



ESG Supporting Document 2023 SQM Salar Spa.



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Scope

This document has been prepared to supplement and/or rectify the information about SQM Salar Spa. presented in the Annual Report of SQM Salar Spa., the Sustainability Report of SQM S.A., and the ESG Support Document of SQM S.A., FY 2023. It is aligned with the economic, corporate governance, environmental, and social (ESG) disclosure opportunities proposed by S&P Global's Corporate Sustainability Assessment (CSA), among other standards and assessments.

The information disclosed in this document pertains to the 2023 period and includes all activities consolidated for financial reporting purposes, covering the operations of the Lithium Chemical Plant Carmen, the Salar de Atacama, and the corporate offices of SQM Salar (Lithium Division). If there are any discrepancies in the coverage of information, we will provide an explicit explanatory note.



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0. Company Information

	FY 2020	FY 2021	FY 2022	FY 2023
Revenues (US Dollars)	581,494,000	1,502,804,000	9,932,504,000	3,928,645,000
Total Employees (al 31 de dic)*	1,977	2,364	2,795	3,127
Production Volume (metric tonnes)**	81,300	119,800	168,400	165,600

NOTE: *Consider only the workforce in Chile. ** Consider only Lithium and Lithium Derivative Production.



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1. Governance & Economic dimension

1.2 Corporate Governance

	Gina Ocqueteau Tacchini Director	Constanza Valbuena Figueroa Director	Gonzalo Guerrero Yamamoto Chairman	Patricio Contesse Fica Director	Ricardo Ramos Rodríguez Director
Executive director	-	-	-	-	-
Independent director	Sí	Sí	-	-	-
Non-executive/independent director with 4 or less other mandates	Sí	Sí	Sí	Sí	Sí
Average tenure of board members in years, Dec. FY23	2 años, 4 meses	2 años, 4 meses	3 años	5 años, 5 meses	5 años, 7 meses
Number of independent or non-executive members with industry experience (excludes experience in SQM)	-	-	-	-	-
Number of meetings attended in percentage, FY23	100%	100%	100%	60%	60%

Note: Ricardo Ramos is CEO of SQM S.A. Carlos Díaz is CEO of SQM Salar Spa.

Board members are elected individually (as opposed to elected by slate).

Board effectiveness Each year the Board will evaluate its processes and performance through a Board Assessment designed to promote the Board's on-going effectiveness and continuous improvement. This evaluation may be conducted by a third party. In 2023, EY supported the Board of Directors in this process.

1.3 Materiality

1.3.1 Materiality analysis

At SQM Salar, the materiality determination process is an integral part of our sustainability strategy, ensuring that we identify and address the most critical environmental, social, and governance (ESG) issues that impact both our business and the societies we operate in. The most recent materiality analysis was conducted in 2022, following the guidelines of the European Sustainability Reporting Standards (ESRS) on **Double Materiality**. This analysis provides a comprehensive view of how SQM Salar's operations impact society and the environment, as well as how external factors influence our company's value.



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Frequency of Review

The materiality analysis is conducted **at least once every two years**, ensuring that the company remains aligned with evolving stakeholder expectations and regulatory requirements.

Stakeholder Involvement

External stakeholders, including communities, investors, and industry experts, play a key role in identifying material issues. In 2022, we engaged in both internal and external interviews, gathering insights from 17 internal and 7 external stakeholders to ensure a broad perspective.

Materiality Matrix

The prioritized issues are visualized in a **Materiality Matrix**, which aligns with industry best practices. The matrix presents both the financial materiality and the materiality of the company's impacts on society and the environment. **Annex A.1.**

Integration with ERM Process

The findings of the materiality assessment are integrated into our **Enterprise Risk Management (ERM)** processes. This ensures that material ESG risks are continuously SQM Salar is currently **in the process of integrating** the findings of the materiality assessment into its **Enterprise Risk Management (ERM)** processes. Various areas of the organization, such as risk management, compliance, legal, safety, and sustainability, are actively involved in this process. This gradual integration ensures that material ESG risks are effectively incorporated into our broader risk management framework.

Double Materiality Principle

Our materiality assessment adheres to the principle of **double materiality**, considering both the internal impact on the business and the external impact on society and the environment. This aligns SQM Salar with global standards in sustainability reporting.

Third-Party Verification

The materiality determination process and subsequent verification were supported by independent external consultants, ensuring the objectivity and robustness of the process. See **Annex A.2.**

Approval and Sign-off

The final results of the materiality assessment are reviewed and signed off by **Senior Management**, ensuring that the findings are integrated into our strategic decision-making processes.

This systematic approach to materiality helps SQM Salar not only meet regulatory and stakeholder expectations but also drive long-term value creation through sustainable and responsible operations.



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1.3.2 Materiality issues for enterprise value and 1.3.3 Materiality Metrics for Enterprise Value Creation

1. **Responsible Water Management:** the responsible use of water is a relevant aspect of its production processes, given the scarcity of this resource in some places where its operations are located.
 - **Business case:** Responsible water management is crucial for SQM Salar's operational sustainability, environmental stewardship, regulatory compliance, and community relations. Our operations are located in areas that are already under hydric stress, where water scarcity is a pressing issue. By prioritizing this material issue, SQM Salar not only ensures the efficient and sustainable production of its products but also contributes to the well-being of the communities and environments in which it operates. This approach is essential for SQM to maintain its leadership in the industry while fulfilling its commitments to responsible and ethical business practices. Furthermore, water is a key input in the production of lithium. Any disruption or inefficiency in water usage directly impacts our production capacity, potentially leading to higher operational costs, delays, and reduced product quality. Additionally, as global and local regulations on water usage become increasingly stringent, SQM Salar needs to demonstrate proactive and responsible water management practices.
 - **Business strategies:** We hold duly authorized water usage rights for our operations and meet all related requirements and commitments. We also ensure that we use water efficiently and engage in adequate hydric management of the ecosystems of origin, always favoring recirculation and optimization in the processes. Our Sustainability Plan includes specific commitments to reduce water use and extraction. Along these same lines, we implemented environmental monitoring and early warning plans to ensure care for these ecosystems. We have created the portal <https://www.sqmsenlinea.com/> or Salar de Atacama Online Monitoring, which provides environmental information on our operations in Salar de Atacama to communities and interested parties. We have designed and implemented a system that allows us to provide information about extracted water and net extracted brine. It also serves as a verification system for our compliance with extraction limits, in keeping with current operating regulations. To learn more about our strategy, you can read the "Water Management" chapter in our 2023 SQM's Sustainability Report (pages 196-199) and also in our 2023 SQM's Annual Report (pages 155-158).
 - **Target:** We maintain various public goals related to our aspirations for environmental management and compliance. One of the main ones is reducing continental water consumption by 65% by 2040 beginning with a 40% decrease by 2030, as forecast in 2020.
 - **Progress on target:** Reducing continental water consumption:
 - i. We publish SQM "Summary of Water Extraction and Consumption" on Pages 198-199 of our Sustainability Report 2023.
 - ii. We have publish news and reports regarding water management progress (Examples: <https://www.sqm.com/en/noticia/sqm-nitratos-yodo-utilizara-agua-de-mar-en-sus-procesos-productivos/> ; <https://www.sqm.com/en/noticia/faena-salar-de-atacama-de-sqm-se-convierte-en-la-primera-operacion-minera-de-litio-del-mundo-en-alcanzar-irma-75/>)
 - iii. More information is also available in our Annual Report 2023 (pages 155-158): At Salar de Atacama, water consumption has been reduced by 50% from 2021 and we estimate that it will remain at half of the environmentally approved level until 2030. As of November 2020, we reduced our brine extraction by 25% and will progress to reduce brine extraction by 50% by 2028, as committed in the Environmental Impact Study



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"Plan to Reduce Extraction in the Salar de Atacama", presented at the beginning of 2022. Water consumption intensity reduction of 2.9% for potassium chloride.

- **Executive compensation:** The metric 'CORFO Project Compliance' is utilized to determine the variable compensation of executive committee member Javier Silva, Sustainability and Community Relations Manager at SQM, weighing 10% in his annual variable bonus 2023. The CORFO project, specifically 'Salar Futuro', involves commitments to reduce continental water consumption in alignment with authorized water use rights for our operations. This metric aligns with the company's goal of reducing continental water consumption by 65% by 2040, beginning with a 40% decrease by 2030, as forecast in 2020.
2. **Human Rights and Business:** The responsibility of impeccable conduct by the company in its social role as a key factor in the perception and engagement of both internal and external stakeholders.
- **Business case:** Human rights, particularly non-discrimination and gender equity, are critical for SQM as they ensure compliance with the ever-evolving international and local laws that require companies to respect these rights. Non-compliance not only risks legal sanctions but can also severely damage the company's reputation. On the other hand, properly managing these issues attracts diverse and skilled talent, while also mitigating operational risks, such as labor conflicts, lawsuits, and other potential challenges. Embracing these principles strengthens SQM's competitive edge and supports its sustainable long-term growth.
 - **Business strategies:** To prioritize human rights, we've identified key areas through due diligence and made a public commitment in our Sustainability, Ethics, and Human Rights Policy. Inclusive environments, health and safety, and community well-being are top concerns. Each of these priorities is backed by policies, procedures, success metrics, and dedicated teams reporting to the board through the Sustainability and SHE Committees. For example, our Diversity and Inclusion Policy states our commitment to breaking down existing barriers to female participation. For this endeavor, we have instituted management systems to integrate gender equality and foster a harmonious balance between work, family, and personal life. Our utilization of blind recruitment solely assesses candidates based on their competencies. Ensuring wage equity and leveraging people analytics to identify disparities in hiring, promotions, and other pivotal decisions are components of our approach. Additionally, we are actively collaborating with experts and expanding our accreditation under the Chilean standard 3262.
 - **Target:** Reach a 25% female workforce by 2025. 21.8% of SQM Salar's staff is female.
 - **Progress on target:** We had a 21,8% female workforce in 2023, as we reported in our SQM's Sustainability Report 2023 (page 76). This figure is above the mining industry average, which stands at 17% in 2022, according to the Large Mining Workforce Study conducted by the Mining Skills Council and Eleva.
 - **Executive compensation:** The metric 'Female Participation' is used to determine the compensation of executive committee member Natalia Pizarro, Vice President of People and Development, within the framework of the annual Variable Bonus objectives. This metric aims to increase female participation in the company and is adjusted annually. The objective is to progress towards a target of 25% female participation by 2025. Last year, her goal was "female participation 21% in SQM", with a weight of 25% in her annual variable bonus.



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3. **Climate change:** driven by lithium demand, poses financial risks and opportunities for SQM Salar. The EU Battery Law and stakeholder pressure demand immediate environmental action.
- a. **Business case:**
- Risks:
 - Costs: Higher extraction costs due to water scarcity and extreme weather in the Salar de Atacama. Investment in low-carbon extraction technologies (DLE) to meet expectations EU Battery Law. Costs for traceability under the Battery Passport. Potential fines for non-compliance.
 - Revenues: Loss of customers seeking low-carbon lithium, especially in Europe. Inability to access the EU market if Battery Law requirements aren't met. Reputational damage from inadequate climate action, affecting demand and prices.
 - Opportunities:
 - Revenues: Increased demand for lithium in electric vehicles and renewable energy. EU market access by complying with Battery Law and offering sustainable, traceable lithium. Competitiveness with low-carbon, responsible lithium.
 - Financing: Better access to green bonds and sustainable finance.
 - Reputation: Improved brand value and stakeholder relations through sustainability leadership.
- b. **Business strategies:**
- Mitigation: Implement low-carbon extraction technologies (e.g., DLE) to reduce water and energy use. Increase renewable energy through solar plants or PPAs. Optimize water use in the Salar de Atacama via reuse and recycling. Manage carbon emissions by monitoring and reducing GHGs across the value chain.
 - Adaptation: Adapt infrastructure for resilience to extreme weather (droughts, floods) with flood-resistant designs and early warning systems. Develop contingency plans to ensure operational continuity, diversify water sources, and manage climate risks.
 - Compliance: Implement traceability systems to meet EU Battery Law and Battery Passport requirements. Ensure lithium traceability and collaborate with stakeholders to ensure compliance.
 - Transparency: Engage in initiatives like SBTi, TCFD, and CDP. Transparently report progress on climate strategies and compliance with EU Battery Law.
- c. **Target:** SQM Salar S.A commits to reduce absolute scope 1 and 2 GHG emissions 46.2% by 2031 from 2021 base year. SQM Salar S.A also commits to reduce scope 3 GHG emissions 55% per ton Lithium Carbonate equivalent (LCE) produced within the same timeframe.
- d. **Progress on target:** SQM's progress toward reducing absolute Scope 1 and 2 GHG emissions by 46.2% by 2031, as aligned with the Science Based Targets initiative (SBTi), reflects a combination of short-term obstacles and long-term strategic efforts. The company has faced a temporary increase in emissions due to a necessary expansion in lithium production to meet global electric vehicle demand, which has pushed its short-term emission totals higher. However, SQM has responded by securing renewable energy contracts and working closely with its suppliers to reduce the overall carbon footprint of its operations. This approach demonstrates a proactive commitment to decarbonization. As the company continues to expand, it remains



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focused on reducing emissions through innovative energy solutions and supply chain engagement. Though challenges exist, SQM's actions show a clear intention to meet its ambitious 2031 climate goals, balancing growth with sustainability and aligning its production with global standards.

- e. **Executive compensation:** Executive compensation at SQM is directly linked to climate-related performance metrics, reflecting a clear alignment between sustainability goals and management incentives. Key climate indicators, such as emissions reduction and operational efficiency, are integrated into the annual bonus structure, with 10% of the 2023 variable bonus allocated to the Sustainability and Community Relations Manager. Around 60% of the incentives focus on efficiency improvements, with 20% tied to sustainable development projects that help reduce the company's carbon footprint. Additionally, all employees participate in a sustainability recognition program, reinforcing the company's commitment to environmental action. This approach clearly demonstrates that executive compensation is not only aligned with general financial metrics but directly tied to climate-related goals, such as carbon neutrality, making it public and material to the business strategy.

1.3.4 Materiality issues for external stakeholders and 1.3.5 Materiality Metrics for External Stakeholders

1. **Water availability in the communities:** Prioritizing responsible water use is essential for SQM given that the organization operates in a water-scarce area. The availability of water directly affects the daily lives of residents, their health, and their ability to engage in economic activities such as agriculture and livestock farming. In this regard, SQM has implemented various measures to contribute to the stability and sustainability of water resources for the communities. At the same time, the organization's water use must be continuously monitored and managed by SQM to ensure the availability of this valuable resource in the long term.
 - **Initiatives:** As an example of the impact of providing a constant and sustainable water supply, the establishment of forage in San Pedro de Atacama can be observed. In the Yervas Buenas sector of the Río Grande, there was no direct access to water, only through tanker trucks. Therefore, SQM installed advanced irrigation systems to ensure a reliable water supply, along with acquiring machinery for sustainable use and efficient water distribution.

Additionally, since 2022, SQM has been working with the San Pedro de Atacama Rural Drinking Water Committee (CAPRA), a non-profit organization under the Directorate of Hydraulic Works, responsible for supplying drinking water to the town of San Pedro de Atacama. The objective of this collaboration is to urgently address and stabilize the drinking water supply service for the town, as the committee was facing an economic crisis and was conducting daily water cuts to the population.

- **Materiality metrics:**
 - i. In the Yervas Buenas sector of Río Grande, 30 residents previously relied on water delivery trucks for their alfalfa plots. Thanks to SQM's efforts, 21 of them now have access to sustainable irrigation systems, resulting in 70% of the community having stable and sustainable access to irrigation water for their crops.
 - ii. With stable and sustainable water access, residents gain greater autonomy as they can now cultivate alfalfa to feed their livestock, reducing their reliance on external sources and enhancing their self-sufficiency. This leads to increased availability and quality of food, and a significant improvement in their quality of life.



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- iii. As a result of gaining autonomy in livestock feed production, 70% of the residents have increased their income through alfalfa sales. It is estimated that 21 farmers will produce approximately 350 bales on 5 hectares, with each bale selling for CLP 12,000. Therefore, the income per harvest from the complete production sold at that estimated price would be approximately \$5,122 USD.
2. **Community Relations:** The significance of Community Relations impacts stems from the direct connection between the financial stability of local communities and SQM's success, influencing jobs, incomes, and economic growth. In remote areas where services are limited, such as where SQM operates, education initiatives foster employability and economic empowerment. Moreover, education empowers young people to improve their living conditions, while better-trained professionals are better equipped to contribute to community development. This helps bridge gaps in essential services and products for the local functioning and strengthens the skills of residents.
 - **Initiatives:** For the past seven years, we have supported a program designed to provide technical knowledge and educational tools to agriculture students at Bicentenario Lickan Antai School, preparing them for the workforce. SQM aims to equip students in the technical agriculture area at Bicentenario Lickan Antai School with technical knowledge and educational tools, thereby facilitating their access to quality jobs. The program includes theoretical educational components, such as curriculum development, hiring qualified professionals, training in areas of interest, and technical and demonstration tours, among others. It also features practical components, including the acquisition of agricultural technologies and machinery, and the implementation of a school farm and productive plots available to students.
 - **Materiality metrics:**
 - i. This year, SQM's supported educational program involves 32 students from the 11th and 12th grades of the local high school. Over the past seven years, approximately 80% of these students have successfully completed their professional internships.
 - ii. During this period, approximately 15% of the students have secured jobs in the agricultural sector, providing them with the opportunity to build a career aligned with their training.

1.4 Risk & Crisis Management

1.4.1 Risk Management Processes

The complete list of risks is thoroughly reviewed once a year. Additionally, the main business risks are presented to the Board of Directors four times a year, where they are reviewed with the risk owner and the CEO. Furthermore, the inventory and evaluation of these key risks are reviewed on a semi-annual basis.

Below are the results of the evaluation for two of these risks:



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Risk description	Probability	Magnitude
<i>Information technology systems can be vulnerable to disruptions that carry risks of data loss, operational failures, or the compromise of confidential information.</i>	3	4
<ul style="list-style-type: none">Mitigation actions: <i>Due to the increasing sophistication of security, cybersecurity in companies, and the types of crimes over the years, data protection and worker safety have become significant challenges for businesses. Therefore, our company has been continuously working on the implementation of important standards, such as ISO 27001, as part of best practices that strengthen our IT and OT network defense systems at SQM. Additionally, we have been working on operational continuity projects, diversifying mitigation measures in case of emergencies, including redundancy measures, contingency plans, anti-malware protection, infrastructure, awareness, among others.</i>		

Risk description	Probability	Magnitude
<i>The quality standards in the markets where the Company sells its products could become more stringent over time.</i>	3	4
<ul style="list-style-type: none">Mitigation actions: <i>To meet the demands and requests of our customers, the company has worked on obtaining various certifications in sustainability and quality, such as ISO 9001:2015, 27001, IRMA, EcoVadis, CDP, among others, related to improvements in production, refining, packaging, and dispatch of our products. To achieve this, an expansion plan for the plants has been developed to increase production volume, enhance product purification sections, and expand and improve brine ponds, as well as their quality. As part of compliance with sustainability standards, multidisciplinary teams have been working on recycling and water reuse initiatives to reduce the impact on the environment where the various operations are located. Quality measures have been implemented throughout the entire supply chain.</i>		

Note: The complete risk list can be found in our 20-F and [Annual Report – SQM Salar FY 2023](#) (Annex 1. Risk Factors, pages 8-32).

Process to determine the risk appetite for identified risks

The international framework used to determine the company's risk appetite is COSO ERM, as senior management defines, validates, and approves it. Additionally, the ISO 31000 standard is used to guide risk owners in proper management better. It is important to note that the risk appetite varies for each type of identified risk. To determine this, we use a heat map/matrix with two axes (probability and impact), and depending on the risk's position on this map, the appetite varies.



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Risks identified as extreme are escalated to senior management for analysis, treatment decisions, and/or the implementation of mitigation measures to reduce their residual risk, as their appetite level is zero. As risks decrease in probability and impact, the appetite for these cases tends to be higher, meaning they fall within the levels defined by senior management.

Risk Audit Processes:

- **Internal Audits on risk management:**

The Internal Audit department is responsible for carrying out the annual audit plan, which evaluates the design and effectiveness of internal controls to address the organization's risks and confirms that the roles within the risk management system comply with policies, processes, regulations, and laws related to this aspect, among others (please refer to pages 40 and 41 of our 2023 Annual Report).

- **External Audits on risk management**

Every two years, SQM requests a robust external audit to review the maturity level of various risk management processes and practices. The latest report was conducted by Deloitte, based on the international standards of COSO ERM, ISO 31000, and their associated norms, as well as industry best practices.

Risk culture

- **Training**

The Risk Management department is responsible for facilitating risk management training, focusing on different employee profiles and areas handling critical processes. As part of this plan, the Risk, Audit, and Compliance Management conducts training workshops to update risk identification and controls across various departments, primarily with frontline teams. Additionally, all new hires must complete an onboarding process, regardless of their role or position. In particular, strategic risk presentations are made to the Board of Directors four times a year, while periodic risk management training is conducted approximately every two years.

- **Incentives linked to risk metrics at SQM**

The company provides a monetary incentive based on company-level objectives and individual performance. Our performance evaluation framework, which determines the Annual Variable Bonus, includes risk-related factors in compensation. This evaluation features questions such as whether the employee 'Identifies and manages risks, issues, and/or improvement opportunities related to the value of integrity' and SQM's ethics and compliance program, or whether they 'Promote safe behaviors within their team, following established procedures and identifying and mitigating risks.' This approach ensures that employee compensation is linked to risk management.



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- Risk criteria for the development of products and services

As we have stated in our Sustainability, Ethics and Human Rights Policy: "As a mining company selectively integrated in the processing and commercialization of products, we are committed to strict compliance of the environmental regulations in force, ensuring a rigorous assessment of the potential impacts of our operations on the environment, the responsible management of natural resources, the establishment of timely prevention, compensation and reparation measures, and an effective monitoring policy". According to that and our commitment to comply with the Chilean Law, every new process that could affect the environment must have an evaluation in advance the impacts of our operations on the environment and neighboring human communities and thus avoid potential risks. In 2021, our new Integrated Process Management Policy was published to consolidate this commitment.

1.4.2 Emerging risks

1. **International trade tensions could have a negative effect on our financial performance:** Growing tensions in international relations, particularly with China, represent 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 situation, and operational results. 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 global financial markets caused by trade disputes and tariff actions between the United States, China, and other countries are concerning. The imposition of substantial tariffs on goods by both governments has the potential to escalate further, impacting various sectors.

- a. **Impact:** Recently, the United States and the European Union announced new tariffs on various goods of Chinese origin, including batteries and electric vehicles, significantly raising their levels. In response, China is considering retaliation, with new tariffs on Western products.

We cannot predict how the Chinese government will respond, nor the policies of the Chinese, European, and U.S. governments, but the escalation of the trade war between China and the United States, along with additional tariffs on bilateral imports, could continue to affect global economic conditions.

If the list of tariffed products expands or tariffs increase further, this could negatively impact the economic conditions of both countries. It could also lead to a decrease in demand for commodities such as lithium and other basic products, resulting in a material adverse effect on our business, financial situation, and operational results.

Additionally, escalating tensions in international relations with China could result in political and economic measures against Chinese-owned companies, which could also have a negative impact on our business, financial situation, and operational results.

- b. **Mitigation actions:** We are actively monitoring these developments and proactively evaluating our strategies to mitigate potential impacts on our business, financial health, and operational results. In this sense we have been making significant progress in diversifying our operations, having already



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operations in three different countries (Chile, Australia and China), and explorations for new projects in Australia and Sweden. For example, a notable advancement in this direction was our investment in constructing 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 improving efficiency through various projects, including innovation initiatives.

Another noteworthy achievement was the acquisition of our refining plant in Dixin, China. The purchase process began in 2022 and was completed in 2024. This facility is dedicated to producing lithium hydroxide from lithium sulfate extracted from our Salar de Atacama operation. This strategic move allows us to manufacture up to 30,000 metric tons of lithium hydroxide per year using lithium sulfate from Chile.

2. **Risk arising from the European Commission's proposal to classify lithium compounds as toxic for reproduction:** If this classification is approved, lithium compounds may become listed as Substances of Very High Concern. Substances of Very High Concern are subject to new regulations, increased usage restrictions, and bans on their use in consumer products (retail sales) unless it is demonstrated that they are essential for society. This occurs within the context of the European Union's Chemicals Strategy for Sustainability, which is part of the EU's Zero Pollution ambition, a key commitment of the European Green Deal. Such decisions by the European Union have a global business impact and are often mirrored by other countries and incorporated into international agreements related to chemicals. The competent authority in Korea is already considering to adopt this classification.
 - a. **Impact:** While the classification would not halt the use of lithium, it is highly likely to significantly increase costs in at least four stages of the lithium battery supply chain in the EU and countries adopting this classification: lithium extraction, processing, battery production, and recycling. This impact will result in increased administrative burden, operational risk management, and restrictions that could deeply affect these industries, leading to cost hikes. In Chile, there is also an anticipated impact on production costs, as this classification is expected to be adopted in the future, necessitating the implementation of mitigation measures in operations to prevent occupational exposure of workers and the release of lithium into the environment.
 - b. **Mitigation actions:** SQM participates in public-private working groups to evaluate the needs of the different stakeholders to contribute with its experience in the harmonization of standards and regulations at the local and international levels, promoting that they are based on risk assessment same as robust scientific and technical evidence and in compliance with national and international standards and agreements. SQM as a member of Eurometaux, the trade association representing non-ferrous metals producers and recyclers in Europe, and the International Lithium Association (ILiA), is actively and continuously monitoring regulatory changes related to this classification proposal. The working groups where SQM is participating are focused on the consolidation of all existing scientific evidence to support the most appropriate classification and on the development of risk assessment to promote the best Industrial practices on the use of Lithium compounds. Concurrently, SQM is promoting industry collaboration in Korea to gather technical and scientific data that allows for anticipation of regulatory changes occurring in Korea.



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1.5 Business Ethics

1.5.4 Codes of Conduct: Systems/ Procedures

- **Compliance linked to employee remuneration**

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.

- **Employee performance appraisal**

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 system is certified 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. See **Annex C**.

- **High-risk business partners covered by a due diligence process in corruption or information security matters.**

There is a due diligence process in place for corruption-related matters concerning clients, suppliers, contractors, third-party intermediaries (TPIs), and external individuals staying in company camps. Relationships with third parties are subject to this due diligence process, in which findings are analyzed to assess the third party's risk level. The company uses a platform to register third parties, including an external review service that ensures 100% undergo a corruption due diligence process. Third-party intermediaries are required to complete this process, receive approval from relevant units within the company, and attend Corporate Compliance Program training. They must also incorporate program-related clauses in their contracts.



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Regarding information security due diligence, this process is currently under development due to the restructuring of the IT area, following the separation of the lithium division from the corporate team.

- **Implementation of the ISO 37001 Anti-Bribery Management System.**

In 2024, the compliance area initiated preliminary studies for the adoption of ISO 37001, aimed at establishing an anti-bribery management system. This project seeks to implement controls and procedures to strengthen the prevention, detection, and response to bribery risks, aligning internal practices with international standards for integrity and transparency.

1.6 Policy Influence

1.6.1 Contributions & Other Spending

USD	FY 2020	FY 2021	FY 2022	FY 2023
Lobbying, interest representation or similar	15,907.9	572,486.7	563,479.6	283,183.5
Local, regional or national political campaigns / organizations / candidates	0	0	0	0
Trade associations or tax-exempt groups (e.g. think tanks)	418,731.5	334,399.5	601,405.97	53,432
Other (e.g. spending related to ballot measures or referendums)	0	0	0	0
Total contributions and other spending	434,639.4	906,886.2	1,164,885.6	336,615.5

Note: The expenses described above correspond to an estimate, specifically, 50% of SQM S.A.'s total expenses, due to the fact that until 2023 expenses were not incurred directly by the Lithium (SQM Salar) and Iodine and Plant Nutrition divisions. From FY2024 onwards we expect to have the exact amounts by division.

1.6.2 Largest Contributions & Expenditures

Issues and Topics

Issue or Topic	Corporate Position	Description of Position / Engagement	Total spend in FY 2023 (USD)
Fundación Chile is a public-private organization whose purpose is to drive Chile's transformation towards sustainable development. For more than 45 years, they have collaboratively created high-impact solutions	Support	The support for this organization is crucial for SQM's engagement with public and private stakeholders, positioning us as key players in the country's sustainable transition.	88,180.9



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for the country's development, addressing local challenges with global reach. They work in a network, forming partnerships with public and private actors from over 160 institutions in 65 countries.			
The organization covers a wide range of topics related to economic, social, and political issues in Chile. Some of the key areas that Libertad y Desarrollo addresses include Economic Policy (Analysis of economic policies, reforms, and regulations aimed at fostering economic growth, competitiveness, and sustainable development), Education improvement, Examination of taxation and fiscal policy to ensure efficiency, equity, and economic stability, Labor market dynamics and social protection for job creation and workforce development, Innovation and Technology, Energy and Natural resources (energy policies, resource management), among others.	Support	SQM does not support one issue or topic. The contribution to Libertad y Desarrollo is to support the research and analysis in all these areas (sustainable development, economic growth, education, employment, private activity, the free market, and openness to foreign trade), as SQM considers these areas as the key areas for the future of the country.	75,252

Name of organization, candidate or topic	Type of Organization	Total amount paid in FY 2023 (USD)
Azerta SPA	Azerta is a consulting firm specializing in strategic communication, public affairs, crisis management, and digital communication	183,848
Libertad y Desarrollo (LyD), a Chilean think tank that focuses on economic and public policy research and analysis.	Libertad y Desarrollo is a think tank and research center founded in 1990, independent of all political, religious, business and governmental groups. It is dedicated to the analysis of public affairs, promoting the values and principles of a free society.	75,252
Fundación Chile	This entity is a public-private organization whose purpose is to drive Chile's transformation towards sustainable development. For more than 45 years, it has collaboratively created innovative, high-impact solutions for the country, addressing local challenges with global reach and working as a network, generating public and private partnerships with more than 160 institutions in 25 countries.	88,161

Note: The expenses described above correspond to an estimate, specifically, 50% of SQM S.A.'s total expenses, due to the fact that until 2023 expenses were not incurred directly by the Lithium (SQM Salar) and Iodine and Plant Nutrition divisions. From FY2024 onwards we expect to have the exact amounts by division.



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1.7 Supply Chain Management

1.7.2 Supplier ESG Program

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.

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.

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.

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.

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 30 procurement professionals through the 'Sustainable Supply Chain Management' course, offered by the Corporate Sustainability Academy of the Acción Empresas trade 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.

In 2023 and 2024, training sessions on Sustainability, Responsible Sourcing, and the OECD Guidelines were provided to the Purchasing, Procurement, Project, Regulatory Affairs, Quality, and Human Resources departments (more than 30 employees). These sessions were crucial for ensuring compliance with newly established policies and



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standards. Supported by external experts, the training aimed to raise awareness among teams about the importance of their roles in upholding SQM's responsible sourcing standards.

Incorporation of the OECD 5 Steps

SQM, in line with its sustainability objectives, during 2023 decides to incorporate the 5 steps of the OCDE into supplier management in order to promote and guarantee the application of a human rights approach and active risk monitoring in our value chain and particularly in the management of our suppliers.

1.7.3 Supplier Screening

During 2023 SQM has continued with its 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



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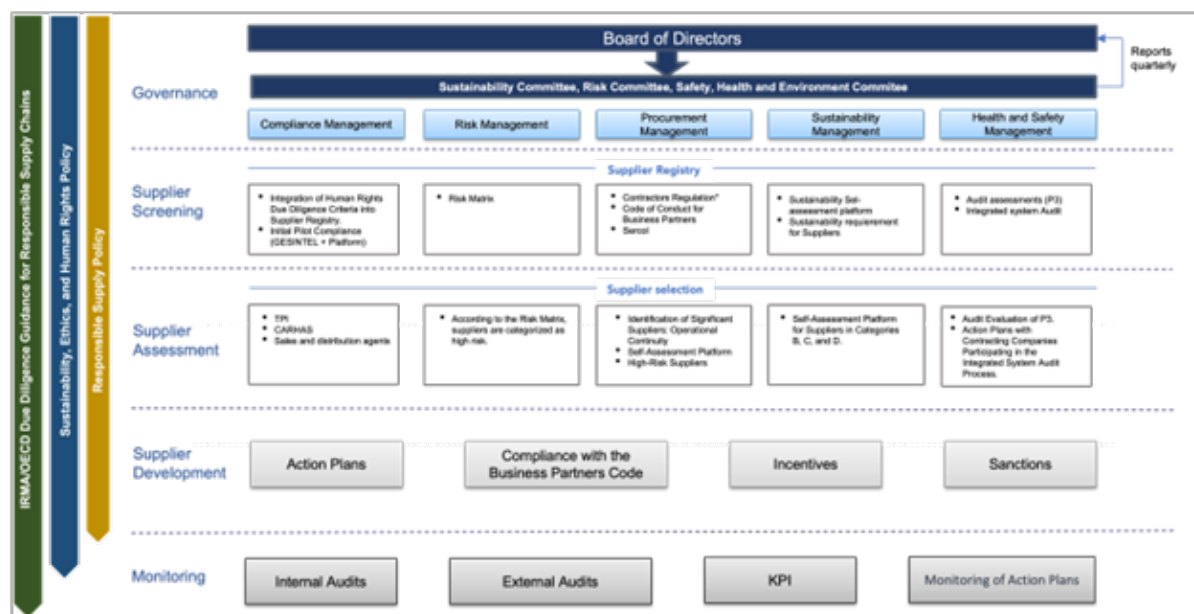
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5. Pre-Procurement Activity Evaluation: is a form that encompasses ethical, social, human rights, environmental, supply chain, quality, and process aspects.

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





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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.
5. **Client requirement:** Our clients conduct reviews of our supplier engagement processes within the framework of the requirements of the standards associated with ESG assessments and the risks of Annex II of the OECD Guide "OECD Due Diligence Guide for Responsible Supply Chains Of Minerals In Conflict-Assured Or High-Risk Areas"

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'.



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Supplier Development

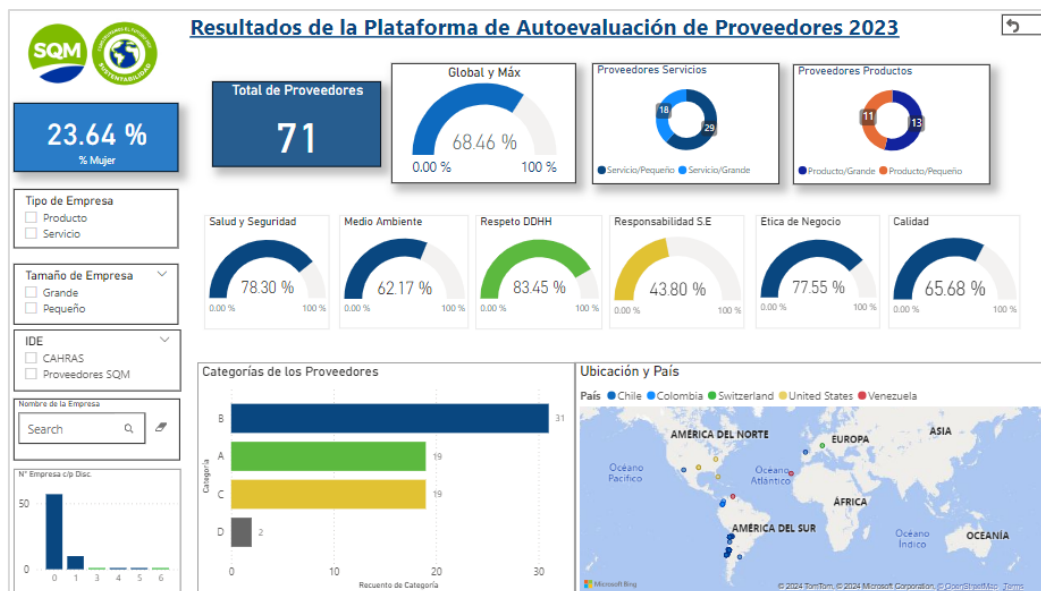
Supplier information and training on the SQM's supplier ESG program:

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 Policy, 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.

Supplier access to ESG benchmarks against peers

SQM integrates and analyzes the ESG assessment results within the supplier platform through a dashboard.

Total number of suppliers self-assessed in the Supplier Platform

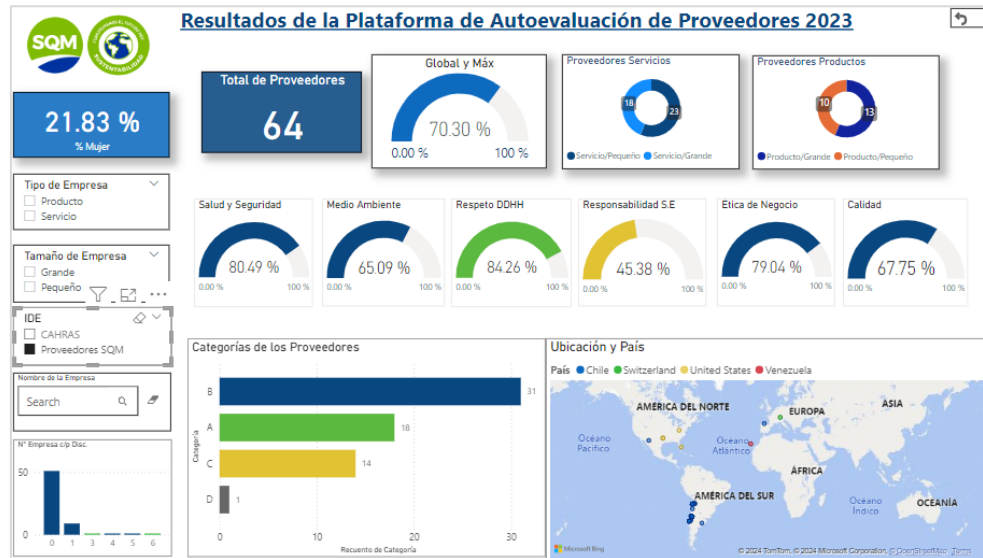




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The assessment outcomes are shared with contractors and subcontractors during training sessions, including a comparison or benchmark of performance among different evaluation participants. Relevant information is presented, providing a breakdown of company performance for each category (environment, respect for human rights, business ethics, health and safety, quality, and CSR) and for each question.



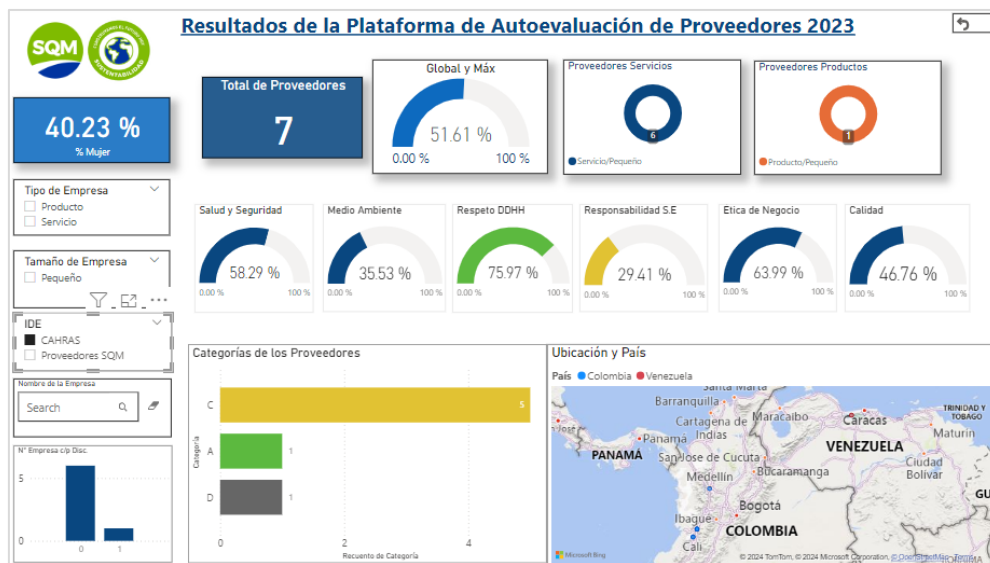
ESG assessment results of suppliers from conflict-affected and high-risk areas. Relevant information is presented, providing a breakdown of company performance for each category (environment, respect for human rights, business ethics, health and safety, quality, and CSR) and for each question.



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Supplier support on implementation of 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.

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.



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1.7.5 KPIs for Supplier Screening

Supplier Assessment	FY 2023
Total number of Tier-1 suppliers	1,436
Total number of significant suppliers in Tier-1	88
% of total spend on significant suppliers in Tier-1	30%
Total number of significant suppliers in non Tier-1	0
Total number of significant suppliers (Tier-1 and non Tier-1)	88

1.7.6 KPIs for Supplier Screening and Development

Supplier Assessment	FY 2023	Target FY 2023
Total number of unique suppliers assessed	88	100%
% of unique significant suppliers assessed	100%	
Number of suppliers assessed with substantial actual or potential negative impacts	17	
% of suppliers with substantial actual/potential negative impacts with agreed corrective action/improvement plan	19%	
Number of suppliers with substantial actual/potential negative impacts that were terminated	1	

Supplier Corrective Action Support	FY 2023	Target FY 2023
Total number of suppliers supported in corrective action plan implementation	17	100%
% of suppliers assessed with substantial actual/potential negative impacts supported in corrective action plan implementation	100%	

Supplier Capacitive building programs	FY 2023	Target FY 2023
Total number of suppliers in capacity building programs	88	100%
% of unique significant suppliers in capacity building programs	100%	



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1.9 Information Security/ Cybersecurity & System Availability

1.9.1 IT Security/ Cybersecurity Governance

Katherine Arce is the CISO/CSO at SQM Salar.

1.9.2 IT Security/ Cybersecurity Measures

- Information security/cybersecurity awareness training

The IT Security and Governance team annually develops an awareness plan and program aimed at educating employees on relevant topics and internal guidelines regarding cybersecurity and information security. This is achieved through formal SQM Salar channels such as email, intranet, app, radio, and webinars. Building on the progress made since 2023, the 2024 plan continues to enhance organizational maturity in cybersecurity. It includes ongoing training, segmented awareness initiatives, more ambitious KPIs, and the integration of cybersecurity training in the corporate onboarding process for new employees.

1.9.3 IT Security/ Cybersecurity Process & Infrastructure

Approximately 60% of our IT infrastructure and information security management system is certified under ISO 27001 or a similar standard. See **Annex B**.

SQM has established several internal procedures to ensure the continuity of its systems. The purpose of these documents is to outline the proper management of the Security Incident Response Process, detailing the activities for resolving any unplanned disruption or degradation in quality that could negatively impact technological services and business continuity in the fastest and most effective manner possible. To secure this, SQM conducts at least one recovery tests per year for potential incidents in their database and servers. The most recent tests were conducted in 2024. The organization also performs External Verifications and Vulnerability Analysis, which include simulated hacker attacks. During 2023, no incidents that resulted in information security breaches occurred, nor were any clients, customers, or employees affected.

Breaches	FY2023
Total number of clients, customers and employees affected by the breaches	0
Total number of clients, customers and employees affected by the breaches	0



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2.Environmental Dimension

2.1 Environmental Policy & Management

2.1.3 Verification of Environmental Programs

SQM Salar operates at two sites: Planta Química de Litio Carmen and Salar de Atacama. 100% of the operational sites are ISO 14001 and 50001 certified.

- **EMS is verified through international standards**

SQM Salar holds ISO 14001:2015 certification, reflecting its commitment to environmental management and sustainability. The operations at both the **Salar de Atacama** and the **Planta Química Litio Carmen** are certified under this standard, with the current certification valid from February 2023 to February 2026. These certifications cover activities related to brine extraction, lithium carbonate, lithium hydroxide production, and the production of potassium products. This certification underscores SQM Salar's efforts to ensure environmentally responsible practices in its operations. See **Annex B**.

Additionally, SQM Salar holds **ISO 50001:2018** certification for energy management, valid from February 2024 to February 2027, further demonstrating its commitment to optimizing energy use and improving energy efficiency in its lithium production processes. See **Annex B**.

- **Third party certification /audit / verification by specialized companies**

SQM Salar also adheres to the IRMA (Initiative for Responsible Mining Assurance) standard, which promotes responsible mining practices based on four key principles: Corporate Integrity, Positive Legacy Management, Social Responsibility, and Environmental Responsibility. In 2023, the Salar de Atacama mine achieved a score of 75 in its independent evaluation under the IRMA Standard for Responsible Mining, highlighting the site's commitment to sustainable and responsible mining.



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2.1.4 Return on Environmental Investments

Currency	Unit	FY 2020	FY 2021	FY 2022	FY 2023
Capital Investments	USD	696,000	2,606,000	2,392,496	2,888,642
Operating Expenses	USD	556,000	756,000	558,000	980,347
Total Expenses	USD	1,252,000	3,362,000	2,950,496	3,868,989
Savings, cost avoidance, income, tax incentives, etc.	USD	0	0	0	0
% of operations covered	Basis for the coverage: Production volume	100	100	100	100

2.2 Energy

2.2.1 Energy Management Programs

Our energy reduction programs are framed within the **ISO 50001 certification**, which is valid until January 2027. This certification reinforces our commitment to energy efficiency in operations at the **Planta Química de Litio Carmen (PQLC)** and **Salar de Atacama** sites.

Innovation and R&D

In 2023, SQM Salar's **Lithium Division** made significant investments in innovation aimed at reducing energy consumption. A total of **USD 1.09 million** has been allocated to initiatives that are already implemented and being monitored, while an additional **USD 10.04 million** is set to be invested in upcoming projects that have already been confirmed. These investments target suppliers with new technologies and the redesign of operational processes to improve efficiency and reduce energy consumption.

Some examples of the initiatives currently implemented include:



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- **Planta Química de Litio Carmen (PQLC):** Improving boiler efficiency by upgrading equipment and control systems, and integrating energy from IT inputs.
- **Salar de Atacama:** Reducing energy consumption in the historical dryer and enhancing the efficiency of operational pumps.

For the confirmed projects, the following actions are planned:

- **PQLC:** Reducing specific fuel consumption (natural gas and LPG) per unit of production, improving steam availability for turbo compressor seals, optimizing the insulation of hot water circuit lines, increasing boiler efficiency, and installing complementary equipment like thermocompressors to reduce energy consumption.
- **Salar de Atacama:** Increasing pump efficiency in various sections of the operation and replacing diesel generators with electricity.

With these initiatives, an energy savings of **90 GWh/year** is expected.

EcoChallenge and Decarbonization

As part of SQM's commitment to sustainability, we also run the **EcoChallenge**, an internal initiative designed to encourage innovation and sustainability. Employees are invited to propose ideas to reduce the environmental impact of operations, improve resource efficiency, and enhance sustainability practices. The focus areas of this initiative include reducing greenhouse gas emissions, optimizing water use, and improving waste circularity.

Regarding decarbonization, the goal is to reduce greenhouse gas emissions through technologies that also optimize energy consumption. Examples of targeted areas for innovation include air preheating, exhaust heat recovery units, high-efficiency motors and compressors, heat pumps, thermal insulation improvements, and innovations in combustion processes aimed at reducing Scope 1 emissions.

Training

During 2023, training sessions on the **ISO 50001:2018** standard were conducted for various areas within **SQM Salar (Lithium Division)**, including Maintenance, Operations, and Senior Management. The primary goal of this training was to raise employee awareness about the importance of energy management and promote a proactive approach to reducing energy consumption.

The training on **ISO 50001:2018** included a comprehensive contextualization of the standard, detailing its integration into the company through the Energy Management System (EnMS), which began implementation in 2022. Key concepts such as energy performance, energy efficiency, and continuous improvement were addressed. The training also covered management responsibility, the formulation of an energy management policy, energy planning, the implementation of energy management improvement plans, and the verification of the Energy Management System.

For 2024, three key improvement areas were identified:



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- Strengthening operational control in maintenance and operational areas.
- Continuously improving the effectiveness of the EnMS.
- Increasing energy management capacity.

Additionally, the training reviewed the progress made in implementing the EnMS within **SQM Salar**, highlighting the tasks necessary to maintain and improve the system, the results obtained to date, and projections for the coming year.

In 2023, **131 people** were trained, including **54 from the Lithium Division**. So far in 2024, **172 employees** have been trained, all from the **Lithium Division**.

2.2.2 Energy Consumption

Total energy Consumption	Unit	FY 2020	FY 2021	FY 2022	FY 2023
Total non-renewable energy consumption	MWh	571526	613741	649488	805343
Total renewable energy consumption	MWh	0	0	0	0
Data coverage	Percentage of Production Volume	100	100	100	100

Although we use solar radiation for evaporation processes in our operations, in 2023, 0% of grid energy came from certified renewable sources.

2.3.1 Waste Management Programs

Waste Management Programs: Innovation and R&D

SQM Salar promotes innovation and sustainability through the **EcoChallenge**, an internal initiative designed to encourage employees to propose and develop ideas that improve environmental performance and promote sustainable practices in the company's operations. These projects focus on solutions to reduce environmental impact, optimize resource use, and enhance efficiency. The **EcoChallenge** incentivizes employee participation with prizes for the most innovative and effective ideas,



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contributing to the company's environmental and sustainability goals. The main focus areas include reducing greenhouse gas emissions, optimizing water use, and improving waste circularity.

To advance in the circular economy of waste, SQM Salar aims to reduce the amount of waste generated by implementing recycling and reuse practices, developing more effective waste treatment technologies, and adopting sustainable design approaches. Specific areas of innovation include air filters for the mining fleet, wood valorization, and sustainable materials for leach pad construction and solution transport.

Training

At **SQM Salar**, employees receive training in waste reduction to foster a culture of sustainability and to integrate the company's circularity strategy. During these training sessions, the strategic plan to increase circularity is presented, with the primary objective of minimizing waste generation and reducing the volume of non-hazardous solid waste that ends up in landfills. SQM Salar has set ambitious goals to reduce waste volumes by **50% by 2025** and by **65% by 2040**.

To complement these efforts, the company implemented the '**SQM Lithium 360 Sustainability Program**', ensuring employees understand and integrate sustainability concepts into their daily work. This program, delivered through interactive 2-hour sessions, covers key topics such as **IRMA certification principles, diversity and inclusion, water management, carbon footprint, and circular economy**, all aimed at encouraging employees to apply sustainability practices, including the **10Rs** in their work. The sessions held at the **Salar de Atacama** and **Planta Química de Litio Carmen** trained a total of **500 employees**, fostering responsible practices to reduce waste and ensure a lasting positive impact on both the organization and the community.

Independent Certifications

SQM is part of the **Clean Production Agreement (APL) Transition to Circular Economy (TEC)**, which is a voluntary public-private agreement aimed at promoting sustainable business practices in Chile. The goals of the APL focus on implementing measures such as energy efficiency, water efficiency, and waste valorization. These goals are periodically audited by the APL TEC Coordinating Committee to assess progress and identify opportunities for improvement.

One of the primary objectives of the **APL Transition to Circular Economy** is to develop guidelines for the circular economy at SQM Salar, focusing on reducing the generation of industrial and non-hazardous domestic waste. The **Salar de Atacama** and **Planta Química de Litio Carmen** are fully aligned with these objectives, with plans to meet the established criteria through medium- and long-term actions to ensure compliance.

For more information on this topic, please refer to the following link: <https://www.sqm.com/sqm-ecochallenge/>



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N°	Goal	Action Description	Term	Expected Outcome
1	Circularity Metrics	Develop and systematize a portfolio of ongoing projects linked to the 2025 circularity goal.	2024	Assess the development status of circularity efforts at each site.
		Measure the maturity level of operations to enable circularity projects and propose capabilities that need to be developed by each operation.	2024	Portfolio of Projects and Initiatives to Advance Circularity
		Identify and systematize new initiatives that can be added to the project portfolio to achieve the 2025 circularity goal.	2024	Enabling initiatives to increase the level of maturity regarding circularity
		2024 Investment Plan: Purchase of Scales	2024	Weighing and Characterization of Waste
2	Circular Supply	Supplier Platform	2024	
		Supply Chain Due Diligence	2025 - 2026	
3	Circular Culture	Design a governance structure responsible for executing, guiding, and reporting progress on this initiative.	2024 - 2025	Governance for the execution and oversight of compliance with the roadmap
		Achieve the commitment of stakeholders in various projects, activities, and initiatives, involving senior management in strategic instances.	2025	
4	Circular Processes and Technology	Innovation Pilots in Our Operations	2025	
5	Collaboration and Strategic Alliances	Participation in Sofofa Hub: Alliances with Strategic Partners	2024	Development of projects for operations that support circularity
		Engagement with Universities	2024	
6	Reduction in the Use of Plastic Bottles	Distribution of stainless steel bottles to staff and installation of refill stations	2023-2024	Reduction in the purchase of disposable plastic bottles



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7	Replacement of polypropylene mats with PET	Pilot testing of mats to assess their field performance, durability, and compliance	2023 - 2024	
		Economic Feasibility Study	2024	
8	Replacement of wooden pallets with plastic ones	Pilot testing of plastic pallets to assess their durability and performance within the facility	2024	
		Economic Feasibility Study	2024	

Lithium circularity strategy

SQM's Lithium division has implemented a Circularity strategy that establishes Key Results (KR) aligned with the company's global objective of reducing waste by 50% by 2025 and by 65% by 2040. These KRs include reducing total waste by 10% by 2025 compared to 2023, revalorizing 50% of the waste generated by 2025, and ensuring that waste remains in temporary storage areas for less than six months by 2024. To achieve these goals, SQM has launched various initiatives, which are detailed in our 2023 annual report (pages 159 to 162). One example is the Water Bottle Refill Campaign, which involves installing water dispensers and distributing reusable bottles to reduce plastic usage.

2.3.2 Waste Disposal

Non-hazardous waste	Unit	FY 2020	FY 2021	FY 2022	FY 2023
Total waste recycled/reused	Metric tonnes	15	984	761	0
Total waste disposed	Metric tonnes	4,736	4,861	12,273	4,460
- Waste landfilled	Metric tonnes	4,705	2,893	10,752	4,460
- Waste incinerated with energy recovery	Metric tonnes	0	0	0	0
- Waste incinerated without energy recovery	Metric tonnes	0	0	0	0



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- Waste otherwise disposed	Metric tonnes	0	0	0	0
- Waste with unknown disposal method	Metric tonnes	0	0	0	0
Data coverage	Percentage of Production Volume	100	100	100	100

Note:* In the 2022 period, the amount of waste increased because the expansion of the refining plant of the Lithium business was being carried out, where it corresponds to debris.

In 2023, 100% of non-hazardous waste was disposed of in a landfill.

2.3.3 Hazardous Waste

Hazardous Waste	Unit	FY 2020	FY 2021	FY 2022	FY 2023
Total hazardous waste recycled/reused	Metric tonnes	0	0	0	0
Total hazardous waste disposed	Metric tonnes	1,195	249	717	1,112
- Hazardous waste landfilled	Metric tonnes	1,195	249	717	1,112
- Hazardous waste incinerated with energy recovery	Metric tonnes	0	0	0	0
- 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	Percentage of Production Volume	100	100	100	100

Note: * Due to the division of SQM's business into the lithium and nitrate areas, the consolidation of the quantity of hazardous waste incinerated with energy recovery was hindered within the stipulated timeframes. However, this information will be estimated during the current period.

2.3.9 SOX Emissions

	Unit	FY 2020	FY 2021	FY 2022	FY 2023
Direct SOx emissions	Metric tonnes	33.55	33.4	40.31	41.94
Data coverage	Percentage of Production Volume	100	100	100	100

2.4 Water

2.4.1 Water Efficiency Management Programs

Given the growing concern about water scarcity, efficient water management and optimization are key priorities for SQM. In response to these challenges, we have developed, planned, and implemented several strategic projects:

- **PRS Project:** At SQM Salar, we have launched the Solution Recovery Plant (PRS) Project at the Carmen Chemical Plant. This project aims to recover clean water while concentrating lithium-rich brine. The plant processes brine that is almost saturated with sodium chloride, coming from SQM's lithium carbonate plant at Salar del Carmen. Through an evaporative crystallization process, clean condensed water is recovered. In addition to facilitating water recycling, the project allows for the recovery of lithium that would otherwise be discarded, improving the quality of wastewater. In 2023, the plant achieved an annual recovery of 554,244 m³ of water, equivalent to 18 l/s.
- **Pile Capping Project:** This project focuses on preventing water evaporation, contributing to the conservation of water resources and improving water management efficiency. According to the data, each pile allows for the recovery of 3 liters per second (l/s). This recovery not only optimizes water use but also reduces the need for new sources, minimizing environmental impact and promoting sustainability in our operations.
- **Salar Futuro (Salar de Atacama):** This sustainable innovation project seeks to develop new technologies for lithium extraction with a zero water footprint. It includes the implementation of Advanced Evaporation Technologies (TEA) with mechanical evaporation equipment for a significant portion of the Salar's brines; Direct Lithium Extraction (DLE) for reduced brine extraction and reinjection; performance improvements to increase lithium carbonate and lithium hydroxide production by 5% or more from lithium seawater combined with a desalination plant. These changes aim to ensure a positive water balance in the Salar de Atacama basin, preserving local ecosystems. The reduction in evaporated water will be offset by the addition of desalinated water, eliminating the use of continental water.



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- **Drinking Water Plant:** As part of our responsibility in the communities where we operate, we have inaugurated a Drinking Water Plant in the Indigenous Community of Camar, benefiting more than 100 families. This project, developed between 2021 and 2022, is part of the development plan created by the community based on a detailed identification of their needs. While the plant does not directly reduce total water consumption, it contributes to more efficient and sustainable water resource management. By processing recycled or residual water, it decreases the need to extract new water from natural sources and provides a reliable source of potable water, reducing waste associated with sourcing and transporting water from less secure sources. Additionally, it serves as a model to optimize processes through technologies that improve water use and minimize losses during treatment, and acts as an educational tool to raise community awareness about the importance of water conservation and responsible water management practices.

It is worth noting that SQM achieved a -5.1% reduction in its total water consumption in 2022, which includes groundwater, surface water and water purchased from third parties. This translates into a reduction of 51 l/s or 1.63 million m³ of water. This progress is due to the implementation of the following measures:

- On-line monitoring for continuous surveillance of water extraction in the Salar de Atacama.
- Detailed analysis of water consumption in the different production areas.
- Creation of an 'Industrial Water Supply Report' for each area of the Salar de Atacama.
- Transition from a 'Static Supply' to a 'Daily Industrial Water Supply' for day and night shifts, adapting to operational variations.
- Development of the 'Plant Shutdown Standard', which reports downtime and the release of cubic meters of water for reuse, ensuring the supply of industrial water to critical areas such as ponds and services.
- Implementation of the 'Daily Industrial Water Consumption Report'.
- Operational efficiencies in the Caliche heap leaching process for iodine and nitrate extraction.

In addition, SQM has the EcoChallenge, an internal initiative designed to promote innovation and sustainability within the company. This challenge invites employees to propose and develop ideas that improve environmental performance and promote sustainable practices in our operations. Projects may focus on solutions to reduce environmental impact, optimize resource use, and enhance efficiency across various areas of the company.

The EcoChallenge encourages active employee participation by offering prizes and incentives for the most innovative and effective ideas. This initiative not only fosters creativity and commitment to sustainability but also contributes to achieving SQM's environmental and sustainability goals. The main focus areas of this initiative include: reducing greenhouse gas emissions, optimizing water use, and improving waste circularity.

Given that responsible water use is fundamental to the company's production processes, especially in regions with water scarcity, our initiative focuses on finding solutions that allow for more efficient water management at all stages of our processes. The main area of innovation in this regard includes: water efficiency in the company's processes, encompassing operations, measurements, and the use of artificial intelligence.

For more information on this topic, please refer to the following link: <https://www.sqm.com/sqm-ecochallenge/>

Training

In our company, we are committed to the efficient management of water, recognizing its essential value for our operations and the environment. To this end, we conduct training sessions for our employees to inform and raise awareness about the company's water programs. During these sessions, we present in detail our commitment to water sustainability, highlighting the strategies and actions we are implementing to reduce continental water consumption.

As part of this training, SQM created the 'SQM Lithium 360 Sustainability Program' to ensure that employees understand and integrate corporate sustainability concepts and guidelines into their daily work. This program includes 2-hour educational sessions that, through participatory and informative activities, aim to foster a common understanding of sustainability and its three strategic pillars: the Environment, Our People, and Contribution to Human Development.

During these sessions, key topics are covered, such as the principles of IRMA certification, exploring the main requirements regarding water and how they are incorporated into SQM's operations, including water management, efficient use, water quality, pollution prevention, protection of water resources, legal compliance, and community involvement. The company's water footprint and the main water sources used in operations are also reviewed.

Our goal is to generate a deep awareness of water use and conservation, promoting an organizational culture that values water management across all areas of the company. We have set ambitious targets: to reduce continental water consumption by 40% by 2030 and by 65% by 2040. To achieve this, it is essential that every member of our organization aligns with these goals and actively contributes to reaching them. We believe that, with the participation and commitment of everyone, we can ensure a sustainable use of water that benefits both our company and the environment in which we operate.

2.4 Water

2.4.2 Water Consumption, and 2.4.3 Water Consumption in Water-Stressed Areas

Freshwater	Unit	FY 2020	FY 2021	FY 2022	FY 2023
A. Water withdrawal (excluding saltwater)	cubic meters	887.292	1,039.614	1469.702	1,416.808
B. Water discharge (excluding saltwater)	cubic meters	0	0	0	0



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Total net freshwater consumption (A-B)	cubic meters	0,887.292	1,039.614	1,469.702	1,416.808
Data coverage	Percentage of: Production Volume	100	100	100	100

NOTE: We align with the GRI definition of **freshwater** as follows: i. Freshwater ($\leq 1,000$ mg/L Total Dissolved Solids) ii. Other water ($> 1,000$ mg/L Total Dissolved Solids). See total water consumption in the table below or in [SQM's Sustainability Report, FY 2023 \(page 103\)](#). Both the Salar de Atacama and the Carmen Lithium Chemical Plant are situated in areas experiencing high or extremely high water stress.

Water Extraction and Consumption

Extraction	Type		Unit	Average TDS quality (mg/l)	FY 2020	FY 2021	FY 2022	FY 2023
Groundwater								
Salar de Atacama	Salt water	cubic meters	>1000	Salar de Atacama Aquifer	3,672,566	3,616,743	3,424,918	3,631,820
Third-party water								
Third-party water	Fresh water	cubic meters	<1000	Produced by third parties	550	687	755	1,026
Lithium Chemical Plant	Fresh water	cubic meters	<1000	Produced by third parties	886,742	1,038,927	1,468,947	1,415,782
Total		cubic meters						
Total water extracted		cubic meters			4,559,858	4,656,357	4,894,620	5,048,628
Total water consumed		cubic			4,559,858	4,656,357	4,894,620	5,048,628



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		meters						
Water extracted from high or extremely high hydric stress areas*		%			100%	100%	100%	100%
Water consumed from high or extremely high hydric stress areas**		%			100%	100%	100%	100%

Notes: *Percentages obtained under the General Water Risk analysis of the tool Aqueduct Water Risk Atlas (wri.org)..**Percentages calculated as Total Water Consumed/Total Water Extracted. We do not extract sea water or produce water.

Recirculation

Operation	Unit	FY 2021	FY 2022	FY 2023
Salar de Atacama	cubic meters	202,791	222,333	732,806
Lithium Chemical Plant	cubic meters	746,228	675,682	732,457

Note: Treated water reused at the Lithium Chemical Plant is wastewater from Antofagasta, which the Company purchases.

2.4.6 Water Risk Management Programs

At SQM Salar, we recognize that water is a vital resource for our operations, for neighboring communities, and for the Salar de Atacama ecosystem. Aware of the challenges posed by water scarcity in the region, we have implemented a comprehensive water risk management program that allows us to operate responsibly and sustainably.

Risk Assessment:

Our water risk management program considers a wide range of factors, including:

- **Water Dependency:** We carefully assess the risks related to water dependency, including the present and future availability in the Salar de Atacama basin, water stress, and competition for water resources.



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- **Impact on Water:** We analyze how our operations can affect water quality and availability, considering pollution, over-exploitation of aquifers, and the alteration of surface and groundwater flows.
- **Future Availability:** We consider climate projections, demand growth, and other factors that may affect the availability of water resources, such as population growth and the development of new economic activities.
- **Future Water Quality:** We constantly monitor water quality and assess potential future risks, including climate projections, demand growth, and other factors such as diffuse pollution and saline intrusion.
- **Impact on Communities:** We evaluate how our operations can affect neighboring communities and their activities, always seeking mutual benefit and building long-term relationships.
- **Regulatory Changes:** We keep abreast of possible modifications in environmental legislation related to water, both locally and nationally, to adapt our operations and ensure compliance with regulations.

Actions for Sustainable Water Management:

To mitigate water risks and ensure the sustainability of our operations, we implement various actions, including:

- **Reduction of Continental Water Extraction:** We are committed to reducing continental water extraction by 40% by 2030 and 65% by 2040.
- **Efficient Technologies:** We implement innovative technologies to reduce water consumption and improve the efficiency of our processes, such as the Solution Recovery Plant (SRP) at the Carmen Lithium Chemical Plant. At SQM Salar, we have launched the Solution Recovery Plant (PRS) Project at the Carmen Chemical Plant. This project aims to recover clean water while concentrating lithium-rich brine. The plant processes brine that is almost saturated with sodium chloride, coming from SQM's lithium carbonate plant at Salar del Carmen. Through an evaporative crystallization process, clean condensed water is recovered. In addition to facilitating water recycling, the project allows for the recovery of lithium that would otherwise be discarded, improving the quality of wastewater. In 2023, the plant achieved an annual recovery of 554,244 m³ of water, equivalent to 18 l/s.
- **Monitoring and Control:** We have monitoring and control programs to ensure that our operations meet the highest environmental standards and comply with current regulations. See sqmsenlinea.com
- **Commitment to Communities:** We implement various initiatives to improve the quality of life in communities and promote sustainable development in the region.



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- Through the "Water Management in San Pedro de Atacama" project, we promote the efficient use of water and implement irrigation systems for small farmers.
- In Socaire, we installed a drinking water container and are building a new irrigation reservoir.
- In Soncor, we support farming families by improving irrigation canals, introducing new crops, and building a new pipeline system to optimize water use.
- In collaboration with the Rural Drinking Water Committee (CAPRA) of San Pedro de Atacama, we built a raw water well that provides a flow of 32 l/s for the treatment and distribution of drinking water.
- We implemented a grazing project in Río Grande with an irrigation system and solar panels for alfalfa production.
- We provide technical support to the Alto Jama Garden Club to optimize water use in their crops.

At SQM Salar, we are committed to sustainable water management. Through our comprehensive risk management program, we seek to minimize our environmental impact and contribute to the development of local communities.

2.5 Climate Strategy

At SQM, we measure our carbon footprint based on a series of international standards, closely following the guidelines set by the GHG Protocol to ensure accuracy and transparency in our emissions reporting. We update our inventory at least once a year and continuously monitor associated environmental indicators to maintain a thorough understanding of our environmental impact.



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2.5.1 Direct Greenhouse Gas Emissions (Scope 1)

Direct GHG (Scope 1)	Unit	FY 2020	FY 2021	FY 2022	FY 2023
Total direct GHG emissions (Scope 1)	metric tonnes CO2 equivalents	80,966	92,956	102,400	119,656
Data coverage	Percentage of: Production Volume	100	100	100	100

2.5.2 Indirect Greenhouse Gas Emissions (Scope 2)

Indirect GHG (Scope 2)	Unit	FY 2020	FY 2021	FY 2022	FY 2023
Location-based	metric tonnes CO2 equivalents	-	98,598	75,860	73,269
Data coverage	Percentage of: Production Volume	100	100	100	100
Market-based	metric tonnes CO2 equivalents	-	214,515	217,038	251,114
Data coverage	Percentage of: Production Volume	100	100	100	100

Note: The Scope 2 market-based emissions calculation began in 2021.



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2.5.3 Indirect Greenhouse Gas Emissions (Scope 3)

Indirect GHG (Scope 3)	Unit	FY 2020	FY 2021	FY 2022	FY 2023*
Total indirect GHG emissions (Scope 3)	metric tonnes CO2 equivalents	194,824	268,262	383,840	644,727

SQM Salar S.A. (lithium business) estimated the total Scope 3 emissions inventory by evaluating the applicability of the 15 categories described by the GHG Protocol and identifying 10 categories that apply to SQM in the period 2023.

Category	Scope 3 Category	Emissions in the reporting year (Metric tons CO2 eq)	Emissions calculation methodology and exclusions
Category 1	Purchased Goods and Services	531,773	SQM Salar S.A. estimated the total scope 3 emissions inventory by evaluating the applicability of the 15 categories described by the GHG Protocol and estimating 10 categories that apply to SQM.
Category 2	Capital Goods	53,179	SQM Salar S.A. estimated the total scope 3 emissions inventory by evaluating the applicability of the 15 categories described by the GHG Protocol and estimating 10 categories that apply to SQM.
Category 3	Fuel-and-energy-related activities	78,045	SQM Salar S.A. estimated the total scope 3 emissions inventory by evaluating the applicability of the 15 categories described by the GHG Protocol and estimating 10 categories that apply to SQM.
Category 4	Upstream transportation and distribution	373,560	The emission estimation was conducted according to the GHG Protocol methodology. SQM Salar S.A. estimated the total scope 3 emissions inventory by evaluating the applicability of the 15 categories described by the GHG Protocol and estimating 10 categories that apply to SQM.



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Category 5	Waste generated in operations	2,817	The emission estimation was conducted according to the GHG Protocol methodology. SQM Salar S.A. estimated the total scope 3 emissions inventory by evaluating the applicability of the 15 categories described by the GHG Protocol and estimating 10 categories that apply to SQM.
Category 6	Business travel	1,845	The emission estimation was conducted according to the GHG Protocol methodology. SQM Salar S.A. estimated the total scope 3 emissions inventory by evaluating the applicability of the 15 categories described by the GHG Protocol and estimating 10 categories that apply to SQM.
Category 7	Employee commuting	7,806	The emission estimation was conducted according to the GHG Protocol methodology. SQM Salar S.A. estimated the total scope 3 emissions inventory by evaluating the applicability of the 15 categories described by the GHG Protocol and estimating 10 categories that apply to SQM.
Category 9	Downstream transportation and distribution	139,779	The emission estimation was conducted according to the GHG Protocol methodology. SQM Salar S.A. estimated the total scope 3 emissions inventory by evaluating the applicability of the 15 categories described by the GHG Protocol and estimating 10 categories that apply to SQM.
Category 10	Processing of sold products	285,195	The emission estimation was conducted according to the GHG Protocol methodology. SQM Salar S.A. estimated the total scope 3 emissions inventory by evaluating the applicability of the 15 categories described by the GHG Protocol and estimating 10 categories that apply to SQM.
Category 12	End-of-life treatment of sold products	2,290	The emission estimation was conducted according to the GHG Protocol methodology. SQM Salar S.A. estimated the total scope 3 emissions inventory by evaluating the applicability of the 15 categories described by the GHG Protocol and estimating 10 categories that apply to SQM. This category includes emissions associated with the life cycle of lithium, an essential component in lithium-ion batteries used in electric vehicles and electronic devices.



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2.5.6 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	Emissions reduction	To strengthen the company's commitment to sustainability, key climate-related indicators are being integrated into executive incentives. SQM aims to achieve carbon neutrality by 2040 across all its operations, using 2019 as the baseline. In this context, 10% of the 2023 annual variable bonus has been allocated to SQM's Sustainability and Community Relations Manager. This incentive highlights the alignment between the company's executive compensation strategy and its overall carbon neutrality goal.
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 vice presidencies.
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 2023, sustainability was incorporated in which incentives were given to those initiatives aimed at improving water consumption, energy consumption, emissions reduction, among others.



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2.5.8 Financial Risks of Climate Change

- **Risks driven by changes in regulation**

Carbon pricing mechanisms in the countries where we operate. For example: that in Chile the limits of the establishments subject to this tax are less than 50 thermal megawatts (MWt), so the risk is that a greater number of operations will be affected by it or that the current tax covers other industrial sectors (indexed imposed on the price of fuels). Additionally, another risk consists of a considerable increase in the carbon tax compared to the current value of \$ 5/tCO₂. For this, we have evaluated as a risk there is an increase in the carbon tax and that all our emissions scope 1 and 2 in addition to scope 3, both upstream and downstream pay for this concept from 2025 to 2030. To this end, we have made a projection of our emissions and that the carbon tax is doubled from 2025 and that we pay for emissions. The adaptation measures correspond to the implementation of initiatives that allow reducing the generation of GHG. Financial implications of USD 103,830,263 are estimated before taking action.

- **Risks driven by change in physical climate parameters or other climate-change related developments**

The potential rupture of evaporation ponds in which an important part of our lithium products is kept as vulnerable to climatic events such as heavy rains has been identified and prioritized. For this, scenarios were used to have concrete estimates of current and future days of intense rains and to identify the potential impact along with the adaptation measures present and in application. The risk corresponds to the loss of all the product that we have in pools, which corresponds to approximately 97 MMUSD according to the results 2023, which in the event of not taking any mitigation measure could have a negative financial effect. Additionally, a series of adaptation measures have been quantified that correspond to the structural reinforcement of the ponds. In the event that damage occurs, the company has insurance that would cover a large part of a potential loss. Financial implications of USD 97,000,000 are estimated before acting.

2.5.9 Financial Opportunities Arising from Climate Change

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 phase-out 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.

Annual financial positive implications of USD 28,071,934,423 are estimated for this opportunity, as well as annual costs of USD 905,800,000 associated with its development.



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2.5.12 Emissions Reduction Targets

In October 2023, SQM Lithium presented its specific science-based commitments for near-term objectives. In 2024, we received the validation letter for these objectives from Science Based Targets (SBTi). Below is the attached commitment validation letter:

Figure 2.5: Emission reduction commitment approved by SBTi.





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Scope covered by the target	Target Timeframe	Baseline year emissions covered and as a % of total base year emissions	% reduction target from base year	Is this target validated by the Science-based Targets Initiative?	Target Type and Metric
Scope 1 + 2 combined	Base year: 2021 Target year: 2031	Base year emissions: 312,285 % of total base year emissions: 21%	46.2	Yes	Absolute Target
Scope 3	Base year: 2021 Target year: 2031	Base year emissions: 324,987 % of total base year emissions: 73%	55	Yes	Intensity Target

2.5.13 Internal Carbon Pricing

SQM has implemented an internal carbon price through an internal fee, aligned with the price of allowances under an emissions trading scheme. 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 CO₂e. 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 emission 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 primary objectives of this internal carbon price are to:

- Change internal behavior.
- Drive low-carbon investment.
- Identify and seize low-carbon opportunities.
- Navigate GHG regulations.
- Drive energy efficiency.
- Supplier engagement.

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.



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This system covers Scope 1 and 2 emissions and applies a uniform and static pricing approach to spatial and temporal variations, respectively. At SQM, the internal carbon price has been set at US\$15 per ton CO₂e. This value is mandatory in decision-making processes related to capital expenditure and operations, serving as an essential criterion for evaluating annual projects to promote the most sustainable alternatives.

For more details, please refer to our 2023 Sustainability Report and 2023 CDP.

2.5.14 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).



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#	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 submit our specific science-based commitments for both shortterm and long-term targets, which will be assessed and validated based on Science Based Targets.	Monitoring of the absolute company-level emissions indicator [TonCO2eq]. This corresponds to a measure of emission inventory and not necessarily product related.

In 2023, the commitments of SQM Lithium passed the approval phase by Science Based Targets (SBTi) and were validated on June 27, 2024. These commitments focus on ambitious emission reduction and sustainability goals, aligned with global targets to limit global warming. The validation by SBTi confirms the company's ongoing commitment to best practices in climate change management and adherence to international standards for carbon footprint reduction. The following table shows our near-term commitment:

Target Time Frame	Target scope & related emission reduction target (as % of base year emissions)	%	Reduction
Base Year: 2021 Target Year: 2031	Scope 1&2	46.2%	Absolute
Base Year: 2021 Target Year: 2031	Scope 3	55%	Intensity

SQM Lithium is committed to reducing absolute Scope 1 and 2 GHG emissions by 46.2% by 2031, using 2021 as the base year. Additionally, it pledges to reduce Scope 3 GHG emissions by 55% per ton of Lithium Carbonate Equivalent (LCE) produced within the same timeframe.

2.6 Biodiversity

2.6.4 Biodiversity Exposure & Assessment and 2.6.5 Biodiversity Mitigating Actions

From the assessed sites, the following are in proximity to biodiversity areas:

- **Planta Química de Litio Carmen:** Located near the **Humedal Urbano Salar del Carmen**, a urban wetland
- **Salar de Atacama operations:** These operations are near the **Humedal Peine** and the **Reserva Nacional Los Flamencos**, which is important habitats for various species, including flamingos.

You can find more information about the identified species on pages 189-190 and 193-195 of the [SQM Sustainability Report](#).

Biodiversity Exposure & Assessment	Number of Sites	Area (Hectares)
a) Overall	2	36,037
- Salar de Atacama	1	35,911
- Lithium Chemical production facility, Antofagasta	1	126
b) Assessment	2	36,037
c) Exposure	2	36,037
d) Management Plans	2	36,037

International research and conservation program for the high Andean flamingo.

The International Research and Conservation Program for the Andean Flamingo (PIICFA) is an initiative aimed at conserving the flamingo species inhabiting the Altiplano in Chile, Peru, Bolivia, Brazil, and Argentina. This program seeks to generate basic and applied research on the ecology of the Andean Flamingo (*Phoenicoparrus andinus*), the Chilean Flamingo (*Phoenicopterus chilensis*), and James's Flamingo (*Phoenicoparrus jamesi*). Given this context, the project stems from SQM Salar S.A.'s commitment to promote science-based decision-making (encompassing ecology, biology, geology, sociology, anthropology, etc.) to ensure that the company's management, operational, and strategic decisions are compatible with the preservation of the environment, biodiversity, and ecosystem services (ESS) provided by these flamingo species and the ecosystems they inhabit. The program includes various aspects of salt flat ecology (habitat, limnology, socio-ecology) under the umbrella of such an emblematic species as flamingos. The program considers identifying facilitators and obstacles for its implementation, as well as integrating diverse stakeholder perspectives, including NGOs, local communities, academics, researchers, and public and private organizations.



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Complementary Study of Lagunas del Borde Este, Aguas de Quelana, Soncor, Peine and Tebenquiche system of the Salar de Atacama.

The Complementary Study of Eastern Border Lagoons, Aguas de Quelana system, Soncor, Peine, and Tebenquiche in the Salar de Atacama, is a holistic study of the ecosystem of the marginal lagoons of the Soncor and Aguas de Quelana systems in the Salar de Atacama. This initiative's main objective is to advance knowledge of these unique and diverse lagoon systems, which host extremophile microbial ecosystems (EME) and are protected areas for important aquatic birds, including flamingos. The study proposes a multidisciplinary approach to analyze the dynamic interactions between microbial communities, free-living biota, aquatic geochemistry, and sediment types in these water bodies under various seasonal environmental conditions. Specific objectives include establishing a baseline characterization of the saline lagoons, reconstructing the subsurface geological record, and developing a revised conservation and monitoring plan that integrates seasonal and geological variations. The working team consists of researchers from the University of Miami, Universidad Católica del Norte, and FisioAqua SpA, who collaborate to provide a comprehensive understanding of these ecosystems and develop recommendations for their conservation and sustainable management.

Wildlife and domestic animals

At the Salar de Atacama and the Lithium Chemical Plant Carmen, SQM implements a comprehensive set of actions to protect local wildlife, focusing on minimizing the impact of its operations on the ecosystem and promoting sustainable practices.

- **Awareness and Education Campaigns:** SQM conducts campaigns like *Animal Rescue Operation* and *Adoption Mission*, which promote wildlife protection and discourage feeding animals without a commitment to adoption. These campaigns educate employees on the risks of interacting with wildlife and encourage responsible care practices in the workplace.
- **Wildlife Protection Training:** Through its learning platform, SQM Aprende, SQM offers the *Wildlife Protection Requirements* course, which trains staff on regulations and best practices for handling wildlife, reinforcing everyone's responsibility in adhering to environmental standards.
- **Waste Management and Access Control:** Waste is managed in sealed containers to reduce attraction to wildlife. Additionally, perimeter fences are regularly maintained and inspected to prevent unauthorized access of wildlife and people into operational areas.
- **Use of Deterrents and Regulations:** To protect bird species, sound deterrents are used near water bodies. SQM's Internal Regulations also prohibit introducing or feeding domestic animals on-site, as well as capturing wildlife, with penalties for violations.



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¿Cómo actuar ante hallazgos de fauna?

- Caída de avifauna
- Fauna en caminos
- Fauna en instalaciones industriales

¿Cuándo avisar?

Cada vez que se detecte fauna silvestre o doméstica en instalaciones, en especial, cuando pueden estar en riesgo

¿Qué hacer?

Evitar interactuar, intervenir, alimentar o tocar las especies

¿A quién avisar?

De inmediato y de la forma más expedita, a:

Alejandra Rojas
Superintendente de Cumplimiento Ambiental

alejandra.rojas@sqm.com
56 9 85310084

Somos **Li** tio...
SOMOS FUTURO

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Exigencias para la Protección de Fauna

Enrolment options



3. Social dimension

3.1 Labor practices

3.1.1 Living Wage Commitment

We have a public commitment to pay the employees of our own operations, suppliers, contractors, and business partners living and fair wages. This commitment is implicitly stated in the SQM Lithium Division's Corporate Sustainability Policy (living wages) and the Code of Conduct for SQM's Business Partners (fair wages), through which we commit to ensuring that wages cover the basic needs of workers and their families.

3.1.4 Workforce Breakdown: Gender

Diversity Indicator	Percentage (0 - 100 %)	Target	Target year
Total percentage of women in the workforce (as a % of the total workforce)	21.80%	25%	2025
Share of women in all management positions , including junior, middle and senior management (as % of total management positions)	20.00%		
Share of women in junior management positions (first level of management) (as % of total junior management positions)	20.4%		
Share of women in senior management positions (maximum two levels away from the CEO or comparable positions) (as % of total senior management positions)	14.3%		
Share of women in management positions in revenue-generating functions (e.g., sales) as % of all such managers (i.e., excluding support functions such as HR, IT and legal)	80%		
Share of women in STEM-related positions (as % of the total STEM positions)	34%		

3.1.5 Workforce Breakdown: Race/ Ethnicity & Nationality

Nationality	Share in total workforce (as % of total workforce)	Share in all management positions, including junior, middle and senior management (as % of total management workforce)
Chilean	90.23%	92.94%



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Chinese	4.21%	2.21%
Venezuelan	1.17%	1.10%
Colombian	0.95%	0.66%
Bolivian	0.92%	0.22%
Australian	0.60%	0%
Peruvian	0.52%	0%
Ecuadorean	0.23%	0.22%
Belgian	0.20%	0.22%
Spanish	0.17%	0.66%
German	0.06%	0.66%
Brazilian	0.06%	0%
American	0.06%	0.22%
French	0.06%	0.22%
Italian	0.06%	0.22%
Indian	0.03%	0.22%
Mexican	0.03%	0.22%
Dutch	0.03%	0%
South African	0.03%	0%

3.1.6 Gender Pay Indicators

Indicator	Difference between men and women employees (%)
Mean gender pay gap	-4.27%
Median gender pay gap	-4.47%
Mean bonus gap	0.73%
Median bonus gap	-6.09%

Note: The pay gap calculation takes into account 46.52% of the workforce.



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3.1.7 Freedom of Association

% of employees represented by an independent trade union or covered by collective bargaining agreements	93.5%
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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 its latest Sustainability, Policy and Human Rights Policy (update process) 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 Policy 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. The scope of the Human Rights Policy and the Sustainability Policy considers business relationships, participation in joint ventures, associated companies, participation in boards of directors and, in general, the relationships or practices in our value chain. 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.

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.



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- Ensure transparent and safe processes of participation and promote long-term commitments with stakeholders and especially vulnerable and underrepresented groups, civil and social organizations specialized in human rights, among others, as we explicitly state in the Sustainability Policy.

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.
- The company is implementing the Chilean Normative 3262 on Gender and Work, Family and Personal Life Balance, which is subsequently certified by independent foreign organizations
- Operational risk prevention and occupational health.
- Assuring of alcohol and drug free workplace in our operations and facilities.

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.
- 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.
- 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.

In the Area of Environment and Sustainable Development, SQM's commitments include:



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- 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.
- Elaboration of the Due Diligence procedure in the supply chain and in suppliers, in order to identify, mitigate and manage potential risks and impacts, tending to our sustainable management at the level of our suppliers through the identification and implementation of good practices
- Design of training programmers in the implementation of the OECD voluntary principles at the level of the different areas involved in supply management

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

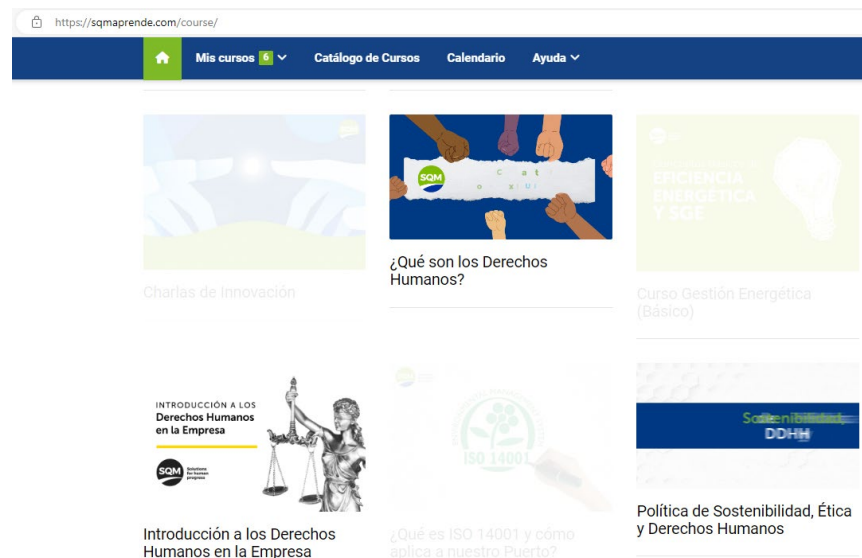
As part of the training process, the company has enabled some courses on human rights and its policy on its internal training portal.



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3.2.2 Human Rights Due Diligence Process and 3.2.3 Human Rights Assessment

The HRIA scope included the productive operations at Salar de Atacama, the Lithium Chemical Plant Carmen, and the corporate offices. That is, 100% of the plant operations have undergone Due Diligence.

The HRIA process identifies both current and potential human rights risks, which have been integrated into the business risk catalogue as strategic and operational risks to ensure continuous follow-up and monitoring. Additionally, the "Corporate Risk Management" procedure was updated to align with a human rights approach, incorporating the "sustainability" pillar and human rights criteria into the risk evaluation process.

3.2.4 Human Rights Mitigation & Remediation

Based on the risks identified for each of the areas SQM Salar identified as the main pillars for respecting and guaranteeing human rights, in 2023 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 received an effective remedy:



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Primary Issue	Cases	Action Taken
Discrimination or Harassment	2	Training
	1	Reprimand

Details on human rights mitigation and reparation measures can be found in **Annex E**.

During the year 2023, we did not receive any reports of child labor, forced, or compulsory labor within the company's own operations, suppliers, and/or contractors.

As part of the company's recruitment and selection processes, we verify the age of candidates before hiring. The SQM Chile Hiring Policy and Procedure sets forth that people hired by the company must be over the age of 18 and have a suitable competency profile and ethical workplace conduct, in line with business development and SQM's values. Minors may not apply for positions at SQM.

SQM Salar does not retain identification documents or similar as part of its recruitment process.

3.3 Human Capital Management

3.3.1 Training & Development Inputs

Training & Development Inputs	FY 2023
Average hours per FTE of training and development	26.1 hours
Average amount spent per FTE on training and development (USD)	257.87
Data Coverage	> 75% of all FTEs globally

Breakdown

Gender	Training hours
Men	9,212
Women	54,649



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Training category	Training hours
Development skills	3,034
Risk prevention	48,615
Technical skills	10,952
Corporate	236
Technological	1,024

See **Annex F** for other breakdowns.

3.3.2 Employee Development Programs

Indicator	Program 1: Community of Leaders	Program 2: Women Leaders
Description of the program	This is a training program for all SQM supervisors, now in its third version in 2023. The training includes four 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 four modules, a work session is held with the virtual participation of various leaders of the organization to discuss and put into practice what was learned in two work sessions. In the first session, a Case Analysis is conducted, which is presented in the second session to extract conclusions, reflections, and insights from the learning (Both work sessions are held via Zoom).	This program aims to enhance the leadership of women within the company, equipping 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 is developed using the methodology of an external entity expert in the field, aligned with the company's purpose and the program's objectives: to promote female leadership within SQM. This year, the program also included executive women from the organization to participate in in-person workshops on various topics.
Business benefits of the program	The program was designed to build fundamental leadership skills. The success is assessed through four key dimensions: 1. Leadership: perception of the influence on individuals to motivate them toward a common goal. 2. Growth: perception of opportunities to acquire skills or expertise for task development. 3. Collaboration: the team's willingness to work together to achieve a common goal and produce results. 4. Recognition: perception of the recognition culture within the company. These dimensions contribute to the outcome of	This program was designed with the objective of creating learning and connection spaces in a trust-based environment for several women in the company. The success of the program can be evaluated in terms of Leadership (personal tools and team commitment), Accountability (effective and efficient performance in the role and position of each woman within the company), and Growth (increased participation of women leaders in positions of greater responsibility). These are all key



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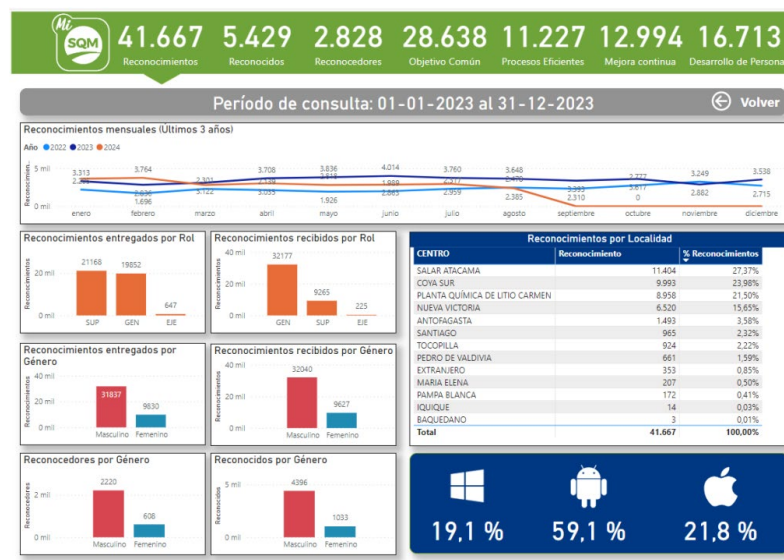
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	Engagement, the extent to which individuals value, enjoy, and believe in their jobs, leaders, teams, and organization. The program's main outcomes include Connection (the individual's desire to stay with SQM) and Discretionary Effort (the individual's willingness to go above and beyond in their performance). In 2023, the program's third level was introduced, focusing on providing participants with decision-making tools aligned with corporate values.	characteristics for measuring employee satisfaction through the Pulse 2023 Survey.
Quantitative impact of business benefits	To measure the quantitative impact, the positive indicators and results obtained from the 2023 Pulse Survey were used, where the "Leadership"	In 2023, we achieved 20% female participation, continuing to work on programs and training to enhance their skills, reduce cultural biases

3.3.5 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.





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3.3.7 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 prenatal period of 6 weeks before delivery.
 - The postnatal period extends for 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:
 - 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.
 - 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:
 - 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.



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- 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 (N° 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.
- **Working-from-home arrangements:** Although a formal telework policy has not yet been established, at SQM we are currently developing a project focused on this topic, with an emphasis on flexibility, benefits, and placing the employee at the center of the organization. At the moment we offer the possibility of teleworking in the form of flexible hours for certain employees who request it from their supervisors.

On the other hand, there is a legally and officially standardized procedure under Law 21.645 and the Chilean Standard NCh3262:2021 "Gender Equality Management and Work-Life Balance" for the "PROTECTION OF MATERNITY AND PATERNITY AND THE RECONCILIATION OF PERSONAL, FAMILY, AND WORK LIFE." This protocol includes the following key concepts:

- **Remote work:** This refers to situations where the employee provides services, in whole or in part, from their home or another location different from the company's establishments, facilities, or work sites.
- **Telework:** This refers to services provided using technological, computer, or telecommunications means, or when such services must be reported through these means.

According to legal requirements, SQM must offer this benefit to employees who meet the following conditions:



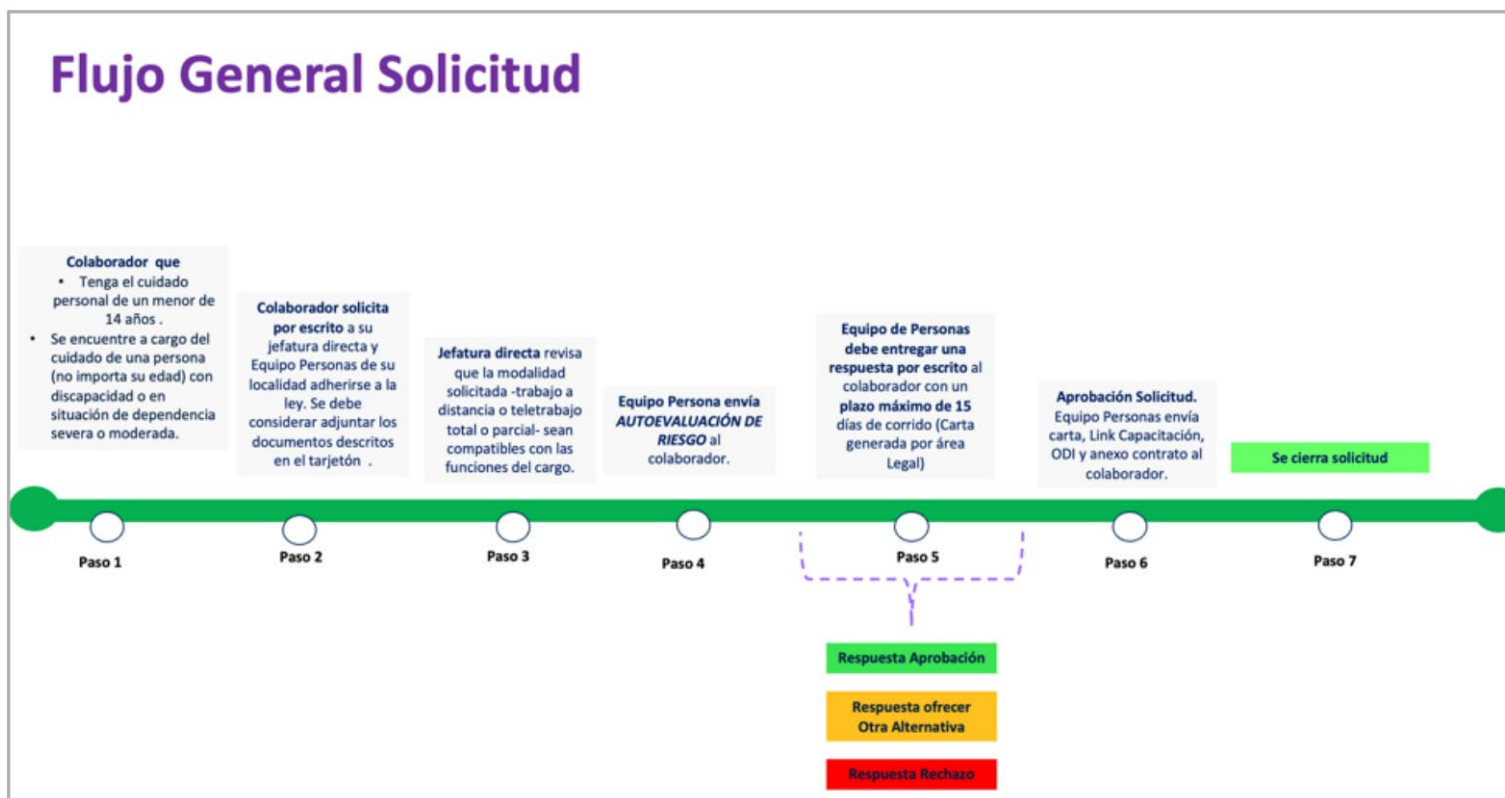
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- The employee, during the employment relationship, is responsible for the personal care of another person.
- The person being cared for is: a) A child under 14 years old. b) A person with a disability or in a situation of severe or moderate dependency, regardless of age.
- The employee does not receive compensation for the caregiving activity.
- Remote work or telework is compatible with the role, meaning it will only be possible if the nature of their duties allows it.

The following image shows the standardized process for requesting telework:





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3.4 Occupational Health & Safety

3.4.2 OHS Programs

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

	Indicator	Indicator Calculations	Target	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)	(No. of 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 different levels of management, assistant managers, chiefs, and supervisors to encourage the value of safety.	Compliance with the Individual Supervisor Program	(No. activities executed / No. of programmed activities) * 100	100%	Weekly

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

LTIFR	Unit	FY 2020	FY 2021	FY 2022	FY 2023
Employees	LTIFR (n/million hours worked)	1.42	0.93	2.33	1.55
Data coverage	percentage of operations	100	100	100	100

Note: The data have been corrected following the publication of the 2023 Sustainability Report of SQM S.A. due to discrepancies found in the SST indicators. Please consider this updated version for future references.



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

LTIFR	Unit	FY 2020	FY 2021	FY 2022	FY 2023
Contractors	LTIFR (n/million hours worked)	0	0.34	0	0.24
Data coverage	percentage of contractors	100	100	100	100

Note: The data have been corrected following the publication of the 2023 Sustainability Report of SQM S.A. due to discrepancies found in the SST indicators. Please consider this updated version for future references.

3.4.6 Total Recordable Incident Rate - Employees

TRIR	Unit	FY 2020	FY 2021	FY 2022	FY 2023
Employees	n/200,000 hours worked	0.28	0.18	0.46	0.3
Data coverage	percentage of operations	100	100	100	100

Note: The data have been corrected following the publication of the 2023 Sustainability Report of SQM S.A. due to discrepancies found in the SST indicators. Please consider this updated version for future references.

3.4.7 Total Recordable Incident Rate - Contractors

TRIR	Unit	FY 2020	FY 2021	FY 2022	FY 2023
Contractors	n/200,000 hours worked	0	0.06	0	0.04
Data coverage	percentage of contractors	100	100	100	100

Note: The data have been corrected following the publication of the 2023 Sustainability Report of SQM S.A. due to discrepancies found in the SST indicators. Please consider this updated version for future references.

3.4.8 Process Safety Events - Tier 1

Process Safety Events: Tier 1	Unit	FY 2020	FY 2021	FY 2022	FY 2023
Number per million hours worked	number	6	6	12	14
Data Coverage	percentage of operations	100	100	100	100

Note: The data have been corrected following the publication of the 2023 Sustainability Report of SQM S.A. due to discrepancies found in the SST indicators. Please consider this updated version for future references.



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3.5 Community Relations

3.5.2 Mine Closure

SQM Salar operates at two main sites: the Salar de Atacama and the Lithium Chemical Plant Carmen. Both sites have comprehensive closure plans approved by the relevant authorities, along with the necessary financial guarantees to ensure proper execution. These measures reflect SQM Salar's commitment to responsible and sustainable operations, providing assurance that environmental and community considerations are upheld throughout the lifecycle of its facilities.

3.5.5 Relocation Programs

No resettlement has occurred in association with this mine.

3.5.7 Security Forces

- **Risk assessment**

At SQM Salar, we are actively developing an approach to manage security forces with a focus on risk assessments. We use a risk matrix designed to identify and address potential risks associated with security forces, particularly in their interactions with communities. Our approach emphasizes human rights considerations, aligning our practices with both our commitment to risk mitigation and compliance with relevant legal frameworks. This is a proactive effort to ensure that we implement preventive measures where needed, always guided by respect for human rights.

- **Interactions with public security**

We are committed to establishing clear guidelines and processes for interactions with public security forces. While we are still in the early stages, we aim to ensure that these interactions will reflect our respect for human rights and are aligned with our broader values. This commitment serves as a foundation for transparent and respectful relationships with public security entities as we move forward.

- **Interactions with private security**

We are integrating the Voluntary Principles on Security and Human Rights into our policies and procedures, with a particular focus on our Sustainability Policy and our forthcoming Use of Force Policy, underscoring our commitment to active responsibility in this area. This includes, among other measures, mandatory training for our private security providers to align their practices with national regulations, specifically under Decree N° 261 Exento, which approved the Manual Operativo en Materias de Seguridad Privada, to ensure compliance and uphold human rights standards. As part of this commitment, we emphasize that security personnel must be capable of identifying the applicable legal framework governing their responsibilities, with full respect for individuals' fundamental rights. Our goal is for all security contractors to receive comprehensive training on these principles. Additionally, we conduct regular training sessions covering key topics such as safety, labor obligations, sustainability, and responsible sourcing, reinforcing a conscientious and responsible approach in all interactions with our private security teams.



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- **Monitoring of security providers to ensure they fulfill their obligation to provide security in a manner consistent with the rules of conduct outlined by our company**

We are developing oversight mechanisms to ensure that all security providers meet the conduct requirements we have outlined. Our management systems focus on ethical standards and respect for human rights, consistent with our sustainability policy. By aligning with international standards, including the Voluntary Principles on Security and Human Rights, we are committed to ensuring that all security activities meet our ethical and legal obligations.

- **Grievance mechanisms covering security forces**

To support transparency and accountability, we have developed grievance mechanisms that cover issues involving security forces. Our formal complaint channel is open to employees, communities, and third parties, allowing them to report any concerns related to security personnel. This system is designed to ensure a fair and thorough investigation process, prioritizing the identification of risks and potential violations in interactions with security forces, while reinforcing our commitment to ethical standards and human rights.

- **Audit and assessment of security contractors**

We are actively developing a comprehensive audit and assessment process for our security contractors. Although specific protocols are still in progress, our goal is to establish a robust framework that ensures accountability and compliance with our ethical and legal standards. Additionally, we are audited by IRMA and other entities and regularly complete client questionnaires and assessments, which inquire about our policies and practices related to the Voluntary Principles on Security and Human Rights. These evaluations are a significant driver for the company to advance in this area, reinforcing our commitment to responsible and transparent operations.

3.5.9 Artisanal Small-scale Mining

To our knowledge, there is no artisanal or small-scale mining (ASM) near our facilities, and we do not source materials from ASM operations.



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Annexes

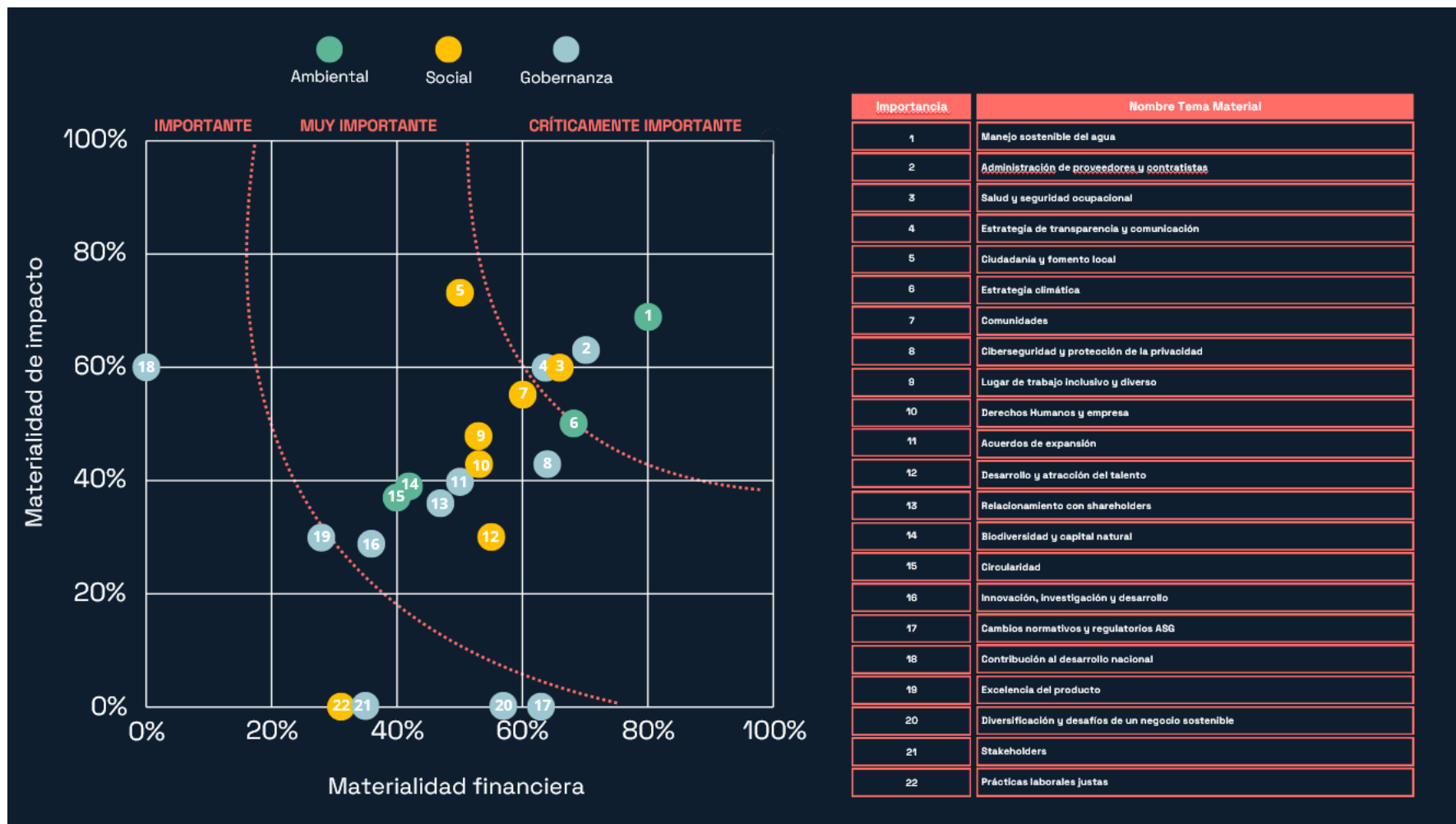


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Annex A.1: Matrix of material issues





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Complementary Information

Annex A.1: Independent Third-Party Double Materiality Analysis Report



INDEPENDENT THIRD-PARTY DOUBLE MATERIALITY ANALYSIS 2024 SQM LITHIUM REVIEW REPORT

Mr.
Carlos Díaz
General Manager Lithium Potassium Division

Present

For our consideration:

We have reviewed the following aspects of the double materiality analysis carried out by SQM's Lithium Potassium Division, hereinafter referred to as "SQM Lithium", considering as the basis and outcome of said analysis the document entitled "Final Presentation Double Materiality Analysis", dated May 2024.

Standard and Scope

At the request of SQM Lithium, the review of the double materiality analysis was conducted in accordance with Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023, supplementing Directive 2013/34/EU of the European Parliament and of the Council as regards sustainability reporting standards, also known as the European Sustainability Reporting Standard (ESRS), initiative of the European Financial Reporting Advisory Group (EFRAG) in collaboration with the Corporate Sustainability Reporting Directive (CSRD) of the European Commission.

The ESRS standard aims to give sustainability reports the same relevance as financial reports, stipulating primarily disclosure criteria and considering aspects related to their preparation. This independent review is limited only to the analysis of the implementation of the ESRS criteria used in the preparation of the double materiality analysis. The ESRS requirements associated with the disclosure stage were not considered in the scope, as they correspond to a stage after the double materiality analysis and are related to the disclosure of information under the legal requirements of the European Union, which are not applicable to SQM Lithium in Chile.

Independent review process

Our review work has consisted of the exhaustive analysis of the evidence presented by SQM Lithium to support the double materiality analysis conducted. At each stage of the process, the relevant evidence was examined to verify the execution of the analysis and its compliance with the requirements established in the standard "ESRS 1 General Requirements", section three "Double materiality as the basis for sustainability disclosures".

For this review, the following actions were conducted to examine the analysis procedures:

- We held meetings with the person in charge of SQM Lithium who led the preparation of the double materiality analysis, as well as with the consulting firm that assisted the company in said analysis, with the aim of reviewing the applied methodology.
- We examine the evidence presented to analyze the process carried out, including the methodological application, the results obtained, and the parties involved.
- We carried out review tests of quantitative and qualitative information, ensuring that the requirements established by the corresponding standard were met.

Conclusions

As a result of the independent third-party review process, having evaluated those criteria mentioned in the European Sustainability Reporting Standard (ESRS), we can conclude that the evidence has been presented to indicate that the Double Materiality Analysis 2024 conducted by SQM Lithium was carried out following the guidelines established in the third section of ESRS 1. In particular, a satisfactory review of compliance with the implementation of the ESRS standard criteria in sections 3, 3.1, 3.2, 3.3, 3.4, 3.5 and 3.7 was obtained.

The conclusions of this report are based on Deloitte's review as an independent third-party of the double materiality analysis carried out by SQM's Lithium Potassium Division under the European Sustainability Reporting Standard (ESRS). Deloitte's conclusions are valid for the document entitled "Final Presentation Double Materiality Analysis", dated May 2024. Additionally, a document is presented to SQM Lithium identifying improvement opportunities aimed at strengthening specific aspects of the double materiality analysis.

Yours sincerely,

Fernando Gaziano Perales
Partner
September 26, 2024



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Complementary Information

Annex B: ISO 9001

Certificate

Standard	ISO 9001:2015
Certificate Registr. No.	01 100 044227

Certificate Holder:

SQM SALAR S.A. (Litio)
El Trovador N° 4285, Piso N° 4, Las Condes,
Santiago, Región Metropolitana, Chile.

including the locations according to annex

Scope:

Production and marketing of lithium carbonate and lithium hydroxide.

Proof has been furnished by means of an audit that the requirements of
ISO 9001:2015 are met.

Validity:

The certificate is valid from 2023-01-12 until 2026-01-04.
First certification 2005.

2023-01-19


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Annex B: ISO 14001

Certificate

Standard **ISO 14001:2015**

Certificate Registr. No. **01 104 2229588**

Certificate Holder: **SQM SALAR S.A.**
Ruta N° 5 Norte KM 1372,
Sector Nudo, Región de Antofagasta, Chile.

including the locations according to annex

Scope: Brine Extraction and Production of Potassium Products, Lithium Sulfate and Concentrate Lithium Solution. Lithium Carbonate and Lithium Hydroxide Production.

Proof has been furnished by means of an audit that the requirements of ISO 14001:2015 are met.

Validity: The certificate is valid from 2023-02-09 until 2026-02-08.
First certification 2023.

2023-02-09

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Annex to certificate

Standard **ISO 14001:2015**

Certificate Registr. No. **01 104 2229588**

No.	Location	Scope
/01	c/o SQM SALAR S.A. Planta Química de Litio Carmen Ruta N° 5 Norte KM 1372, Sector Nudo, Región de Antofagasta, Chile.	Lithium carbonate and Lithium hydroxide production.
/02	c/o SQM SALAR S.A. Planta Salar de atacama San Pedro de Atacama S/N, Región de Antofagasta, Chile.	Brine Extraction and Production of Potassium Products, Lithium Sulfate and Concentrated Lithium Solution.

2023-02-09

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Annex B: ISO 27001

Certhia, certifica que la Organización:

SQM SALAR S. A.
RUT: 79.626.800-K
Los Militares 4765, Las Condes
Región Metropolitana de Santiago – Chile

Ha implementado y aplica un Sistema de Gestión de la Seguridad de la Información acorde con los requerimientos de la norma

ISO/IEC 27001:2013
Para las actividades siguientes:

Información e infraestructura TI que soporte el proceso de comercialización de la gerencia comercial de litio en Los Militares 4765 desde el piso 10 al 14, Las Condes, Chile, de acuerdo a la declaración "Declaración de Aplicabilidad con vigencia del 27-01-2023".

Information and IT infrastructure that supports the commercialization process of lithium commercial dept at Los Militares 4765 from the 10th to the 14th floor, Las Condes, Chile, according to the declaration "Declaration of Applicability effective 01-27-2023".

Fecha otorgamiento inicial: 03-06-2024 Número de certificado: SA -340
Fecha de vencimiento: 02-06-2027
Rev 00, Fecha emisión: 04-06-2024

Guillem Pastor
Gerente General

Para aclaraciones en cuanto a la validez y alcance del certificado, enviar correo electrónico a certificacion@certhia.cl.
Avenida Apoquindo N° 6410, Of.212, Las Condes, Región Metropolitana de Santiago - Chile (R-40-28.Rev02)

El presente certificado se mantiene válido siempre que se cumplan con las auditorías de seguimiento satisfactorias y con todas las condiciones del contrato del cual este certificado forma parte.



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Annex B: ISO 45001

Certificate

Standard **ISO 45001:2018**

Certificate Registr. No. **01 213 2229588**

Certificate Holder: **SQM SALAR S.A**
Ruta N° 5 Norte KM 1372,
Sector Nudo, Región de Antofagasta, Chile.

including the locations according to annex

Scope: Brine Extraction and Production of Potassium Products, Lithium Sulfate and Concentrate Lithium Solution. Lithium Carbonate and Lithium Hydroxide Production.

Proof has been furnished by means of an audit that the requirements of ISO 45001:2018 are met.

Validity: The certificate is valid from 2023-02-09 until 2026-02-08.
First certification 2023.

2023-02-09

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Annex to certificate

Standard **ISO 45001:2018**

Certificate Registr. No. **01 213 2229588**

No.	Location	Scope
/01	c/o SQM SALAR S.A Planta Química de Litio Carmen Ruta N° 5 Norte KM 1372, Sector Nudo, Región de Antofagasta, Chile.	Lithium carbonate and Lithium hydroxide production.
/02	c/o SQM SALAR S.A Planta Salar de atacama San Pedro de Atacama S/N, Región de Antofagasta, Chile.	Brine Extraction and Production of Potassium Products, Lithium Sulfate and Concentrated Lithium Solution.

2023-02-09

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Annex B: ISO 50001

Certificate

Standard **ISO 50001:2018**

Certificate Registr. No. **01 407 2338317**

Certificate Holder: **SQM SALAR S.A.**
Ruta N°5 Norte KM 1372, Sector Nudo,
Región de Antofagasta, Chile.

including the locations according to annex


Scope: Brine Extraction and Production of Potassium Products, Lithium Sulfate and Concentrated Lithium Solution.

Production of Lithium Carbonate and Hydroxide.

Proof has been furnished by means of an audit that the requirements of ISO 50001:2018 are met.

Validity: The certificate is valid from 2024-02-03 until 2027-02-02.
First certification 2024.

2024-02-29


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Annex to certificate

Standard **ISO 50001:2018**

Certificate Registr. No. **01 407 2338317**

No.	Location	Scope
/01	c/o SQM SALAR S.A. Ruta N°5 Norte KM 1372, Sector Nudo, Región de Antofagasta, Chile.	Production of Lithium Carbonate and Hydroxide.
/02	c/o SQM SALAR S.A. Planta Salar de Atacama San Pedro de Atacama S/N, Región de Antofagasta, Chile.	Brine Extraction and Production of Potassium Products, Lithium Sulfate and Concentrated Lithium Solution.

2024-02-29


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Annex C: Crime Prevention Model

CERTIFICADO



En Santiago, a 20 de septiembre de 2021, Feller Rate Clasificadora de Riesgo Ltda., RUT 79.844.680-0, Inscripción N° 2 en el Registro de Entidades Certificadoras de Modelos de Prevención de Delitos de la Comisión para el Mercado Financiero, certifica que SQM Salar S.A., RUT 79.626.800-k, cuenta con un modelo de prevención de delitos, que se encuentra implementado y que contempla todos los requisitos establecidos en los numerales 1), 2) y 3) del artículo 4° de la Ley N° 20.393, en relación a la situación, tamaño, giro, nivel de ingresos y complejidad de la persona jurídica.

Asimismo, Feller Rate Clasificadora de Riesgo Ltda. o un relacionado a ésta, declara que no ha asesorado a SQM Salar S.A. ni a ninguna de las entidades del grupo empresarial a la que pertenece, para efectos del diseño o implementación de su modelo de prevención de delitos y no pertenece al grupo empresarial de la señalada entidad certificada.



DIRECTOR PROCESO DE CERTIFICACIÓN
CAROLINA CECILIA FRANCO SEPÚLVEDA
12.642.048-K



Firmado digitalmente
por ALVARO JAVIER
FELLER SCHLEYER
Fecha: 2021.09.29
11:54:12 -03'00'

SUSCRITOR CERTIFICADO
ALVARO JAVIER FELLER SCHLEYER
5.811.080-9





EVALUADORA DEL MODELO DE
PREVENCIÓN DE DELITOS
MARÍA ELIANA RODRÍGUEZ OLGUÍN
14.145.854-K

Conforme a nuestros procedimientos, el presente certificado tendrá vigencia hasta el 20 de septiembre de 2023.



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Annex D: NCh 3262

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certificacion@applus.com

Applus⁺

CERTIFICADO

Número **SIG-0500/23**

LGAI CHILE S.A.,
Certifica que el Sistema de Gestión – Gestión de igualdad de género y Conciliación de la vida Laboral, personal y Familiar:

Sociedad Química y Minera de Chile S.A.
S.Q.M.
RUT: 79.947.100-0
El Trovador N° 4285, Las Condes, Santiago,
Región Metropolitana de Santiago, Chile.

Para las actividades siguientes:

Planificación y estructura organizacional para la igualdad de género y conciliación de SOCIEDAD QUÍMICA Y MINERA DE CHILE S.A. y filiales los cuales se desarrollan en El Trovador 4285, Las Condes, Santiago, para los servicios de explotación, procesamiento y comercialización del nitrato de potasio y fertilizantes de especialidad, yodo, potasio y litio en Chile

**Es conforme con los requisitos de la norma
NCh 3262 - 2021**

Fecha de Otorgamiento Inicial:
09 de Enero del 2023
Fecha de Otorgamiento de Renovación:
NA

Fecha de Reemisión de Certificado:
06 de Marzo del 2023
Fecha de Vencimiento:
08 de Enero del 2026

Fecha de Decisión: 06 de Marzo del 2023
Para Verificar validez del certificado tomar contacto telefónico
al +56 (2) 2562 90 18 o vía e-mail a: certificacion@applus.com

Carolina Troncoso Fernández
Directora de Certificación CHILE

Applus⁺

INN - CHILE SISTEMA NACIONAL DE ACREDITACIÓN
ACREDITACIÓN SIG 001

El presente certificado se considera válido siempre que se cumplan todas las condiciones del contrato del cual este certificado forma parte



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Annex E: Human Rights Mitigation & Remediation

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 Salar 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 Policy¹ 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 Ethics², establishes how a conflict of interest is managed and the corresponding procedure.
- SQM's Conflicts of Interest Policy³, 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 Program⁴. 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.

¹ 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

² 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

³ 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

⁴ For more information on SQM's Ethics, Compliance and Corporate Risk Program, please see: 2021 Sustainability Report, p.45.



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- In 2023, 2213 employees completed the reinforcement training on compliance showing an increase compared to 2022, where 661 employees completed the training⁵.
- 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 management⁶.
- In 2023, 100% of the third parties with which SQM began commercial relations adhered to the Business Partner Code of Conduct⁷. In addition, they were required to take an e-learning course on anti-corruption⁸.
- SQM has implemented and certified its crime prevention model based on Law No. 20.393⁹ 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 2023, 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 Policy¹⁰ 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:

⁵ Please see: Sustainability Report 2022 SQM, p. 57.

⁶ Ibid, p.46.

⁷ 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

⁸ Please see: Sustainability Report 2021 SQM, p. 46. 6.

⁹ 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

¹⁰ 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>



ESG SUPPORT DOCUMENT FY 2023, SQM SALAR.

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- SQM has developed a comprehensive Operational Risk Management System¹¹, 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.
- SQM developed, as in previous years, the Pulso SQM survey¹² in order to gather information on aspects such as employee commitment, satisfaction, leadership, and work environment, among others.
- During October 2021, SQM carried out its first self-assessment of Chilean Standard 3262-2012¹³, 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 2023, 13 complaints were received through the EthicsPoint whistleblowing channel in relation to discrimination and/or harassment.
- 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 2023, 660 findings related to sources, actions, conduct or conditions of hazards were received. Of this total, 68% were investigated and closed and 32% 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 Policy¹⁴. 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

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

¹² For more details on the Pulse survey, see: 2021 Sustainability Report, p.93.

¹³ For more details on the self-assessment, see: 2021 Sustainability Report, p. 83 and for information on Chilean Standard 3262, see p.147

¹⁴ For more details on the self-assessment, see: https://www.sqm.com/wp-content/uploads/2022/07/Resp_Sourcing_policy.pdf



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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.
- 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.



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4. Environment and Sustainable Development:

Corporate commitment

- SQM is committed to reducing our surface 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 2023.

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 Atacama¹⁵" 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.

¹⁵ To Access the environmental assesment file, please see: https://seia.sea.gob.cl/expediente/ficha/fichaPrincipal.php?modo=ficha&id_expediente=2154490427



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5. Communities:

Corporate commitment

- The Sustainability, Ethics and Human Rights Policy¹⁶ 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.

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.

¹⁶ Please see: https://s25.q4cdn.com/757756353/files/governance_doc/esp/2021/Politica-de-Sostenibilidad-Etica-y-Derechos-Humanos.pdf



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Annex F: Training

The following tables provide a breakdown of specific courses and the number of individuals trained from **January to October 2024**. This data reflects **employees trained during this period only**, excluding those who completed the training in previous years but still hold a valid status. Broader courses, such as onboarding or sustainability, are not included; only courses directly covering each specific topic are considered. Due to SQM Salar's structure as a division of SQM S.A., this level of detail is not available for 2023 and prior periods.

Awareness Training to Prevent Information Security Breaches

Course Name	No. of Employees
Information Security	128

Awareness Training Conducted to Prevent Corruption and Bribery

Course Name	No. of Employees
Compliance and MPD Update	5
Sectorial Economic Crimes	1
Ethics and Compliance (onboarding)	4
Sustainability, Ethics, and Human Rights Policy	14
Ethics and Compliance Program	1
Ethics and Compliance Program Reinforcement (General Role)	21
Ethics and Compliance Program Reinforcement SQM (Supervisor and Executive)	14

Actions or Training to Raise Employee Awareness on Waste Reduction and Classification

Course Name	No. of Employees
Waste Management	31
Hazardous Waste Management DS 148	134

Employee Training on Safe Handling and Management of Hazardous Substances

Course Name	No. of Employees
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Hazardous Substances DS43	76
Hazardous Substance Storage	10
Implementation of a Hazardous Energy Control Program for Machines and Equipment	1
Hazardous Substances	51
Hazardous Substance Control Techniques	73

Employee Training on Energy Conservation/Climate Action

Course Name	No. of Employees
What is an Energy Management System?	23
Introduction to the Energy Management System PQLC	6
Internal Auditor for Energy Management System ISO 50001:2018	11
Implementation of a Hazardous Energy Control Program for Machines and Equipment	1
ISO50001: Sgen 2024 Support Personnel	14
Interpretation and Internal Auditor ISO 50001:2018	5
Legal Requirements for ISO 9001, ISO 14001, ISO 45001, and ISO 50001 Standards	6
CO2 Footprint and Water Consumption	4
Internal Auditor for Integrated Management Systems ISO 9001:2015, 14001:2015, and ISO 45001:2018 (based on ISO 19011:2018)	41
Interpretation and Awareness on Integrated Management Systems based on ISO 9001:2015, 14001:2015, 45001:2018	17
Introduction to the ISO 14001:2015 Standard	9
Introduction to the ISO 14001:2024 Standard	1

Employee Awareness Training on Biodiversity and Local Ecosystems

Course Name	No. of Employees
Biodiversity and Business	3
Fauna Protection Requirements Talk PQLC	276
Orcoma and TEA Project: Flora and Vegetation	1
Orcoma and TEA Project: Wildlife	1

Diversity Training to Prevent Discrimination or Harassment



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Course Name	No. of Employees
Ley Karin Training	187
Ley Karin Procedures	18
NCh 3262 Implementation Course and DEI Strategy	11
Inclusion and Diversity (onboarding)	4
SQM Onboarding (DO, HR, Inclusion and Diversity, Compliance, Sustainability, Security)	23

Training Summary from January to October 2024

Course Name	No. of Employees
SQM Learns (Miscellaneous)	710
Onboarding Talks	49
Regulatory Topics	244
Legal Updates	207
Development Skills	652
Legal Certification	389
Risk Prevention	1952
Brigade Members	157
Technical	310
English	30
Office Software	43
Software	104

Courses from January to October 2024	No. of Employees	% of Employees
Percentage of employees trained in diversity, discrimination, and harassment	234	7%
Percentage of employees trained in business ethics	47	1%
Percentage of employees trained in specific environmental topics	282	8%
Percentage of employees trained in skills development	1849	53%

Note: Includes SQM Learning Platform, Development Skills, Technical, English, Office Software, and Software.