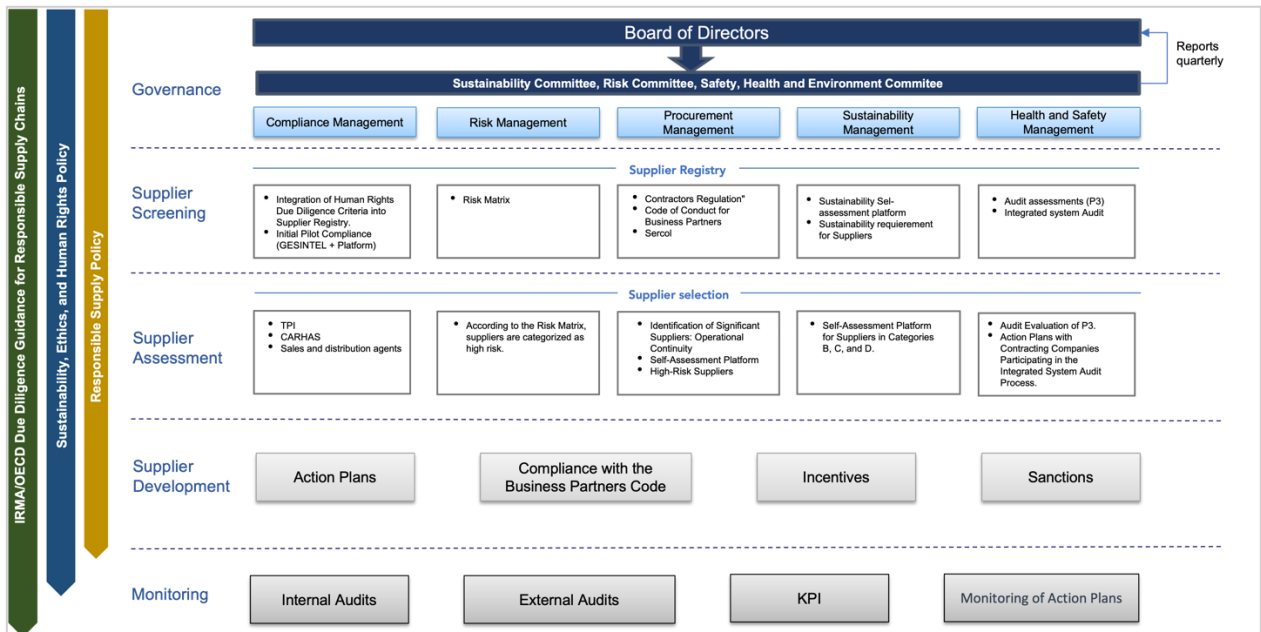
1.7.4 Supplier Assessment and Development

Supplier assessment

As evident from Chart 1, once a supplier is selected the Risk management will identify the appropriate periodic monitoring for the approved Third-Party Intermediary, including at least one of the following:

1. Due Diligence: Conducted for each third party by the Risk and Compliance Management team. It incorporates inputs from a web-based questionnaire (Third-Party Analysis Questionnaire), supporting documents, and other relevant data. This process undergoes periodic monitoring as per the Annual Monitoring Plan, with results reported to the Ethics and Compliance Committee at least annually.

2. Interviews and External Assessments: In certain instances, interviews may be conducted with key employees or owners of the third party, either by SQM or its external legal advisors. External reviews or audits, such as those conducted by independent law firms, investigative agencies, or due diligence service providers, might also be considered.

3. On-site visits/inspections in person.

4. External Audits: Third-party audits led by external entities are employed to assess adherence to higher standards and certifications, such as ISO and IRMA.

Furthermore, SQM has developed an online supplier assessment system that evaluates suppliers from an ESG perspective. This platform gauges the level of progress and aids in generating action plans for specific suppliers. Although it initially encompassed a limited supplier base, we have recently extended access to our entire supplier network. This platform provides them with assessment outcomes, highlighting gaps in meeting our expectations and even furnishing feedback for addressing these gaps.

Also, SQM evaluates its contractors and subcontractors through evidence verification and audits, which involve on-site visits every three months (in certain cases). These audits are focused on the health and safety management system, work quality, sustainability, and environmental aspects. Specifically, these teams are required to demonstrate their assessment of environmental impacts, establishment of operational control systems to mitigate environmental impact, adherence to waste management and disposal practices, and completion of the self-assessment in the sustainability evaluation platform for suppliers. The rating scores enable us to categorize their qualification as 'preferred, conditional, or restricted'.

Supplier Development

1. Supplier information/trainings on company's supplier ESG program, process and requirements:

SQM provides information and offers training to its contractors (service suppliers) on its ESG strategy and the ESG program for the supply chain. During these instances, SQM also presents its Responsible Sourcing Policy and other relevant commitments, such as the Sustainability, Ethics, and Human Rights Policy, and the Integrated Process Management Policy. The sessions cover expectations regarding their implementation, the company's goals and challenges, as well as the use of the self-assessment platform and the supplier portal. These forums also serve as an opportunity for contractors to address questions directly with SQM professionals.

2. Supplier access to ESG benchmarks against peers

SQM integrates and analyzes the ESG assessment results within the supplier platform through a dashboard. The assessment outcomes are shared with contractors and subcontractors during training sessions, including a comparison or benchmark of performance among different evaluation participants. Relevant information is presented, providing a breakdown of company performance for each category (environment, respect for human rights, business ethics, health and safety, quality, and CSR) and for each question.
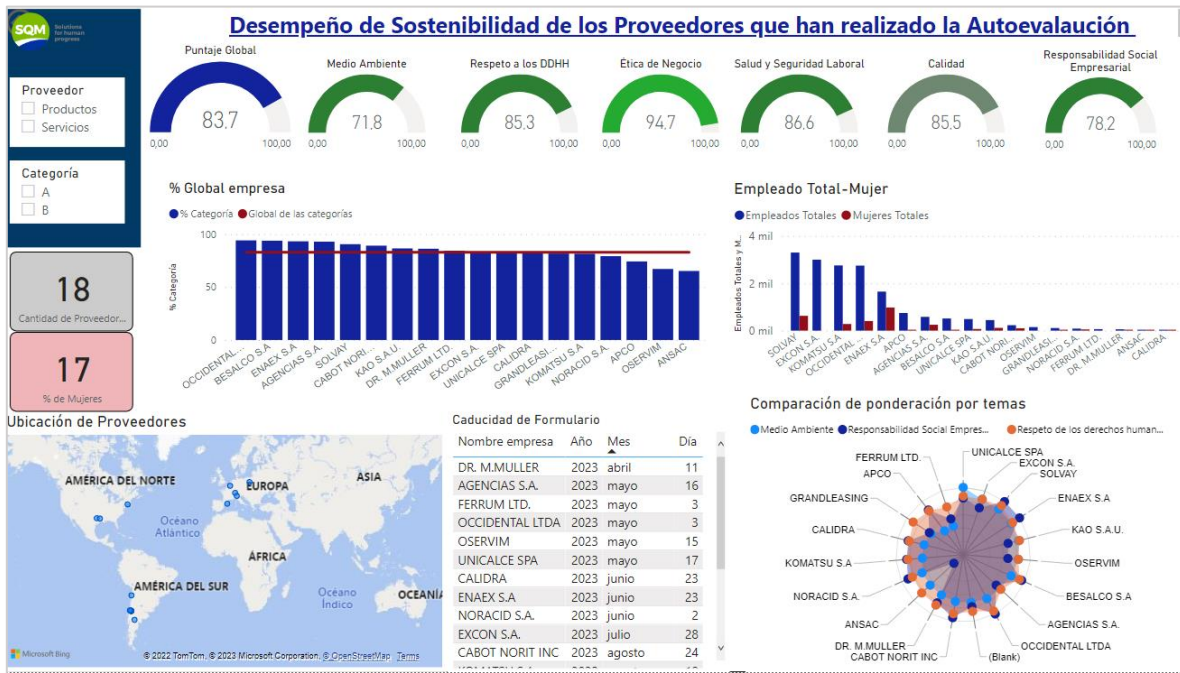
3. Supplier support (remote/on-site) on implementation of corrective/improvement actions

SQM has provided improvement reports to suppliers identified with performance gaps compared to performance expectations. These reports are delivered through the same Supplier Assessment Platform. The Sustainability and Procurement team is responsible for reviewing the questionnaires and providing improvement feedback to the suppliers.

4. In-depth technical support programs to build capacity and ESG performance in suppliers.

Throughout 2023, the supplier risk matrix was enhanced with the integration of the bow tie risk methodology, aligning it with our business continuity and ESG strategy. This dynamic matrix undergoes thorough evaluation every quarter, enabling us to identify suppliers of utmost significance. Suppliers categorized as 'critical' within the matrix are then engaged with tailored improvement plans. These plans encompass comprehensive support, targeted training, and diligent monitoring. The overarching objective is to facilitate tangible enhancements and foster the development of systematic capacities, thereby empowering these suppliers to elevate their ESG performance.

1.7.5 KPIs for Supplier Screening

Supplier Screening	FY 2022
1.2 Total number of significant suppliers in Tier-1	36
1.3 % of total spend on significant suppliers in Tier-1	31%
1.4 Total number of significant suppliers in non Tier-1	0

1.7.6 KPIs for Supplier Assessment

- Total number of unique suppliers assessed: 36
- Total number of suppliers supported in corrective action plan implementation: 4
- Total number of suppliers in capacity building programs: 36

1.9 IT Security/ Cybersecurity Governance

- **Board Responsibility**

Through its Audit and Financial Risk Committee, the board oversees SQM's cybersecurity strategy along with other strategic risks. The latest session discussing this matter was during the "Presentation of Risk Management and Audit to the Board Committee in June 2023," where the Cybersecurity bow tie was analyzed.

- **Executive Management Responsibility**

	Description
Name	Katherine Arce Leon
Position	Chief Information Security Officer (CISO)
Objective of position	Protect and monitor SQM's technological ecosystem against different information security threats. Manage IT Risks. Manage the policies, rules and procedures of Information Security. SOX - IT internal and external audit management, and their respective general IT controls.
Specific Responsibilities	-Maintain updating of information security policies, standards and procedures. -Identify and manage IT risks. -Detect, analyze and report on security incidents. -Advise IT areas and the company on information security. -Implement automated indicators of Information Security and Cybersecurity (KPI, KGI, etc). -Follow-up and consolidation of the findings of the internal and external SOX - IT audits. -Internal monitoring within the management for compliance with IT control. -Review and update of the ITGC Matrix. -Develop, implement and deliver the results of the security awareness plan and program.

2. Environmental Dimension

2.1 Environmental Policy & Management

2.1.4 Return on Environmental Investments

Currency: USD	FY2019	FY2020	FY2021	FY2022
Capital Investments	3,508,000	5,699,511	12,115,000	23,223,000
Operating Expenses	13,475,000	10,797,489	19,013,000	20,957,000
Total Expenses	16,983,000	16,497,000	31,128,000	44,180,000
Savings, cost avoidance, income, tax incentives, etc.	0	0	0	0
% of operations covered. Basis: Production volume	100	100	100	100

2.2 Emissions

2.2.1 Direct Greenhouse Gas Emissions (Scope 1)

Direct GHG (Scope 1)	Unit	FY2019	FY2020	FY2021	FY2022	FY2022 target
Total direct GHG emissions (Scope 1)	Metric tonnes CO2e	244,795	271,008	286,572	300,299	305,608
Data coverage (as % of denominator)	Percentage of production volume	100	100	100	100	

2.2.2 Indirect Greenhouse Gas Emissions (Scope 2)

Indirect GHG (Scope 2)	Unit	FY2019	FY2020	FY2021	FY2022	FY2022 target
Location-based	Metric tonnes CO2e	208,845	221,735	234,010	177,384	179,895
Data coverage (as % of denominator)	Percentage of production volume	100	100	100	100	
Market-based	Metric tonnes CO2e	404,498	476,552	509,108	508,077	515,267
Data coverage (as % of denominator)	Percentage of production volume	100	100	100	100	

2.2.3 Indirect Greenhouse Gas Emissions (Scope 3)

Indirect GHG (Scope 3)	Unit	FY2019	FY2020	FY2021	FY2022	FY2022 target
Total indirect GHG emissions (Scope 3)	Metric tonnes CO2e	353,729	415,291	3,232,615	3,518,079.3	3,720,859.3
Data coverage (as % of denominator)	Percentage of production volume	100	100	100	100	

2.2.4 NOx Emissions

Direct NOx Emissions	Unit	FY2019	FY2020	FY2021	FY2022	FY2022 target
Direct NOx Emissions	Metric tonnes	1,093.6	1,086.8	1,072.6	1,273.2	1,258.88
Data coverage (as % of denominator)	Percentage of production volume	100	100	100	100	

2.2.5 SOx Emissions

Direct SOx Emission	Unit	FY2019	FY2020	FY2021	FY2022	FY2022 target
Direct SOx Emission	Metric tonnes	1,351.1	1,469.2	1,390.1	1,448.87	1,349.60
Data coverage (as % of denominator)	Percentage of production volume	100	100	100	100	

2.2.6 Volatile Organic Compounds Emissions

Direct VOC Emissions	Unit	FY2019	FY2020	FY2021	FY2022	FY2022 target
Direct VOC Emissions	Metric tonnes	7,269	7,370.9	5,753.1	4,913.8	4,563.56
Data coverage (as % of denominator)	Percentage of production volume	100	100	100	100	

2.3 Resource Efficiency and Circularity

2.3.1 Energy Consumption

Total Energy Consumption	Unit	FY2019	FY2020	FY2021	FY2022	FY2022 target
Total non-renewable energy consumption	MWh	1,752,616.9	1,989,888.6	2,017,013.8	2,078,573.8	2,117,317.6
Total renewable energy consumption	MWh	0	0	0	0	

Data coverage (as % of denominator)	Percentage of production volume	100	100	100	100

2.4 Waste

2.4.1 Waste Disposal

	Unit	FY2019	FY2020	FY2021	FY2022	FY2022 target
Total waste recycled/reused	**Metric tonnes**	**0**	**0**	**1,143**	**645**	
Total waste disposed	**Metric tonnes**	**6,586**	**5,970**	**9,082**	**16,966**	**18,627**
- Waste landfilled	Metric tonnes	6,586	5,970	9,082	16,966	
- Waste incinerated with energy recovery	Metric tonnes	0	0	0	0	
- Waste incinerated without energy recovery	Metric tonnes	0	0	0	0	
- Waste otherwise disposed	Metric tonnes	0	0	0	0	
- Waste with unknown disposal method	Metric tonnes	0	0	0	0	
Data coverage (as % of denominator)	Percentage of production volume	100	100	100	100	

2.4.2 Hazardous Waste

	Unit	FY2019	FY2020	FY2021	FY2022	FY2022 target
Total hazardous waste recycled/reused	**Metric tonnes**	**0**	**0**	**0**	**0**	
Total hazardous waste disposed	**Metric tonnes**	**2,299**	**2,468**	**1,702**	**2,565**	**2,713**
- Hazardous waste landfilled	Metric tonnes	2,299	2,468	1,075	1,922	
- Hazardous waste incinerated with energy recovery	Metric tonnes	0	0	627	643	

- Hazardous waste incinerated without energy recovery	Metric tonnes	0	0	0	0
- Hazardous waste otherwise disposed	Metric tonnes	0	0	0	0
- Hazardous waste with unknown disposal method	Metric tonnes	0	0	0	0
Data coverage (as % of denominator)	Percentage of production volume	100	100	100	100

2.5 Water

2.5.1 Water Consumption

Water Consumption	Unit	FY2019	FY2020	FY2021	FY2022	FY2022 target
A. Withdrawal: Total municipal water supplies	Million cubic meters	1.413909	1.438821	1.610488	2.000340	
B. Withdrawal: Fresh surface water	Million cubic meters	6.203744	6.280144	6.525669	6.311835	
C. Withdrawal: Fresh groundwater	Million cubic meters	24.95289	23.75847	23.74945	21.96137	
D. Discharge: Water returned to the source of extraction at similar or higher quality as raw water extracted	Million cubic meters	0.757338	0.858081	0.877836	0.895908	
E. TOTAL NET FRESH WATER CONSUMPTION	Million cubic meters	31.81320	30.61935	31.00777	29.37764	27.93199
Data coverage (as % of denominator)	Percentage of production volume	100	100	100	100	

2.5.2 Water Consumption in Water-Stressed Areas

Water Consumption in areas with water stress	Unit	FY2019	FY2020	FY2021	FY2022	FY2022 target
Total net freshwater consumption in water-stressed areas	Million cubic meters	29.88881	30.00697	30.69769	28.49631	27.93199
Data coverage (as % of denominator)	Percentage of production volume	100	100	100	100	

2.6 Climate Strategy

2.6.3 Climate-Related Management Incentives

Who is entitled to benefit from this incentive?	Type of incentive	Incentivized KPIs	KPI description
Other named executive officers: Every year a company monetary incentive is extended based on specific company-level goals and individual worker performance. All employees have a base associated with the results of the company and percentages that apply to the performance of functions for each of the areas in which they contribute. These incentives apply to senior executives who manage entire areas, whether at a commercial or productive level, managers, and heads of area, and the entire spectrum of company employees through collective agreements based on the achievement of goals.	Monetary	Efficiency	Within the annual goals associated with the company's performance and 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.
Business unit managers: Every year a company monetary incentive is extended based on specific company-level goals and individual worker performance. All employees have a base associated with the	Monetary	Efficiency	Within the annual goals associated with the company's performance and 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

Who is entitled to benefit from this incentive?	Type of incentive	Incentivized KPIs	KPI description
results of the company and percentages that apply to the performance of functions for each of the areas in which they contribute. These incentives apply to senior executives who manage entire areas, whether at a commercial or productive level, managers, and heads of area, and the entire spectrum of company employees through collective agreements based on the achievement of goals.			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.
Employees: All our workers can participate in an incentive program for those initiatives that stand out in terms of sustainability, achieving a monetary award and additionally internal recognition through the presentation of their projects to the company's senior management.	Monetary	Emissions reduction	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. During 2020, sustainability was incorporated in which incentives were given to those initiatives aimed at improving water consumption, energy consumption, emission reduction, among others, and a prize in money and recognition within the organization was given.

2.6.9 Emissions Reduction Targets

Scope covered by the target	Target Timeframe	Baseline year emissions covered ad as a % of total base year emissions	% reduction target from base year	Is this target validated by the Science-based Targets Initiative?
Scope 1 + 2 combined	Base year: 2021 Target year: 2031	Base year emissions: 795,679.12 % of total base year emissions: 100	42	No, but we have publicly committed to seek validation to the target by the SBTi

2.6.10 Low-Carbon Products

Type & Description of products	Level of aggregation	% of total revenue from climate change products in FY 2022	Estimated total avoided emissions per year
Our lithium and potassium nitrate business lines have a positive impact regarding benchmark in the industry in terms of CO2 emissions because we mainly use solar energy for the first stages of concentration.	Group of products	79.5%	823,826
SOLAR SALTS Potassium and sodium nitrates are used to store energy in Solar Energy plants. These plants are equipped with a salt storage system that stores energy in the form of heat enabling 24/7 operation and electricity generation.	Group of products	0.5%	

2.6.12 Net Zero Commitment

The Sustainable Development Plan, publicly launched in October 2020, arises from our commitment to the new demands and expectations in environmental, social, and corporate governance matters, and with the firm belief in our contribution as a company immersed within industries that are changing the world.

This plan, hereinafter referred to as the SDP, was developed in alignment with the United Nations Sustainable Development Goals and serves to reinforce our dedication and efforts to ensure that our production activities harmonize with the environment, surrounding communities, and our people.

Our SDP is built upon three pillars of work:
- Our Environment
- Our People
- Our Contribution to Sustainable Industries.

The aim of the Our Environment pillar is to be committed to responsible and sustainable operations, minimizing our emissions, water usage, and contributing to environmental care in the locations where we operate. To achieve this, we have publicly undertaken four commitments, which are as follows:

KR1: Achieve carbon neutrality for our Lithium, KCl, SOP, Iodine products by 2030, and for all our products by 2040.

KR2: Reduce waste generation by 50% by 2025.

KR3: Decrease continental water extraction by 40% by 2030 and 65% by 2040.

KR4: Reduce brine extraction by 50% by the year 2028.

KR1 is outlined as achieving carbon-neutrality for our lithium, KCl, SOP, and iodine products by the year 2030, and for all our products by the year 2040, aiming to contribute to containing the temperature increase to 1.5°C by the end of the century. To attain this goal, the following commitments are in place, along with their respective Key Performance Indicators (KPIs).

#	Commitment	KPI
N°1	**Carbon Neutrality:** We have publicly established October 8, 2020, as the target date for achieving carbon neutrality in our products. For our external commitment, this includes Scope 1+2 by 2030 and incorporates Scope 3 by 2040	Tracking the indicator of [TonCO2 eq / Ton Product] for Scope 1+2
N°2	**Commitment to the Lowest Carbon Footprint in the Market:** We aim to become the company with the smallest carbon footprint for our products at all times. This indicator is based on the carbon footprint calculated through the Life Cycle Assessment (LCA) methodology, which is continuously verified by an independent third party and calculated as part of sustainability management reports. This includes Scope 1, 2, and 3 emissions.	Tracking the indicator of [TonCO2 eq / Ton Product] for Scope 1+2+3 for each final product of SQM
N°3	**"Race to Zero" Commitment:** In October 2021, we joined this global campaign as SQM, which entails achieving carbon neutrality for all our emissions as an organization by 2050 at the latest. To achieve this, we have until October 2023 to	Monitoring of the absolute company-level emissions indicator [TonCO2eq]. This corresponds to a measure of

#	Commitment	KPI
	submit our specific science-based commitments for both short-term and long-term targets, which will be assessed and validated based on Science Based Targets.	emission inventory and not necessarily product related

Target Time Frame	Target scope & related emission reduction target (as % of base year emissions)	Number	Reduction
Base Year 2021	Scope 1&2	42%	Absolute
Target Year 2031	Scope 3	52%	Intensity

A 42% reduction in Scope 1 and 2 emissions (absolute reduction) and a 52% reduction in Scope 3 emissions (intensity reduction) are expected by 2031 compared to 2021.

2.8.6 Hazardous Substances Commitment

According to our business lines, we only have one hazardous waste incorporated in a product as a substance of very high concern (SVHC), which includes boric acid. Despite this, this product was not sold in 2022 and we expect to improve by 2050.

3. Social Dimension

3.1 Labor Practice Indicator

3.1.4 Gender Pay Indicators

Indicator	Difference between men and women employees (%)
Mean gender pay gap	-8.6%
Median gender pay gap	-6.0%

3.2 Human Rights

3.2.1 Human Rights Commitment

SQM as a Company with a global scope, has proactively endorsed the Guiding Principles on Business and Human Rights of the United Nations framework, committing itself publicly, and at the highest corporate level to sustainable development in harmony with the environment, business ethics and the respect and promotion of human rights.

As such, SQM published in May 2021 its latest Sustainability, Ethics and Human Rights Policy based on the United Nations Sustainable Development Goals (SDG), the Principles of International Council on Mining and Metals, International Standard ISO 14001 Environmental Management Systems, the applicable standards of the International Finance Corporation (IFC) and the above mentioned "protection, respect and remedy" framework of the Guiding Principles on Business and Human Rights. In this Policy, the Company adheres to the Universal Declaration of Human Rights and the Convention 169 on Indigenous and Tribal Peoples of the International Labor Organization, among several other international instruments, incorporating them as a normative standard in the Company. For the complete Policy and its normative sources, please see https://www.sqm.com/en/politica-de-sostenibilidad-etica-y-derechos-humanos/:

- SQM´s Sustainability, Ethics and Human Rights Policy commits to protect and respect human rights in a wide range of areas, where the Company could potentially produce adverse impacts.
- During SQM's current Human Rights Impact Assessment, five main areas of human rights risks were identified, considering past, actual and possible future adverse human rights adverse impacts of the Company's operations. For each area, a number of commitments have been acquired by the Company in its Sustainability, Ethics and Human Rights Policy.

1.   In the area of Ethics and Corporate Governance, SQM's commitments include:
- Zero tolerance for any type of corrupt activity by any person working on behalf of SQM.
- Provision of information in a framework of transparency, adequate risk management and control, contributing to the sustainable creation of value.
- Ensuring that processes and supply chain are free of minerals from conflict zones and that we will not directly or indirectly finance or benefit from these minerals, and that will not directly or indirectly benefit armed groups in countries in conflict zones, in accordance with applicable OECD guidelines, and implement and enforce procedures in accordance with applicable laws, necessary to prevent and combat money laundering and financing of terrorism.

2.   In the Area of Labor, Workers and Employees, SQM's commitments include:
- Full respect from the Company, all its members, as well as those in the supply chain, of labor rights, including non-discrimination, equal remuneration, prohibition of forced labor and child labor, labor unions rights and free association, workers safety and prevention of any kind of harassment, among others.

- Blind recruitment according to competencies and requirements for the position, without discrimination of any kind.
- Existence and operation of an anonymous complaint channel, confidential and non-retaliatory, available to all employees and workers and administered by an independent specialist Company.
- Awareness and education within the Company in order to prevent and eradicate any act or culture of harassment or bullying. Communities: Commitments focus on issues related to citizen participation, indigenous rights and indigenous consultation.
- Operational risk prevention and occupational health.
- Assuring of alcohol and drug free workplace in our operations and facilities.

3. **In the Area of Supply Chain matters, which are also and specifically addressed in SQM's Responsible Sourcing Policy, SQM's commitments include:**
- Promotion and encouragement of responsible and sustainable sourcing.
- Respect and promotion of human rights, including labor rights, of workers in the supply chain, including consultants, contractors, distributors, independent contractors, subcontractors and wholesalers.
- Encouragement of participation and development of local suppliers.
- Existence of whistleblowers channel available and easily accessible for customers, as well as permanently updated information on the sustainability of our products and their potential effects on health and safety.
- Continuous relationship mechanisms with clients to understand and attend their needs, as well as those of other customers in the supply chain of our products.
- Extension of the SQM's soon to be approved Policy on the Use of Force and Safety to all contractors providing safeguarding services.

4. **In the Area of Environment and Sustainable Development, SQM's commitments include:**
- Development and implementation of appropriate prevention, mitigation and remediation measures to reduce environmental adverse effects associated with operations.
- Promotion of the involvement of local communities in the environmental management of our investment projects.
- Adequate preparation of our personnel, protocols and technology to respond to environmental emergencies.
- Care and optimization of the use of water resources, implementing industry best practices.
- Identification of potential effects on surrounding ecosystems due to the use of inland water from our operations and monitoring and implementation of measures to ensure that water use does not generate adverse effects on surrounding ecosystems and communities.
- Mitigation through quantification of our GHG emissions according to international methodologies and periodical verification
- Adaptation of our operations, production and logistics processes according to the specific needs and risks of each project, incorporating climate change as a factor in their periodic evaluation.

5. **In the Area of Communities, SQM's commitments include:**
- Promotion, in accordance with the regulations in force, of citizen participation and provision of transparent and timely information regarding our projects, as well as periodically reporting on environmental issues.
- Promotion of indigenous participation and free, informed and prior consultation, in good faith in relation to projects that could potentially affect them, in accordance with current legislation.
- Respect for the autonomy and traditional values of the communities where SQM operates.
- Promotion and support of sustainable economic development of the communities, and the generation of projects of shared value between our operations and neighboring communities.

- Implementation of communication channels that allow for a permanent dialogue with the community, as well as develop effective human rights due diligence mechanisms.
- Creation of the Community Environmental Units to foster joint monitoring with the communities.
- Enforcement of, soon to be published, Policy on the Use of Force and Security.

3.2.2 Human Rights Due Diligence Process

The HRIA scope in terms of SQM S.A. and its subsidiaries and associates' activities, covered both the productive operations in Chile (iodine and derivatives, lithium and derivatives, potassium fertilizers, industrial chemicals, and specialty plant nutrients), and abroad, including the following commercial offices, productive plants and joint ventures (the assessment of rights in the operations abroad was restricted to an assessment on labor rights issues):

Commercial office	Productive plants	Joint venture / Productive plant / Commercial office
Atlanta / United States	Jackson / United States	Ajay North America: United States/ Atlanta (office - plant)
Guadalajara / Mexico	Topolobampo / Mexico	SQM Vitas Brasil: Brazil/ Candeias (office)/ Paranaguá, Sao Paulo, Imbituba, Río Grande (plants)
Bogotá/ Colombia	Manzanillo / Mexico	SQM Vitas Peru: Peru/ Lima (office)/ Trujillo (plant)
Guayaquil / Ecuador	Veracruz / Mexico	Ajay Chile: Chile/ Santiago (office)
Barcelona / Spain	Ensenada/ Mexico	Ajay Europe: France/ Evron (office - plant) / Pays de la Loire (plant)
Amberes / Belgium	Cádiz / Spain	Pavoni: Italy /Catalina - Ramacca (offices and plants)
Terneuzen / Netherlands	Durban / South Africa	SQM Vitas Dubai: United Araba Emirates (office)
Tokyo / Japan	Cape Town / South Africa	
Beijing / China	San Antonio / Chile	
Shanghai / China	Terneuzen / Netherlands	
Bangkok / Thailand		
Seoul / South Korea		
Johannesburg / South Africa		
Sydney/Australia		

3.2.4 Human Rights Mitigation & Remediation

Based on the risks identified for each of the areas for which SQM identified as the main pillars for respecting and guaranteeing human rights, in 2022 the Company implemented a series of measures to prevent, identify and remedy each risk or impact. The following is a detail of all the cases where the company applied remediation processes to ensure that the people who were impacted receive an effective remedy:

Primary Issue	Cases	Action Taken
Conflict of Interest	1	Training
Discrimination or Harassment	1	Training
Discrimination or Harassment	3	Discipline
Fraud	1	Policy/ Process Review
Misconduct or Inappropriate Behavior	5	Training
Misconduct or Inappropriate Behavior	5	Termination
Misconduct or Inappropriate Behavior	1	Policy/ Process Review
Misconduct or Inappropriate Behavior	5	Discipline
Misuse of Assets or Services	1	Policy/ Process Review
Other	1	Discipline
Other	2	Training
Violation of Policy	3	Training
Violation of Policy	1	Policy/ Process Review
Violation of Policy	1	Discipline
Violation of Policy	1	Termination
Violence or Threat	1	Training
Total cases with actions taken	33	

The number of sites with mitigation plans includes the entire company as a whole; however, the following table shows in detail the number of cases by sector:

City	Cases
Planta Quimica de Litio del Carmen	2
Salar de Atacama	10
Nueva Victoria	5
Antofagasta	5
Santiago	3
Salar del Carmen	2
Tocopilla	1
Coya Sur	1
Maria Elena	1
Pozo Almonte	1

Details on human rights mitigation and reparation measures can be found in **Annex A (Page 36).**

3.3 Human Capital Development
3.3.2 Employee Development Programs

Item	Program 1	Program 2
Name & Description of the program	**Community of Leaders (Comunidad de Líderes):** It's a training program for all SQM supervisors that is already in its second version for 2022. The training includes 4 e-learning modules on our training platform "SQM Learn" (Module 1: Common Objective, Module 2: Efficient Processes, Module 3: Continuous Improvement, and Module 4: People Development). After completing the 4 modules, a working session is conducted with the virtual participation of different leaders from the organization to discuss and put into practice what has been learned in 2 working sessions. In the first session, a Case Analysis is conducted, which is presented in the second session to draw conclusions, reflections, and insights from the learning (Both working sessions are conducted via Zoom).	**Women leaders SQM (Mujeres lideres SQM):** It is a program that aims to enhance the leadership of women within the company, providing them with multiple skills and tools to strengthen their roles. The training includes 6 Zoom workshops and 1 in-person session divided into 2 modules of learning, conversation, and reflection. All of this was developed using the methodology of an external expert entity in the field, aligned with the company's purpose and the program's objectives: empowering female leadership within SQM.
Description of program objective/business benefit	The program was designed to foster a community that facilitates group learning in relation to the development of fundamental leadership skills. We assess the program's success through four dimensions: Leadership (perception of the influence exerted over individuals to motivate them towards a common goal), Growth (individuals' perception of the opportunity to acquire skills or abilities for their task development), Collaboration (the willingness of the team to collectively achieve a common objective and produce results), and Recognition (perception of the existing culture of acknowledgment within the company). These variables provided us with the outcome for Engagement - the extent to which individuals value, enjoy, and believe in their jobs, leaders, teams, and organization. Lastly, the main results were: Connection (the individual's desire to stay at SQM) and Discretionary Effort (the individual's predisposition to go further and higher in their performance).	This program was designed with the objective of creating learning and connection spaces in an environment of trust for various women within the company. The success of the program can be evaluated in terms of Leadership (personal tools and team engagement), Accountability (effective and efficient performance in each woman's role and position within the company), and Growth (increased participation of female leaders in higher-responsibility positions). All of these are key characteristics of the results delivered in 2022 by the Pulse Survey.
Quantitative impact of business benefits (monetary or non-monetary)	As a result of the outcomes and positive reception achieved in the first iteration of this program, a work plan was developed for the second version aimed at strengthening the common objective and team leadership. To measure the quantitative impact, the indicators and positive results obtained from the 2022 Pulse Survey were utilized, with "Leadership" percentages at 84%, reflecting characteristics associated with effective communication from supervisors in goal setting, providing meaningful spaces for proposing and implementing improvements, efficient tracking for successful task completion, clear and objective performance feedback, and sound procedures enabling accurate task execution. Therefore, this course benefited SQM by enhancing the human capital of its leaders, improving leadership skills that in turn benefited the teams, and fostering collaboration that improved engagement. Leaders were less likely to leave SQM.	Considering that women within the organization increased by 24% between 2021 and 2022, with those in leadership positions accounting for 17.7%, efforts were continued in working on programs and training to enhance their skills, reduce cultural biases within the company, and promote equity. To measure the quantitative impact achieved by this first version of the "Women Leaders" program, indicators of retention and participation of female leadership were used, reflected in increased confidence in their various roles, impacts of the work carried out within the company and in their teams, and influence in their role and networking with women across the organization.
% of FTEs participating in the program	7%	10%

Supporting Evidence	Participation figures: 487 registered employees, with an 85% participation rate (84% in its first version in 2021). 97 women enrolled, and 55% completed the program, while 391 men enrolled, and 42% completed the program. The overall satisfaction rate was 7%: Gathering participant feedback on what they liked most about the program. For instance: "Through interaction, I learned good practices to apply in the field and improve my role," "The significance of communication and identifying tools to become a better leader," and "Leadership is essential to empower the team."	Participation figures: In the first version of the program, 25 women from various departments took part.

3.4 Talent Attraction & Retention
3.4.1 Hiring

Employees	FY 2019	FY 2020	FY 2021	FY 2022
Total number of new employee hires	861	522	1347	1637
Percentage of open positions filled by internal candidates (internal hires)	32%	43%	39%	29.6%
Average hiring cost/FTE	615	1012	680	1121

The **percentage of open positions filled by internal candidates was** calculated based on 2.327 employee hires in 2022 (new 1637 + internal hires 690: 2.327)

3.4.2 Type of Performance Appraisal

For SQM, Performance Evaluation is primarily based on "Management by objectives". Every year, the company's employees are required to undergo a performance evaluation which includes a self-assessment and a supervisor's assessment, along with input from both parties. Additionally, it is crucial to consider that through the "VIVO" recognition program, employees can provide online recognition to their colleagues, supervisors, individuals from other departments, or entire teams.

Reporte Reconocimiento VIVO 2022

Reporte Reconocimiento VIVO 2022

3.4.4 Employee Support Programs

We care about the wellbeing of our workers and their families. Accordingly, the company has an area exclusively devoted to managing the benefits we provide our male and female workers alike. This area is responsible for monitoring and coordinating, so that each member of the organization is served in a timely and efficient manner.

SQM provides a variety of benefits to employees with open-term contracts. Some of these benefits are legal obligations while others are given at the company's initiative or are optional for employees.

There are also additional benefits that are included under each individual collective bargaining agreement, based on the unions' specific interests and membership.

Our benefits include:

• Maternity Leave: In October 2011, Law No. 20,545 was enacted, which allows companies to add weeks to parental leave. This initiative has made it possible to guarantee the best care for babies and increase the participation of both parents in the care of their children, promoting a work-family balance. Mothers have a postnatal period that extends for a period of 12 weeks (84 days) from the day of birth. After that, the parental leave begins in which the woman can transfer part of her legal leave days to the father. There are 2 ways to make use of this benefit: 1. 12 weeks full-time with 100% subsidy up to a maximum of 66 UF. The employee can transfer up to 6 weeks to the father. 2. 18 weeks part-time with a 50% subsidy up to a maximum of 33 UF. The employee can transfer up to 12 weeks to the father.

• Paternity Leave: Men have a postnatal period that begins just after the birth of their son or daughter, and they can also opt for the leave that is granted through parental postnatal, a right that has been in force for fathers since 2011.

Workers have a 5-day paid leave, which can be used in 2 ways:

1. From the day of delivery: if the worker chooses this alternative, it will be 5 consecutive days without interruptions, except in the case of holidays or weekends.

2. Distributed within the first month after the birth: the 5-day benefit can also be used in installments. If so, the worker must request it from his employer by presenting the birth certificate.

• Flexible working hours: This law in Chile (law 20.761), extends the right of working fathers and mothers to have at least one hour a day to feed their children under two years of age (during working hours). It's also applicable to people who have custody of a minor by court order, for the care of the minor, or as a protection measure (it also extends to spouses).

• Childcare facilities or contributions (company program): In more corporate terms, the Company also provides benefits to new mothers who are working at the María Elena, Coya Sur and Pedro de Valdivia sites. They may opt to use a room in the town of María Elena so that they can bring children under the age of two with them for their shifts. There are also plans to create a childcare facility in the area during 2019 that would operate seven days a week in an effort to support employees during their work shifts and 7 x 7 shifts. The Santiago

corporate building now has a nursing room and changing stations as part of an effort to make motherhood compatible with work.

• Paid family or care leave: This law in Chile (20,399) allows parents who assume the custody or personal care of their children under two years of age, to have a nursery paid for by their employers.

• Breast-feeding/lactation facilities or benefits: At SQM, the implementation of breastfeeding rooms is a strategy that responds to the need to support all women who have chosen to breastfeed and wish to maintain it in the different spaces where they carry out their daily lives.

It aims to establish a basic standard of implementation to ensure that those who are breastfeeding are provided with an exclusive, private, hygienic and safe place with optimal environmental and sanitary conditions that favor breastfeeding with dignity until the mother-child duo decides to do so, with a focus on respect for the rights of women and children. Likewise, regardless of the freedom and right of each woman to breastfeed in public spaces, this space is protective of the maintenance of breastfeeding because it will allow the safe extraction of milk and the proper conservation of it when she is working.
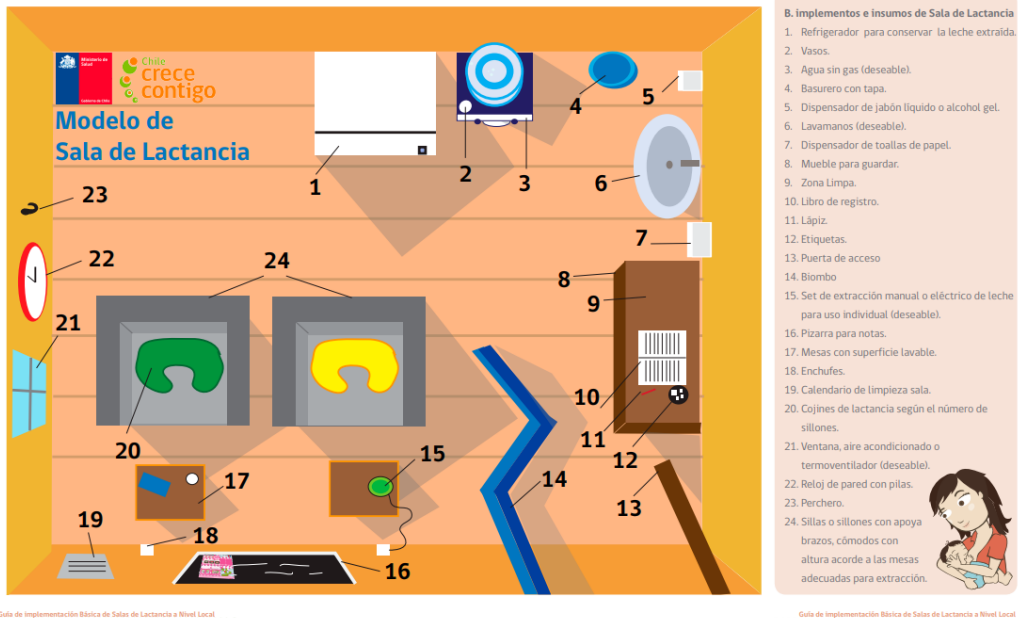
PQLC has a place where mothers can use the space to safely express their milk and store it properly.

Exterior photo of the site and interior of the site:

IMPLEMENTACIÓN BÁSICA DE SALAS DE LACTANCIA A NIVEL LOCAL

Se recomienda la implementación de Salas de Lactancia en todos los ámbitos donde por distintos motivos se congreguen mujeres en edad fértil: Puede ser utilizada por cualquier mujer que lo necesite independiente de la relación contractual o el trabajo que realice.

Modelo de Sala de Lactancia

B. implementos e insumos de Sala de Lactancia
1. Refrigerador para conservar la leche extraída.
2. Vasos.
3. Agua sin gas (deseable).
4. Basurero con tapa.
5. Dispensador de jabón líquido o alcohol gel.
6. Lavamanos (deseable).
7. Dispensador de toallas de papel.
8. Mueble para guardar.
9. Zona Limpa.
10. Libro de registro.
11. Lápiz.
12. Etiquetas.
13. Puerta de acceso
14. Biombo
15. Set de extracción manual o eléctrico de leche para uso individual (deseable).
16. Pizarra para notas.
17. Mesas con superficie lavable.
18. Enchufes.
19. Calendario de limpieza sala.
20. Cojines de lactancia según el número de sillones.
21. Ventana, aire acondicionado o termoventilador (deseable).
22. Reloj de pared con pilas.
23. Perchero.
24. Sillas o sillones con apoya brazos, cómodos con altura acorde a las mesas adecuadas para extracción.

Guía de Implementación Básica de Salas de Lactancia a Nivel Local

3.4.6 Trend of Employee Wellbeing

Core Focus	Unit	FY 2019	FY 2020	FY 2021	FY 2022	What was your target for FY 2022?
Employee Engagement	% of employees with top level of engagement, satisfaction, wellbeing, or employee net promoter score (eNPS)	78	88	88	88	88
Data coverage	% of employees who responded to the survey	23	51.7	79	82	-

3.5 Occupational Health & Safety
3.5.2 OHS Programs

The following table provides information regarding the prioritization and integration of targets to address risks of health and safety matters:

Target	Indicator name	Indicator to be monitored	Goal	Frequency of monitoring
Improve safety in the performance of our operations, minimizing incidents and occupational illnesses as much as possible.	Compliance with effective closure of corrective actions (CM)	(No. of effectively closed CTMs/ No. of programmed)*100	100%	Weekly
	Compliance with corrective action implementation significant potential (PS)	(N° PS measures implemented/ No. of PS measures programmed)*100	100%	Weekly
	Frequency Index (FI)	(No. accidents CTP/ Total HH)*100	≤ 1	Monthly
	Gravity Index (GI)	(No. of days lost due to TCO accidents/ Total HH)*100	≤ 60	Monthly
Improve our capacity to carry out preventive activities by the different management, assistant managers, chiefs and supervisors in order to encourage the value of safety and the safety culture from the highest levels of the organization.	Compliance with the Individual Supervisor Program	(No activities executed/ N° of programmed activities)*100	100%	Weekly

3.5.4 Lost-Time Injury Frequency Rate (LTIFR) - Employees

LTIFR	Unit	FY 2019	FY 2020	FY 2021	FY 2022
Employees	LTIFR	1.62	1.18	0.92	1.53
Data coverage (as % of employees, operations or revenues)	%	100	100	100	100

3.5.5 Lost-Time Injury Frequency Rate (LTIFR) - Contractors

LTIFR	Unit	FY 2019	FY 2020	FY 2021	FY 2022
Contractors	LTIFR	0.8	0.42	0.95	0.21
Data coverage (as % of contractors, operations or revenues)	%	100	100	100	100

During the year 2022, there was a significant decrease in the number of Lost Time Injuries (LTI), which comprise those work-related incidents in which workers required medical rest for one or more days due to temporary incapacity caused by work. As a result of the decrease in CTP incidents, employee working hours increased, resulting in a reduction in the Injury Frequency Rate (LTIFR).

3.5.6 Process Safety Events – Tier 1

Process Safety Events: Tier 1	FY 2019	FY 2020	FY 2021	FY 2022
Number per million hours worked	0.24	0.04	0.23	0.13
Data coverage:	100	100	100	100

3.6.1 Customer Satisfaction Measurement

Satisfaction Measurement	FY 2019	FY 2020	FY 2021	FY 2022
Satisfaction Measurement	98.4	93.3	97.32	97.78
Data coverage:	100	100	100	100

ANEXO A: Human Rights Mitigation and Reparation

As consequence of HRIA, the Company implemented a wide range of policies and plans to address, mitigate, repair and prevent those risks, including public specific commitments on its Sustainability Policy, which also mandates reporting duties and the participatory revision of the Policy, as well as the human rights risk matrix with all relevant stakeholders within a two-year period.

Based on the risks identified for each of the areas for which SQM identified as the main pillars for respecting and guaranteeing human rights, the Company implemented a series of measures to prevent, identify and remedy each risk or impact. To this end, the Company's policies and programs, deal with each risks identified for each particular area in order to incorporate specific corporate commitments and measures for its mitigation and remedy.

Each one has the following commitments:

1. Ethics and Corporate Governance:

- Corporate Commitment:

- SQM's Anti-Bribery and Anti-Corruption Policy[2] expressly prohibits making political or charitable contributions of any kind to political parties, political party officials, or political candidates. This Policy prohibits "improper payments" made in relation to SQM or on behalf of SQM, including a broad range of corrupt payments of cash or any item of value, or any advantage made or granted for the purpose of favorably influencing any decision related to SQM's business.
- SQM's Corporate Code of Ethics[3], establishes how a conflict of interest is managed and the corresponding procedure.
- SQM's Conflicts of Interest Policy[4], establishes the situations described as conflicts of interest, and the procedure and course of action for their proper management.

- Prevention Actions:

- SQM implemented an Ethics, Compliance and Corporate Risk Program[5]. This program consists of a preventive and monitoring method on the processes or activities that are more exposed to compliance risks associated with the Anti-Corruption Regulations, such as the Chilean Law No. 20,393, which establishes the Criminal Liability of Legal Entities, and the U.S. Foreign Corrupt Practices Act. The Program is informed through training and internal communication channels to all SQM employees. Based on this program, SQM conducted a series of monitoring and training sessions for its directors personnel.
- In 2022, 661 employees completed the reinforcement training on compliance showing an increase compared to 2021, where 509 employees completed the training[6].

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[2] To access SQM's Anti-Bribery and Anti-Corruption Policy, please see:
https://s25.q4cdn.com/757756353/files/governance_doc/esp/SQM-ABAC-Policy-Spanish-VF-01062018.pdf
[3] To access SQM's Corporate Code of Ethics, please enter the following link:
https://s25.q4cdn.com/757756353/files/governance_doc/esp/2.1.-SQM-Codigo-de-Etica_Espa%C3%B1ol.pdf
[4] To access SQM's Conflicts of Interest Policy, please see:
https://s25.q4cdn.com/757756353/files/governance_doc/2022/04/Policy-on-Conflicts-of-Interest_ESP.pdf
[5] For more information on SQM's Ethics, Compliance and Corporate Risk Program, please see: 2021 Sustainability Report, p.45.
[6] Please see: Sustainability Report 2022 SQM, p. 57.

- 100% of the directors of SQM S.A. and SQM Commercial received training on the U.S. Corrupt Practices Act ("FCPA"); ethics, reputation and risk culture; corporate governance and best practices; and risk management[7].
- In 2022, 100% of the third parties with which SQM began commercial relations adhered to the Business Partner Code of Conduct[8]. In addition, they were required to take an e-learning course on anti-corruption[9].
- SQM has implemented and certified its crime prevention model based on Law No. 20.393[10] of Criminal Liability of Legal Entities.

- Detection and remediation actions:
- SQM has a support and whistleblowing channel available to all SQM workers worldwide and to third parties accessible through its website: https://sqm.ethicspoint.com or by calling the numbers available for the countries where the main business offices are located.
- During 2022, 100% of the complaints received through the whistleblowing mechanisms were analyzed. Among these, there were no confirmed cases of corruption or actions taken in this regard. There were no legal actions related to unfair competition or monopolistic practices related to anti-trust.

2. Labor rights:
- Corporate commitment:
- SQM's People Selection Policy and Procedure, as well as its IROHS, applicable for SQM Chile, establishes the incorporation of people over 18 years of age with a suitable competency profile and ethical work behavior, without discrimination, adjusted to the development of the business and SQM's values.
- SQM has adopted a Diversity and Inclusion Policy[11] in order to generate the opportunities and conditions necessary for each person to develop his or her capabilities in an environment of cordiality, respect and openness.

- Prevention:
- SQM has developed a comprehensive Operational Risk Management System[12], which has the objective of: establishing obligations and responsibilities in order to adopt all necessary measures to effectively protect and safeguard the life and health of all workers; defining, establishing and implementing standards to control all risks inherent to SQM's processes; and safeguarding facilities, equipment, machinery and all those critical matters related to the operations and processes developed in SQM.

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[7] Ibid, p.46.

[8] To access SQM's Business Partner Code of Conduct, please see:
https://s25.q4cdn.com/757756353/files/governance_doc/esp/Co%CC%81digo-de-Conducta-para-Socios-Comerciales-de- SQM.PDF

[9] Please see: Sustainability Report 2021 SQM, p. 46. 6.

[10] To access SQM's crime prevention model, please see:
https://s25.q4cdn.com/757756353/files/governance_doc/esp/Modelo-de-Prevenci%C3%B3n-de-Delitos.pdf

[11] To see SQM's Diversity and Inclusion Policy, please enter the following link: https://sqmiodine.com/wp-content/uploads/2021/03/Politica-de-Diversidad-e-Inclusion-web.pdf

[12] 11 For more information on SQM's Operational Risk Management System, please see: 2021 Sustainability Report, p.97.

- SQM developed, as in previous years, the Pulso SQM survey[13] in order to gather information on aspects such as employee commitment, satisfaction, leadership, and work environment, among others.
- During October 2021, SQM carried out it's the first self-assessment of Chilean Standard 3262-2012[14], which provides guidelines and tools for the implementation of a Gender Equality and Work-Life Balance Management System, in order to see the existing gaps in the organization. In January 2023 the conformity of SQM´s Gender Equality and Work-Life Balance Management System with standard 3262-2012 was independently certified by LGAI Chile S.A. (Applus) (SIG-500/23).

- Detection and remediation mechanisms:
- It is worth mentioning that, during 2022, 22 complaints were received through the EthicsPoint whistleblowing channel in relation to discrimination and/or harassment, which represents a 15% reduction compared to 2021. All cases were duly investigated and 21 of them were concluded during 2022, with one remaining under investigation. In four cases, the findings justified the application of sanctions and measures of reparation and non-repetition. However, through the investigations carried out, we were able to establish that there were no discrimination per se or cases of repeated or serious harassment cases.
- SQM has implemented the Zyght tool to record incidents of all types: findings, hazardous situations and other issues related to Occupational Health and Safety.
- Regarding hazardous situations, during 2022, 6.735 findings related to sources, actions, conduct or conditions of hazards were received. Of this total, 98% were investigated and closed and 2% remain open. This is mainly due to the fact that they were reported at the end of the year.

3- Supply Chain:
- Corporate commitment:
- In 2021, SQM published its Responsible Sourcing Policy[15]. This policy establishes criteria for responsible sourcing, which suppliers must progressively incorporate within their organizations in order to ensure a human rights-compliant supply chain. Compliance with this policy extends to SQM's suppliers, who must accept it by signing a contract with SQM.
- SQM's Anti-Bribery and Corruption Compliance Policy is also important in this matter. This policy prohibits "improper payments" made in relation to SQM or on behalf of SQM, including a broad range of corrupt payments of cash or any item of value, or any advantage made or granted for the purpose of favorably influencing any decision related to SQM's business, and which extends to a series of corrupt payments, applicable to SQM personnel, related companies and other entities. Compliance with this policy extends to SQM's suppliers, who must accept it by signing a contract with SQM.
- Code of Conduct for Business Partners. Compliance with this policy extends to SQM's suppliers, who must accept it by signing a contract with SQM.

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[13] For more details on the Pulse survey, see: 2021 Sustainability Report, p.93.

[14] For more details on the self-assessment, see: 2021 Sustainability Report, p. 83 and for information on Chilean Standard 3262, see p.147

[15] For more details on the self-assessment, see: https://www.sqm.com/wp-content/uploads/2022/07/Resp_Sourcing_policy.pdf

- Furthermore, all suppliers wishing to establish a business relationship with SQM must comply with the Company's standards. At the beginning of the process they must accept, through the signing of the contract, the Alcohol and Illegal Drugs Policy, the Diversity and Inclusion Policy, and the Ethical Sustainability and Human Rights Policy.
- During 2023, the Company developed, its soon to publish, its Policy on the Use of Force and Safety, which will be applicable to all its contractors performing safeguarding duties.

- Prevention actions

- The sustainability area requires SQM's strategic suppliers to complete a self-assessment through a platform in the areas of Human Rights, Occupational Health and Safety, Environment, Quality, Business Ethics and Corporate Social Responsibility. Upon receiving the supplier's answers, the platform calculates the result and according to this, the sustainability area agrees on action plans with the supplier.
- SQM's contractual basis establishes the accident rates that companies wishing to provide services to SQM must comply with, which must always be "at or below" the ranges established for the economic activity. It also establishes the obligation for any Company to establish a Risk Prevention Program aligned with SQM's Integrated Occupational Health and Safety Management System.
- SQM periodically monitors labor variables to measure compliance with labor and social security obligations of all contractors.
- During 2022, a formation course was given to the Company's security guards on Human Rights, which dealt with voluntary principles and the use of force, comprising 100% of the security guards. SQM is currently in the process of enacting its new Policy on the Use of Force and Security which incorporates the Voluntary Principles on Security and Human Rights.

- Detection and Remediation actions

- The Operational Risk Management System (SISGRO) makes it possible to verify that service providers (contractors) comply with all the legal provisions in force in our country for their good performance.
- SQM has a "Customer Complaint Procedure". Complaints are registered and managed in the customer management system of the different commercial areas. Once the investigation process is closed, the creator of the complaint must generate the final report and send it to the client with a copy to the Product Manager and Head of Quality Management. Subsequently, the claim is closed by the claim originator, the Product Manager or the Head of Quality Management. In case the customer is not satisfied with the final report, the sales area will be responsible for defining the actions to be taken. It is worth mentioning that the Quality Management area is responsible for following up on compliance with the corrective actions committed to in the claims.

4. Environment and Sustainable Development:

- Corporate commitment

- SQM is committed to reducing our inland water consumption, reaching a 40% reduction by 2030 and a 65% reduction by 2040. In Salar de Atacama, water consumption has been reduced by 50% and will remain at half of the environmentally approved level until 2030.
- As of 2022, SQM reduced brine extraction by 25% in order to reduce brine extraction by 50% by 2028, as committed in the Environmental Impact Study "Plan to Reduce Extraction in the Salar de Atacama", presented in early 2022.

- Prevention actions
  - SQM provides the website https://www.sqmsenlinea.com/ or Online Monitoring in the Salar de Atacama, which communicates environmental information about the operation in the Salar de Atacama to the communities and interested parties. The system provides information on water extraction and net brine extraction, and functions as a means of verification for authorities and stakeholders regarding compliance with extraction obligations, based on established operational rules. It also provides data from historical records of environmental monitoring in the area to evaluate and avoid potential effects of SQM's operations, other stakeholders and natural phenomena such as climate change in the protection zones.
  - SQM has developed, especially in Salar de Atacama, a project of Community Environmental Units, in order to foster participation, capacity-building and joint monitoring with local stakeholders.

- Detection and remediation actions:
  - In cases of environmental impacts supervised by the environmental authority, 100% considered concrete actions and permanent reparation and mitigation plans. In this regard, SQM presented an Environmental Impact Study for the project "Plan to Reduce Extractions in the Salar de Atacama[16]" in order to reduce the maximum amount of brine to be pumped from the authorized extraction zones in the core of the Salar and water to be extracted from wells located in the alluvial zone on the eastern margin of the Salar; implement adjustments to the environmental monitoring plan and early warning plans, and adopt measures associated with the loss of specimens of the Algarrobo tree in the Camar-2 well sector of the Salar de Atacama.

5. Communities:

- Corporate commitment
  - The Sustainability, Ethics and Human Rights Policy[17] has the communities as one of its central pillars, establishing specific commitments in this area. In this regard, SQM has expressly made a commitment to promote citizen participation with indigenous relevance and prior, free, informed and good faith consultation with respect to the communities potentially affected by the projects, in accordance with current legislation, and to respect the autonomy and traditional values of the communities where the Company's operations are carried out, among others. In addition, SQM's approach to indigenous communities within the framework of the Policy is based on (i) Informed, transparent and culturally relevant participation and (ii) Promotion of the development of indigenous communities.

- Prevention actions
  - SQM has worked to establish formal relationship agreements whose components incorporate human rights approaches, sustainability as a value, good faith and clear conflict resolution mechanisms, and the establishment of permanent working and monitoring groups.

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[16] To Access the environmental assesment file, please see:
https://seia.sea.gob.cl/expediente/ficha/fichaPrincipal.php?modo=ficha&id_expediente=2154490427
[17] Please see: https://s25.q4cdn.com/757756353/files/governance_doc/esp/2021/Politica-de-Sostenibilidad-Etica-y- Derechos-Humanos.pdf

- Detection and remediation actions
    - Through the cooperation agreements signed with the communities, SQM has established the creation of joint working groups with the communities, which also act as the first instance of conflict resolution in the event of any conflict.
    - According to the agreements signed, SQM has the contractual obligation to take care of the conflicts that arise and the concerns of the community.
    - SQM has a community portal for the entry of requests and complaints, which are reviewed confidentially. The site collects doubts, complaints or opinions from the communities, with the support of a management system that considers response times, associated investigation and case follow-up.
    - During the reporting period, SQM did not receive any complaints or observations on violations of the rights of indigenous peoples.