



**SQM ESG SUPPORT DOCUMENT 2021**  
*Complementary Information*

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## 1. Governance & Economic Dimension

### 1.1 Policy Influence

#### 1.1.1 Contributions & Other Spending

DJSI 1.5.1

	Currency	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Lobbying, interest representation or similar	USD	110,695	13,318	22,586	31,816	<b>1.144.973,33</b>
Local, regional or national political campaigns / organizations / candidates	USD	0	0	0	0	<b>0</b>
Trade associations or tax-exempt groups (e.g. think tanks)	USD	636,423	664,411	778,735	837,463	<b>688,799</b>
Other (e.g. spending related to ballot measures or referendums)	USD	0	0	0	0	<b>0</b>
<b>Total contributions and other spending</b>	<b>USD</b>	<b>747,073</b>	<b>677,729</b>	<b>801,322</b>	<b>869,279</b>	<b>1,833,772.33</b>

*Note: In 2021, four teams of lobbyists were contracted, two in Chile and two in SQM Europe, in order to represent the interests of SQM before different entities.*

## 1.1.2 Largest Contributions & Expenditures

### DJSI 1.5.2

SQM does not contribute to political campaigns, political or commercial organizations or any other tax-exempt groups.

Name of organization	Description	Total amount paid in 2021 [USD]
<b>Instituto Chileno de Administración Racional de Empresas, ICARE</b> <b>Topics:</b> - Economy Poverty - Innovation - Regulation and Environment	ICARE is a private non-profit corporation, independent of union and political interests, founded in 1953 by businessmen and professionals linked to various sectors of the national economic activity with the purpose of promoting business excellence in the country.	<b>124.634,26</b>
<b>Sociedad de Fomento Fabril – SOFOFA</b> <b>Topic: Business Development</b>	SOFOFA was born in 1883 as the Sociedad de Fomento Fabril, with the aim of promoting the manufacturing industry in Chile. Since then it has evolved to become the most important, representative and diverse business institution in the country.	<b>90,676</b>
<b>Asociación de Industriales Antofagasta //</b> <b>Topics:</b> <b>Regional business development</b>	<p>The (AIA) is an industrial mining union with more than 75 years of history (1944-2020) working for regional development and the sustainability of the industrial sector.</p> <p>It brings together more than 240 companies, including major mining companies and large suppliers. However, 60% of its composition corresponds to small and medium-sized industrial companies and specialized services, dimensions that reveal the scope of the union and the importance it has in bringing together companies of different sizes and complexity in a single union space.</p>	<b>60,576</b>

## 1.2 IT Security/ Cybersecurity Governance

### 1.2 Executive Management Responsibility

#### DJSI 1.7.1

	Description
<b>Name</b>	Katherine Arce Leon
<b>Position</b>	Chief Information Security Officer (CISO)
<b>Objective of position</b>	Protect and monitor SQM's technological ecosystem against different information security threats. Manage IT Risks. Manage the policies, rules and procedures of Information Security. SOX - IT internal and external audit management, and their respective general IT controls.
<b>Specific Responsibilities</b>	<ul style="list-style-type: none"> <li>-Maintain updating of information security policies, standards and procedures.</li> <li>-Identify and manage IT risks.</li> <li>-Detect, analyze and report on security incidents.</li> <li>-Advise IT areas and the company on information security.</li> <li>-Implement automated indicators of Information Security and Cybersecurity (KPI,KGI, etc).</li> <li>-Follow-up and consolidation of the findings of the internal and external SOX - IT audits.</li> <li>-Internal monitoring within the management for compliance with IT control.</li> <li>-Review and update of the ITGC Matrix.</li> <li>-Develop, implement and deliver the results of the security awareness plan and program.</li> </ul>

## 2. Environmental Dimension

### 2.1 Operational Eco-Efficiency

#### 2.1.1 Indirect Greenhouse Gas Emissions (Scope 2)

##### DJSI 2.3.2

IGHG (Scope 2)	FY 2018	FY 2019	FY 2020	FY 2021	Target FY 2021
<b>Location-based</b>	<b>205,369</b>	<b>208,845</b>	<b>221,735</b>	<b>234,010</b>	<b>246,929</b>
Data coverage (as % of denominator)	100	100	100	100	-
<b>Market-based</b>	<b>385,320</b>	<b>404,498</b>	<b>476,552</b>	<b>509,108</b>	<b>537,215</b>
Data coverage (as % of denominator)	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	-

*Note: Emission factor of the National Energy Commission 2021: 0.4056 kgCO<sub>2</sub>e/kWh*

## 3. Social Dimension

### 3.1 Labor Practice Indicators

#### 3.1.1 Gender Pay Indicators

##### DJSI 3.2.5

	Description	Percentage
<b>Mean gender pay gap</b>	difference between men and women employees	-8.6%
<b>Median gender pay gap</b>	difference between men and women employees	-6.0%

### 3.2 Human Rights

#### 3.2.1 Human Rights commitment

##### DJSI 3.3.1

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

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

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



In matters of Workers and Employees, SQM's commitments include:

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

In Supply Chain matters, SQM's commitments include:

- Promotion and encouragement of responsible and sustainable sourcing.
- Respect and promotion of human rights, including labor rights, of workers in the supply chain, including consultants, contractors, distributors, independent contractors, subcontractors and wholesalers.
- Encouragement of participation and development of local suppliers.
- Existence of whistleblowers channel available and easily accessible for customers, as well as permanently updated information on the sustainability of our products and their potential effects on health and safety.
- Continuous relationship mechanisms with clients to understand and attend their needs, as well as those of other customers in the supply chain of our products.

With regard to Environment and Sustainable Development, SQM's commitments include:

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

In relation to 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.

### 3.2.2 Human Rights Due Diligence Process

#### DJSI 3.3.2

As part of the Company's commitment to the Guiding Principles on Business and Human Rights, and as a tool to assess the salient human rights areas where SQM could adversely impact its stakeholders, SQM commissioned a Human Rights Impact Assessment to the legal consultants and international human rights experts at Bertrand-Galindo, Barraueto, Barroilhet & Cía.

This process resulted in the first human rights impacts assessment of SQM in Chile and abroad, and according to the methodology proposed by the Danish Institute for Human Rights, in 2022, this assessment was complemented with a participatory process including all relevant SQM stakeholders such as labors and communities within the territories of our facilities, aimed to review and reassess the salient issues diagnosed in 2021. This participatory process was conducted the environmental consulting agency by 4 Vientos. This process has permitted the collection first source information regarding the perception of the different stakeholders regarding human rights and SQM.

SQM's Human Rights Impact Assessment (HRIA) is based on the United Nations Guiding Principles on Human Rights and Business three pillars of protection, respect and remedy and the UNGP framework, as well as the Global Reporting Initiative (GRI) Standard 412 on Human Rights Assessment. SQM's HRIA was performed in accordance with the methodologies developed by the Danish Institute for Human Rights and adapted to the context of its operations with five distinct phases: 1. Planning and scoping; 2. Data collection and baseline development; 3. Analyzing impacts; 4. Impact mitigation and management; and 5. Reporting and evaluation.

The HRIA incorporated as international human rights benchmarks all human rights considered in the UNGP framework as well as the core international human rights instruments and declarations, including the United Nation's Universal declaration of Human Rights, the International Covenant on Civil and Political Rights, the International Covenant on Economic, Social and Cultural Rights, the Convention on the Elimination of All Forms of Discrimination against Women, the Convention on the Rights of the Child, the International Convention on the Elimination of All Forms of Racial Discrimination, as well as the International Labor Organization's (ILO) Indigenous and Tribal Peoples Convention No. 169, among others.

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



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

The first stage of the human rights assessment and data collection of potential human rights risks and impacts on stakeholders, considered interviews and questionnaires to stakeholders. Other major sources for data collection and impact assessments where: review of relevant domestic and international press releases, official international country indexes including the Census, the Universal Periodic Review, governmental information including the environmental permits of each of the operations in Chile, public safety statics and fatality rates statics, judicial and administrative sanctions, etc. Other relevant information was obtained from several ONG's, experts, and consultant reports including: National Institute of Human Rights Annual reports, Observatorio Ciudadano 2019 Report: Globalización de las empresas de energía renovable: Extracción de litio y derechos de los pueblos indígenas en Argentina, Bolivia y Chile ("Triángulo del Litio"), ECLAC report on lithium, PULSO survey for employees, Valor Estratégico Consultancy Perceptions Analysis Report on SQM, Fundación Generación Empresarial's Barometer of Values and Business Ethics, Freedom House Country reports, and World Bank Open Data. Finally, SQM internal complaint channels and complaint records were reviewed, as well as the Company's latest Sustainability Report and Corporate and Financial Annual Report.

As previously mentioned, the participatory process has been exponentially enhanced during 2022 through the incorporation of first-hand engagement with stakeholders by the experts at 4 Vientos consulting agency. From now on, SQM will carry out systematic periodic reviews of the risk's matrix and potential issues.

### 3.2.3 Human Rights Assessment

#### DJSI 3.3.3

As mentioned, the Human Rights Impact Assessment Process included the following stakeholders: the entirety of SQM'S workforce, communities surrounding productive operations, indigenous communities, suppliers and clients, and the identification of potential risks in SQM operations, joint ventures and value chain.

The assessment procedure and corresponding risk matrix was based on the criteria of scale, reach, and irreparability condition, as recommended by the UN Global Compact. The rights potentially affected and the rightsholders were identified in each case, and the resulting seriousness was evaluated in terms of probability of occurrence both a priori (before any measure was taken by the Company), and as a residual risk (after preventive and reparatory measures had been established). As a result of this analysis, the following main areas of focus were established (as later reflected as main pillars of action in the Company's respective Policy) with their correspondent commitments:

- Ethics and Corporate Governance: including zero tolerance for any type of corrupt activity by SQM personnel, transparency, adequate risk management and control, supply chain free of minerals from conflict zones in accordance with applicable OECD guidelines, and prevention of money laundering and financing of terrorism.
- Labor rights: including blind recruitment and non-discrimination prohibition of forced labor and child labor, labor union's rights, anonymous complaint channel, prevention of harassment or bullying, and risk prevention and occupational health.
- Value Chain: including encouragement of responsible and sustainable sourcing, respect for human rights through the value chain, including labor rights of workers in the supply chain, encouragement of local suppliers, etc.
- Environment and Sustainable Development: including issues of prevention, mitigation and remediation of environmental pollution and environmental emergencies, optimization of water use, and climate change.
- Communities: including issues related to citizen participation, indigenous rights and indigenous consultation.

The participatory collection of human rights information developed to complement the HRIA, was conducted in order to gather primary information from different stakeholders, including indigenous communities, workers and suppliers/contractors. In this way, the human rights assessment was further consolidated with primary sources. This process included interviews with representatives of indigenous communities on the eastern edge of the Salar de Atacama, SQM Salar workers, and contractors and suppliers. It also included the application of surveys in order to obtain the greatest number of opinions and perceptions about SQM and human rights among the workers' interest group.

As a result of this participatory process, the indigenous communities and functional groups interviewed improved the perception of the Company's compliance with human rights. On the other hand, an issue of greatest sensitivity for these communities relates to the right to a healthy environment and the right to traditional organization and autonomy, as eventually threatened by the mining activity in the Salar de Atacama.

Regarding human rights and workers, the primary information gathered allows us to evaluate the Company as exhibiting low risk in terms of potential non-compliance with labor rights, the right to non-discrimination, free expression, transparency and access to information, as well as the right to an environment free of war. On the other hand, with respect to risks to water, flora and fauna, it is generally

acknowledged that the Company takes appropriate measures to have the least impact on the environment and the communities living in the area.

Finally, with respect to human rights and suppliers/contractors, it was concluded that SQM is working with companies that respect the human rights of its workers, but that it needs to review the practices that it has in order to further ensure respect for human rights is reciprocal and to avoid situations of discrimination against contractor workers within operation sites and compliance with the payment schedule for this group.

### 3.2.4 Human Rights Mitigation and Reparation

#### DJSI 3.3.4

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

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

Each one has the following commitments:

- **Ethics and Corporate Governance:**
  - **Corporate Commitment:**
    - SQM's Anti-Bribery and Anti-Corruption Policy<sup>1</sup> expressly prohibits making political or charitable contributions of any kind to political parties, political party officials, or political candidates. This Policy prohibits “improper payments” made in relation to SQM or on behalf of SQM, including a broad range of corrupt payments of cash or any item of value, or any advantage made or granted for the purpose of favorably influencing any decision related to SQM's business.
    - SQM's Corporate Code of Ethics<sup>2</sup>, establishes how a conflict of interest is managed and the corresponding procedure.
    - SQM's Conflicts of Interest Policy<sup>3</sup>, establishes the situations described as conflicts of interest, and the procedure and course of action for their proper management.
  - **Prevention Actions:**
    - SQM implemented an Ethics, Compliance and Corporate Risk Program<sup>4</sup>. 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

<sup>1</sup> 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](https://s25.q4cdn.com/757756353/files/governance_doc/esp/SQM-ABAC-Policy-Spanish-VF-01062018.pdf)

<sup>2</sup> 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](https://s25.q4cdn.com/757756353/files/governance_doc/esp/2.1.-SQM-Codigo-de-Etica_Espa%C3%B1ol.pdf)

<sup>3</sup> 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](https://s25.q4cdn.com/757756353/files/governance_doc/2022/04/Policy-on-Conflicts-of-Interest_ESP.pdf)

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

U.S. Foreign Corrupt Practices Act. The Program is informed through training and internal communication channels to all SQM employees. Based on this program, SQM conducted a series of monitoring and training sessions for its directors personnel.

- In 2021, 5 operations were evaluated through monitoring and 509 employees received in-person compliance training<sup>5</sup>.
  - 100% of the directors of SQM S.A. and SQM Comercial received training on the U.S. Corrupt Practices Act ("FCPA"); ethics, reputation and risk culture; corporate governance and best practices; and risk management<sup>6</sup>.
  - In 2021, 100% of the third parties with which SQM began commercial relations adhered to the Business Partner Code of Conduct<sup>7</sup>. In addition, they were required to take an e-learning course on anti-corruption<sup>8</sup>.
  - In 2021, SQM commissioned the performance of internal and external audits to verify compliance with the Sarbanes Oxley Act (SOX), U.S. Foreign Corrupt Practices Act and Chilean Law No.20.393 which establishes the Criminal Liability of Legal Entities.
  - SQM has implemented and certified its crime prevention model based on Law No. 20.393<sup>9</sup> 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 2021, 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.
  - **Labor rights:**
    - **Corporate commitment:**
      - SQM's People Selection Policy and Procedure, applicable for SQM Chile, establishes the incorporation of people over 18 years of age with a suitable competency profile and ethical work behavior, adjusted to the development of the business and SQM's values.
      - SQM has adopted a Diversity and Inclusion Policy<sup>10</sup> 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.

<sup>5</sup> Please see: Sustainability Report 2021 SQM, p. 46.

<sup>6</sup> Ibid, p.46.

<sup>7</sup> 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](https://s25.q4cdn.com/757756353/files/governance_doc/esp/Co%CC%81digo-de-Conducta-para-Socios-Comerciales-de-SQM.PDF)

<sup>8</sup> Please see: Sustainability Report 2021 SQM, p. 46. 6

<sup>9</sup> 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](https://s25.q4cdn.com/757756353/files/governance_doc/esp/Modelo-de-Prevenci%C3%B3n-de-Delitos.pdf)

<sup>10</sup> 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>

- **Prevention:**
  - SQM has developed a comprehensive Operational Risk Management System<sup>11</sup>, 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 survey<sup>12</sup> 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 3262-2012<sup>13</sup>, 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, to be able to evaluate ourselves externally during the first half of 2022.
  
- **Detection and remediation mechanisms:**
  - It is worth mentioning that, during 2021, 26 complaints were received to the EthicsPoint whistleblowing channel for discrimination and/or harassment, of which 12 of them were closed with remediation plans, 11 without remediation plans and 3 remain open because they are in the process of investigation. However, from the investigations carried out, it was found that none of the complaints were for discrimination per se.
  - 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 2021, 5,856 findings related to sources, actions, conduct or conditions of hazards were received. 98% of the findings were investigated and closed, with 2% of cases remaining open, which is mainly due to incidents that were reported in the last period of the year.

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

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

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

- **Supply Chain:**
  - **Corporate commitment:**
    - In 2021, SQM published its Responsible Sourcing Policy<sup>14</sup>. 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<sup>15</sup> is also important in this matter. This policy prohibits "improper payments" made in relation to SQM or on behalf of SQM, including a broad range of corrupt payments of cash or any item of value, or any advantage made or granted for the purpose of favorably influencing any decision related to SQM's business, and which extends to a series of corrupt payments, applicable to SQM personnel, related companies and other entities. Compliance with this policy extends to SQM's suppliers, who must accept it by signing a contract with SQM.
    - Code of Conduct for Business Partners<sup>16</sup>. 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.
  - **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.
    - In 2021, the Vice President for Projects and Maintenance of Potassium Lithium requested the support of inspection companies for the technical review of some manufacturing processes, in order to ensure that the standards established in the manufacturing process are met, as well as those projected in the design drawings. Factory Acceptance Tests (FAT) were also requested from the manufacturers, with remote/virtual assistance from SQM personnel. At the national level, during visits to suppliers we have not detected any risks related to child and/or forced labor<sup>17</sup>.
    - During 2021, a formation course was given to the Company's security guards on Human Rights, which dealt with voluntary principles and the use of force. The course was offered

<sup>14</sup> To access SQM's Responsible Sourcing Policy, please see:  
[https://s25.q4cdn.com/757756353/files/governance\\_doc/esp/2022/220404\\_Politica-abastecimiento-responsable.pdf](https://s25.q4cdn.com/757756353/files/governance_doc/esp/2022/220404_Politica-abastecimiento-responsable.pdf)

<sup>15</sup> To access this policy, please see footnote 2 above.

<sup>16</sup> To see SQM's Code of Conduct for Business Partners please enter the following link:  
[https://s25.q4cdn.com/757756353/files/governance\\_doc/esp/Co%CC%81digo-de-Conducta-para-Socios-Comerciales-de-SQM.PDF](https://s25.q4cdn.com/757756353/files/governance_doc/esp/Co%CC%81digo-de-Conducta-para-Socios-Comerciales-de-SQM.PDF)

<sup>17</sup> For more information, 2021 Sustainability Report, please see p.158.



to 208 people comprising 100% of the security guards, of which 160 completed the training as of December 31, 2021.

- **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.
- **Environment and Sustainable Development:**
  - **Corporate commitment**
    - SQM is committed to reducing our inland water consumption, reaching a 40% reduction by 2030 and a 65% reduction by 2040. In Salar de Atacama, water consumption has been reduced by 50% starting in 2021 and will remain at half of the environmentally approved level until 2030.
    - As of November 2020, SQM reduced brine extraction by 20% in order to reduce brine extraction by 50% by 2028, as committed in the Environmental Impact Study "Plan to Reduce Extraction in the Salar de Atacama", presented in early 2022.
  - **Prevention actions**
    - SQM provides the website <https://www.sqmsenlinea.com/> or Online Monitoring in the Salar de Atacama, which communicates environmental information about the operation in the Salar de Atacama to the communities and interested parties. The system provides information on water extraction and net brine extraction, and functions as a means of verification for authorities and stakeholders regarding compliance with extraction obligations, based on established operational rules. It also provides data from historical records of environmental monitoring in the area to evaluate and avoid potential effects of SQM's operations, other stakeholders and natural phenomena such as climate change in the protection zones.
  - **Detection and remediation actions.**
    - In cases of environmental impacts supervised by the environmental authority, 100% considered concrete actions and permanent reparation and mitigation plans. In this regard, SQM presented an Environmental Impact Study for the project "Plan to Reduce Extractions in the Salar de Atacama"<sup>18</sup> 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

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<sup>18</sup> To Access the environmental assesment file, please see:

[https://seia.sea.gob.cl/expediente/ficha/fichaPrincipaI.php?modo=ficha&id\\_expediente=2154490427](https://seia.sea.gob.cl/expediente/ficha/fichaPrincipaI.php?modo=ficha&id_expediente=2154490427)

associated with the loss of specimens of the Algarrobo tree in the Camar-2 well sector of the Salar de Atacama.

- **Communities:**
  - **Corporate commitment**
    - The Sustainability, Ethics and Human Rights Policy<sup>19</sup> 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 groups.
    - During 2021, SQM implemented new community telephone lines, adding María Elena, Tocopilla in the towns of Pozo Almonte and Huara, to receive community concerns, generating new networks that allow us not to lose contact.
    - In 2021, SQM launched new community offices in Huara, Pozo Almonte and Quillagua.
  - **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.

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<sup>19</sup> Please see: [https://s25.q4cdn.com/757756353/files/governance\\_doc/esp/2021/Politica-de-Sostenibilidad-Etica-y-Derechos-Humanos.pdf](https://s25.q4cdn.com/757756353/files/governance_doc/esp/2021/Politica-de-Sostenibilidad-Etica-y-Derechos-Humanos.pdf)

### 3.3 Employee Support Programs

#### DJSI 3.5.6

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

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

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

Our benefits include:

- Maternity Leave

In October 2011, Law No. 20,545 was enacted, which allows companies to add weeks to parental leave. This initiative has made it possible to guarantee the best care for babies and increase the participation of both parents in the care of their children, promoting a work-family balance.

Mothers have a postnatal period that extends for a period of 12 weeks (84 days) from the day of birth. After that, the parental leave begins in which the woman can transfer part of her legal leave days to the father.

There are 2 ways to make use of this benefit:

1. 12 weeks full-time with 100% subsidy up to a maximum of 66 UF. The employee can transfer up to 6 weeks to the father.
2. 18 weeks part-time with a 50% subsidy up to a maximum of 33 UF. The employee can transfer up to 12 weeks to the father.

- Paternity Leave

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

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

1. From the day of delivery: if the worker chooses this alternative, it will be 5 consecutive days without interruptions, except in the case of holidays or weekends.
2. Distributed within the first month after the birth: the 5-day benefit can also be used in installments. If so, the worker must request it from his employer by presenting the birth certificate.

- **Flexible working hours:** This law in Chile (law 20.761), extends the right of working fathers and mothers to have at least one hour a day to feed their children under two years of age (during working hours). It's also applicable to people who have custody of a minor by court order, for the care of the minor, or as a protection measure (it also extends to spouses).
- **Childcare facilities or contributions (company program):** In more corporate terms, the Company also provides benefits to new mothers who are working at the María Elena, Coya Sur and Pedro de Valdivia sites. They may opt to use a room in the town of María Elena so that they can bring children

under the age of two with them for their shifts. There are also plans to create a childcare facility in the area during 2019 that would operate seven days a week in an effort to support employees during their work shifts and 7 x 7 shifts. The Santiago corporate building now has a nursing room and changing stations as part of an effort to make motherhood compatible with work.

- **Paid family or care leave:** This law in Chile (20399) 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.

### 3.4 Trend of employee engagement

#### DJSI 3.5.8

Indicator	2018	2019	2020	2021	Target 2021
Employee engagement (% of actively engaged employees)	81	78	88	88	75
Data coverage (as % of all employees)	15	23	51.7	72.9	

*Note: In 2021 the company was under an important restructure which implied that the employment engagement goal for the company was 75%. Still, the results were better than we expected and we were able to maintain the 88% achieved in 2020.*

### 3.5 Corporate Citizenship & Philanthropy

#### 3.5.1 Type of Philanthropic Activities

##### DJSI 3.6.2

Category	Percentage of total Costs
Charitable Donations	1.5
Community Investments	85.2
Commercial Initiatives	13.3
Total (must equal 100%)	100

#### 3.5.2: Philanthropic Contributions

##### DJSI 3.6.3

Type of Contribution	Total amount (in local currency - USD)
Cash contributions	5.335.447
Time: Employee volunteering during paid working hours*	0
In-kind giving: product or services donations, projects/partnerships or similar	320.166
Management overheads	1.795.343

*\*Note: Our volunteer activities are carried out outside the working hours of the workers.*

### 3.6 Process Safety Events Tier 1

DJSI 3.7.6

Process Safety Events: Tier 1	FY 2018	FY 2019	FY 2020	FY 2021	Target for FY 2021
<b>Number per million hours worked</b>	0.1	0.23	0.04	0.23	0.04
<b>Data Coverage (as % of employees, operations or revenues)</b>	100	100	100	100	-

### 3.7 Customer Satisfaction Measurement

DJSI 3.8.1

Satisfaction Measurement	FY 2018	FY 2019	FY 2020	FY 2021	Target for FY 2021
<b>Satisfied respondents</b>	89.1	98.4	93.3	97.3	95
<b>Data coverage: % of customers/consumers surveyed (both respondents and non-respondents)</b>	100	100	100	100	-