



Solutions  
for human  
progress



SQM  
SUSTAINABLE  
2020





**5,507**  
EMPLOYEES IN CHILE AND THE WORLD



**THUS\$1,817,191**  
SALES IN 2020



**17.1%**  
FEMALE WORKFORCE



**7,402**  
ANNUAL AVERAGE NUMBER OF CONTRACTORS



**0.78**  
LOST-TIME INJURY FREQUENCY RATE PER 1,000,000 HOURS WORKED



**1,305,299 m<sup>3</sup>**  
OF WASTE WATER IS REUSED



**93%**  
OF ENERGY USED IS SOLAR



**63**  
PROJECTS WITH ENVIRONMENTAL AUTHORIZATIONS



**THUS\$18,961**  
IN ENVIRONMENTAL INVESTMENTS



**THUS\$5,513**  
INVESTMENT IN THE COMMUNITY



WE WORK WITH COMMUNITIES IN THE TARAPACÁ AND ANTOFAGASTA REGIONS

## Our Values



SAFETY



INTEGRITY



SUSTAINABILITY



EXCELLENCE



Cover photo: Coya Sur operations

Salar de Atacama operations





- Continue to be an important player in the sustainable development of the world with a strong presence in key industries for human development: healthcare, nutrition, renewable energies and sustainable mobility, that improve the quality of life of people around the world.
- Create trust and credibility in the coming years, reinforcing a brand that is publicly linked to the other green industries in the world.

- Participate in the co-creation of value in communities in a sustainable way over time. Guarantee safe, inclusive working conditions through our operations while participating in local economies and the sustainable development of neighboring communities.
- Generate ongoing programs that allow all SQM workers to be responsible community agents.

- Improve systems for monitoring ecosystems, thus improving access to information and transparency as a way to bolster the knowledge and decision-making of multiple stakeholders.
- Reduce brine extraction by 50% by 2030. We began this process by reducing extraction by 20% in November 2020.
- Reduce continental water consumption by 65% by 2040, beginning with 40% by 2030, as forecast in 2020.
- Be carbon neutral in all of our products from the source to the customer by 2040 and by 2030 in the case of lithium, potassium chloride and iodine.
- Create a Corporate Waste Management System to promote a cultural shift towards sustainability.





SQM joined the Global Compact Network Chile, an initiative of the United Nations that seeks to promote sustainable and responsible development based on 10 principles in areas related to human rights, labor regulations, the environment and corruption.

We activated the COVID-19 Corporate Protocol to safeguard employee and contractor health and integrity. This included measures like: telecommuting for people over the age of 65 and individuals over 60 with chronic conditions, rescheduling shifts, traceability, reducing capacity limits on buses and at work, monitoring symptoms, implementing protection measures at company facilities and preparing a digital "COVID Site Form", among others.

We applied for the S&P Dow Jones Index and were selected for both the DJSI Chile Index and DJSI MILA Pacific Alliance Index. The Company was also ranked one of the five most sustainable companies in Chile according to the IPSA ESG index.

The new iodine plant at our Nueva Victoria operations, which produces 11,000 tons of prilled iodine annually, became operational and has a new automatic packaging system.

The high-performance solar plant "Cerro Dominador" in the Antofagasta Region began to melt nearly 50,000 tons of solar salts produced by SQM.

SQM joined the Global Battery Alliance (GBA), an initiative from the World Economic Forum, along with 41 organizations and companies from around the world to work in accordance with the alliance's sustainability principles.

SQM was recognized by the Antofagasta Industrial Association for its responsible management, for the implementation of its system "Online Monitoring of Environmental and Extraction Indicators at the Salar de Atacama Site."

The Nueva Victoria operations began tests to optimize the use of water resources, covering 2,400 m<sup>2</sup> of ponds at operations centers with HDPE balls. Thus far, the initiative has reduced evaporation by 70%.



SQM implemented the SQM Community Support Plan in the context of COVID-19. The program centers around 4 areas: Health, social wellbeing, education and healthy living, and economic recovery. The plan generated numerous initiatives to support neighboring communities in these areas.

CONAF, SQM and ranchers from the Aymara Rural Indigenous Association of Pampa del Tamarugal in the Tarapacá Region forged a partnership to create a 30-hectare alfalfa production unit within the Pampa del Tamarugal National Reserve.

The Pozo Almonte Livestock Research and Development Center, a program supported by SQM, was recognized by the the Chemical Industries Association (Asiquim) in the "Community Engagement" category.

Over 400 families participated in "Home Gardening" workshops, an activity that brought families together to grow their own vegetables. It is sponsored by SQM and the Mr. Barber Foundation in María Elena, Quillagua and Tocopilla.

The "Family Gardening Program" was developed in San Pedro de Atacama as part of SQM's Atacama Tierra Fértil Program, to promote local farming, family gardening and entrepreneurship with an agro-ecological approach linked to ancestral culture.

SQM inaugurated a 30-million liter reservoir in Quillagua, Antofagasta Region, to complement farming projects.

The Lickanantay High-Altitude Winemakers' Cooperative, which produces the Ayllu wine, in partnership with SQM's Atacama Tierra Fértil Program, won a gold medal at the XXV Cdad'or Wine Awards, with the Ayllu Catchir Late Harvest Moscatel 2019.

The SQM Salar Sports Club signed an agreement to sponsor the Club de Deportes Antofagasta (CDA) under-17 and adult women's soccer teams for the full year in 2020, in order to support professional women's soccer and promote the inclusion of women in the sport.



## Contents






**RICARDO RAMOS RODRÍGUEZ**  
Chief Executive Officer

## A Message from Our CEO

We are optimistic about the challenges that Chile is facing, and as a company we will continue to do our part without losing sight of our employees' and contractors' health.



We are continuing with our ambitious investment plan for the 2021-2024 period, which will require approximately US\$1.3 billion in total capital for our projects in Chile.

## Our Company in 2020

DISCLOSURE 102-14

This year was especially challenging in terms of both our corporate goals and the extraordinary circumstances that we had to face as a society. We moved through a complex political and social situation in Chile, where our production facilities are located, after a series of nationwide protests beginning on October 18, 2019, sparked by unresolved social and economic concerns. This led to a project to draft a new Constitution, which is still underway. We also faced the unprecedented COVID-19 pandemic, which began in early 2020 and whose effects we are still navigating.

As soon as we identified the imminent public health risk, we began to prepare to protect and safeguard the health and wellbeing of all of our employees and neighbors. A few months after the virus reached Chile, we began to work with an interdisciplinary team from Universidad del Desarrollo and Clínica Alemana to identify and implement the necessary measures. This led us to redefine our methodologies and roll out a robust plan of action. This plan involved, among other preventative actions, modifying our shift

system, capacity limits and travel plans and adjusting and implementing tools and personal protective equipment. Our priority at all times was protecting the life and safety of our workers and their families. We offered paid leave and telecommuting options for those over 65, individuals with chronic illnesses and anyone whose position lent itself to remote work.

COVID-19 also changed the behavior of some of our business lines, such as demand for iodine. We adjusted staffing at some locations and offered scheduled retirement for employees over the age of 65 who had worked at the Company for several years.

Over the past 25 years, we have taken steps to optimize our production processes. We are increasingly efficient and take environmental protection and the wellbeing of neighboring communities very seriously. We thus decided to reaffirm our commitment to **Sustainability**, and included it as one of our values, prioritizing it as a guide along with **Safety, Excellence** and **Integrity**.

In this context, we publicly released our "Sustainability Goal," which is based on three pillars: the Environment, in which we will work on water, ecosystems and green production; Our People

including communities, as these are our first partners and audiences; and our Products, which are present in sustainable industries. We have committed ourselves to important goals to be met over the next 10 and 20 years in each of these areas, which are described in this report.

We actively participated in the Dow Jones Sustainability Index assessment for the first time in 2020 and were accepted in the two categories to which we were invited to participate. This major achievement is reflected in efforts to promote sustainability as part of our development strategy. Along these same lines, we committed to complying with the Global Battery Alliance (GBA) sustainability principles, which is part of the World Economic Forum, and signed our commitment to the Chile Global Compact Principles and to working towards the United Nations 2030 Agenda. At our Salar de Atacama operations, we conducted a self-assessment on the Initiative for Responsible Mining Assurance (IRMA) standard, and we are now considered a pending member awaiting certification. We seek to integrate this standard throughout the Company.

We also earned voluntary certificates in Responsible Conduct from ASIQUIM,

Ecovadis and Protect & Sustain, and currently hold the Stewardship Excellence classification. We are working towards other certifications that we know will encourage us each day to reinforce our commitment to being a better company, and to contributing to the development of the region, the country and the industries that share our goal of sustainability for the world.

Based on our goal of earning the most demanding certifications, we rigorously monitor our operations' impact on the environment and human health. We have made changes to our production facilities in order to minimize any adverse impact. All of our projects are subject to environmental assessments, and we are working on an application for an environmental permit for the Tente en el Aire project, which would allow us to modify our existing operations in Nueva Victoria, Chile. We hope to have good news in 2021.

In regard to Safety, we decreased our operational risk index, achieving a lost-time injury frequency rate (LTIFR) of 0.78. We continue to work towards zero accidents and to reinforce self-care measures, which we know are increasingly strict and more complex due to the pandemic.



In terms of investments, we are continuing with our ambitious plan for 2021-2024. The total capital to be invested in our projects in Chile will be approximately US\$1.3 billion.

We are set to increase lithium carbonate and lithium hydroxide production to 120,000 and 21,500 metric tons per year, respectively, by the end of 2021 in our Lithium business line at our facilities near Antofagasta.

We are continuing to develop the Mt. Holland lithium hydroxide project in Australia with our partner Wesfarmers. The developments in Australia are moving forward as planned, and we will make an investment decision in January 2021.

In regard to the Nitrates and Iodine business lines, we are working to increase our mining capacity in a more sustainable manner, reducing operating costs and boosting annual nitrate and iodine production by approximately 250,000 and 2,000 metric tons, respectively. To achieve this, we will incorporate the use of sea water in our operations and will upgrade our mining equipment and operations centers. These projects will allow us to address future growth in Iodine, Potassium Nitrate and Solar Salts, the latter of which is used by solar power concentration plants to maintain solar energy generation at night.

We estimate that we will invest around US\$120 million in maintenance and other minor projects between 2021 and 2024.

Another key achievement during this period was the publication of our Human Rights Policy, a framework that defines our relationship with all of our interest groups. In this spirit, SQM integrated the Guiding Principles of Human Rights and Business into its sustainable business management. We still have work to do, and we will begin 2021 with our first “Human Rights Due Diligence” assessment, which will cover part of the supplier chain.

Each challenge is a lesson for moving forward in our commitment to applying the principles of respect and inclusion. We will follow our Women’s Inclusion plan. Women now account for 17% of our total workforce and have set a goal of reaching 20% in 2021. We are also hiring more people with disabilities than required by law.

We continue to maintain our close connection and engagement with the communities near our operations. We have worked with other entities to develop joint plans to navigate these difficult times, with actions such as donating two mechanical respirators for the public health network in the Antofagasta Region, distributing boxes of food and cleaning supplies for needy families and administering PCR testing in the communities where we operate. In addition, we have supported soup kitchens, donating merchandise and supplies through our workers, who also donate their time through the “Lend a Hand to Your Community” corporate volunteer program.

At the end of the year, we inaugurated a reservoir in the town of Quillagua that has a capacity of 30 million liters of water and will give the community a stable water supply. This SQM-led project was built by local companies and workers and managed by the La Semilla Foundation.

We continue our ongoing support of farming programs in San Pedro de Atacama such as the high-altitude wine Ayllu, which is produced by the Lickanantay High-Altitude Winemakers’ Cooperative. Ayllu won the gold medal, which is the highest distinction, at the 25<sup>th</sup> Cata d’Or Wine Awards, one of the most important international competitions in Latin America.

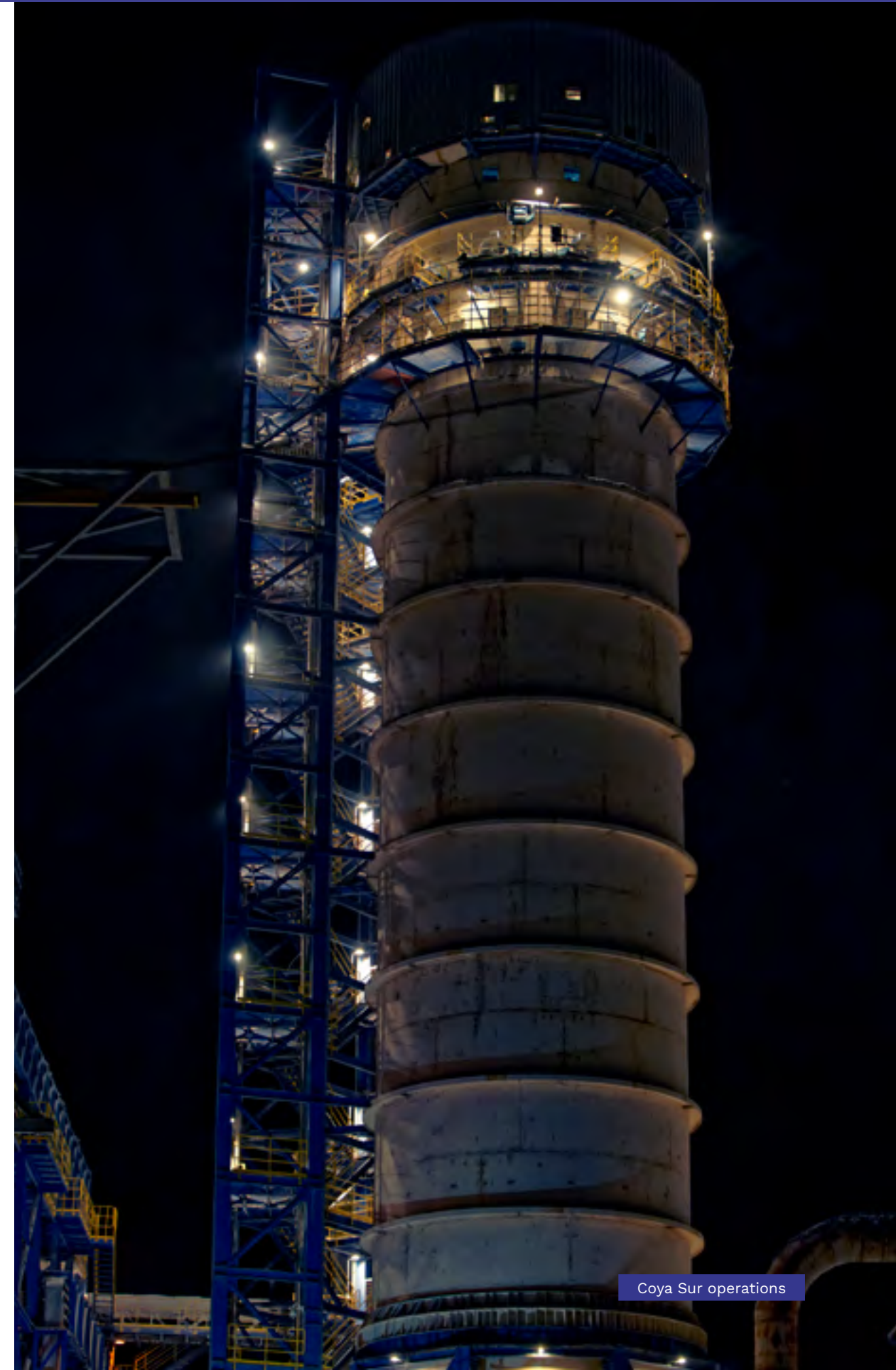
In Antofagasta, we actively supported the women’s soccer team at Club Deportes Antofagasta to strengthen their professional careers and women’s inclusion in the sport. Even as recently as a few years ago, only the men’s soccer team played in a professional circuit. These are just some of the many projects that we have rolled out in neighboring communities.

We hope that our projects with our neighbors will continue to develop in 2021 so that we can care for the environment, increase efficiency and engage in the spirit of continuous improvement that has taken shape in the organization through our M1 operational excellence program.

We are optimistic about the challenges that Chile is facing, and as a company we will continue to do our part without losing sight of our employees’ and contractors’ health.

We hope that this Sustainability Report, which we have improved every year, is useful and allows you to learn more about SQM and its work in the social, environmental and economic spheres in a transparent and clear manner.

**RICARDO RAMOS RODRÍGUEZ**  
CHIEF EXECUTIVE OFFICER







## 02. ABOUT THIS REPORT







Port of Tocopilla

## About this Report

DISCLOSURES 102-10/ 102-45/ 102-48/ 102-49/ 102-50/ 102-51/ 102-52/ 102-53/ 102-54/ 102-56

THIS REPORT HAS BEEN PREPARED IN ACCORDANCE WITH THE CORE OPTION OF THE GRI STANDARDS.

We have been reporting in accordance with the Global Reporting Initiative (GRI) principles for 11 years, and we meet the requirements of the Global Compact Communication on Progress (COP).

This year, we reaffirm our commitment to this exercise in transparency, which will be completed annually. As a company, we have opted for external assurance of this report for the second time based on new international requirements and internal goals.

Deloitte Advisory SpA conducted this assurance process.

“This report has been prepared in accordance with the Core option of the GRI standards.” It is published annually and contains information for the period from January 1, 2020, to December 31, 2020. The prior report (published June 2020) was for the period from January 1, 2019, to December 31, 2019.

This report covers all of the entities—except for Ajay SQM—included in the consolidated financial statements, which are available online at <https://ir.sqm.com/Spanish/informacion-financiera/reportes-anales/default.aspx>

The quantitative data presented in charts and tables have been developed using the same methodology as the 2019 report. Changes or explanations required by the report’s scope are outlined in each chart and table presented.

There were no significant changes in our organization and its supply chain during the period reported.

For more information regarding this report and SQM’s sustainability work contact us at [sustentabilidad@sqm.com](mailto:sustentabilidad@sqm.com)



## Stakeholders

DISCLOSURES 102-21/ 102-29/ 102-40/  
102-42/ 102-43/ 102-44

These were defined internally according to the nature of our business and relationships with them based on four areas: needs, impacts, interests and expectations.

During 2020, we reviewed and consulted with our stakeholders to prepare the Company's materiality based on the value chain from communities, our suppliers and our customers.

Through various instances and opinion studies, we seek to explore the interests and expectations of our stakeholders in order to create and maintain close relationships of trust with each group or person on an ongoing basis. This is achieved through dialogue, creating spaces for coming together such as meetings, working groups or direct contact through the Company's various areas depending on the group and their interest in their relationship with SQM.

Based on the SQM Corporate Governance Framework, our stakeholders are identified and are at the heart of our decisions and commitments to our work and relationships built on trust and transparency over time.

THROUGH VARIOUS INSTANCES, MEETINGS,  
DIRECT INTERACTION AND OPINION STUDIES,  
WE SEEK TO EXPLORE THE INTERESTS AND  
EXPECTATIONS OF OUR STAKEHOLDERS.

Stakeholders are identified and assessed, and this process is validated by the Board. Part of the Company's work is to consider them in its decisions. The Director of Communications, Sustainability and Public Affairs is responsible for explaining the importance of these stakeholders and their expectations to the Board, as part of our efforts to maintain stable, ongoing relations with our stakeholders over time, knowing full well that these relations can be dynamic.

The Sustainability Report is one of the key mechanisms for reporting on our performance to them.





# Stakeholders

Salaries, benefits, quality of life, professional development, information about the Company.

Capitalization of their investment and financial performance that allows for the sustainability of the Company over time.

Workers directly employed by SQM with open and fixed-term contracts.

The Company's main series A and B shareholders.

Pertinent and relevant information regarding the Company's activities, in its various fields of action.

Transparent bidding processes, payments within agreed deadlines and conditions, efforts to establish lasting commercial relations, supplier development.

Journalists, newspapers, radio, TV, digital media.



EMPLOYEES



SHAREHOLDERS OR INVESTORS

Contractors and suppliers of goods and services (both general and sales).



MEDIA



CONTRACTORS AND SUPPLIERS



Local, regional and national authorities, regional, national offices and public agencies.



AUTHORITIES



CUSTOMERS

Farmers, pharmaceutical companies, car manufacturers and technology companies, among others.

Fulfillment of commitments made regarding product supply and quality in accordance with agreed-upon deadlines, production processes that meet product safety and sustainability standards and regulations, operations, product safety, products that meet required standards.

Creation of value for the community, region, country. Fulfillment of legal obligations and commitments under RCAs (environmental permits) and valid contracts.



ORGANIZATIONS AND INSTITUTIONS



COMMUNITY

Trade associations, private and public foundations, NGOs, institutions in general

Residents of communities located near operations, indigenous communities and community associations.

Support to create value for the community, region, country. Commitment to initiatives that are of interest to the organization, where the Company plays an active role. The Company contributes resources for project development.

Creation of direct and indirect jobs, long-term support for the social and economic development of the community and care and appreciation for the environment and community at large. Pertinent, fluid communication.





## Materiality

Disclosure 102-46

During 2020, SQM launched an important exercise for building our “Sustainability Goal” for the next 20 years. This is our road map for our commitment to sustainable management of the business aligned with both internal organizational challenges and the SDGs, our goals at the global level.

During this process, we have identified the material aspects for the Company and developed a plan to address them in the short- and medium-terms.

This exploratory work was conducted with the company McKinsey beginning in March 2020 and involved internal and external approaches, interviews with internal and external stakeholders, document reviews and a sector analysis.

**Identification:** We conducted interviews with the various stakeholders identified by the Company in collaboration with the areas that interact with each of them and the consulting firm. We also conducted diagnostic studies and a process designed to identify their concerns in order to identify the material aspects.

**Prioritization:** The material aspects identified were organized and presented at workshops with various areas of SQM that interact with stakeholders. The goal was to comment on and adjust the results and contrast them with their knowledge and experience. The workshops were conducted in a focused manner and based on each stakeholder.

**Validation:** The results obtained during the previous stages were presented and validated by the senior management, Chief Executive Officer and representatives of the Board.

**Assessment:** The goals and objectives will be assessed over time based on the indicators established for each of the aspects that are considered critical:

- Management of energy and Greenhouse Gas (GHG) protocols
- Water management
- Use of land and mining resources (brine / caliche ore)
- Our employees
- Relationships with the community and indigenous peoples
- Environmental, social and governance reports and communication

Based on this analysis, we established the following list of material aspects for this 2020 Sustainability Report.



# Material Aspects and Boundaries

Disclosure 102-47

ISSUE	STAKEHOLDERS' MAIN AREAS OF CONCERN	STAKEHOLDER ENGAGEMENT	INTERNAL BOUNDARY	EXTERNAL BOUNDARY	SDG
<b>RESPONSIBLE BUSINESS MANAGEMENT</b>	Corporate governance Business sustainability strategy Ethics, corruption Responsible supply chain management Innovation and development	Employees / Contractors and Suppliers / Customers / Authorities	★★	★★★	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
<b>COMMUNITY RELATIONS</b>	Relationships with and commitments to indigenous groups Community management and relations	Community / Customers / Shareholders or Investors / Authorities	★★★	★★★	3 GOOD HEALTH AND WELL-BEING, 4 QUALITY EDUCATION, 8 DECENT WORK AND ECONOMIC GROWTH, 10 REDUCED INEQUALITIES, 11 SUSTAINABLE CITIES AND COMMUNITIES
<b>RESPONSIBLE WATER MANAGEMENT</b>	Fresh water consumption Optimization of water resources Use of sea water Water management and innovation	Communities / Customers / Authorities / Media	★★	★★★	6 CLEAN WATER AND SANITATION, 13 CLIMATE ACTION
<b>ENERGY MANAGEMENT</b>	Energy consumption Use of clean energies Energy management and innovation for process improvement	Communities / Customers	★	★★★	7 AFFORDABLE AND CLEAN ENERGY, 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE, 13 CLIMATE ACTION
<b>AIR EMISSIONS</b>	Particulate matter emissions (PM10) for the María Elena and Tocopilla operations	Communities	★★	★★	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
<b>BIODIVERSITY</b>	Biodiversity commitments and performance	Communities / Authorities / Institutions and Organizations	★★★	★★★	15 LIFE ON LAND
<b>CLIMATE CHANGE</b>	Greenhouse gas emissions Product life cycle	Shareholders or Investors	★	★★	13 CLIMATE ACTION
<b>ENVIRONMENTAL COMPLIANCE</b>	Environmental regulation and compliance	Community / Authorities	★★★★★	★★★★★	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
<b>FAIR LABOR PRACTICES</b>	Employability Hiring local workers and creating jobs Work / family / personal life balance Diversity and inclusion (gender and individuals with disabilities) Occupational health and safety	Workers / Communities	★	★★	5 GENDER EQUALITY, 8 DECENT WORK AND ECONOMIC GROWTH, 10 REDUCED INEQUALITIES, 11 SUSTAINABLE CITIES AND COMMUNITIES
<b>LITHIUM</b>	Product circularity The future of lithium mining	Customers / Shareholders or Investors	★★	★★★	3 GOOD HEALTH AND WELL-BEING, 7 AFFORDABLE AND CLEAN ENERGY, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 13 CLIMATE ACTION
<b>THE CHALLENGE OF COVID-19</b>	Challenges and opportunities in the Company and our communities	Workers / Communities	★★★	★★	3 GOOD HEALTH AND WELL-BEING

★: less relevant    ★★★★★: more relevant



San Pedro de Atacama

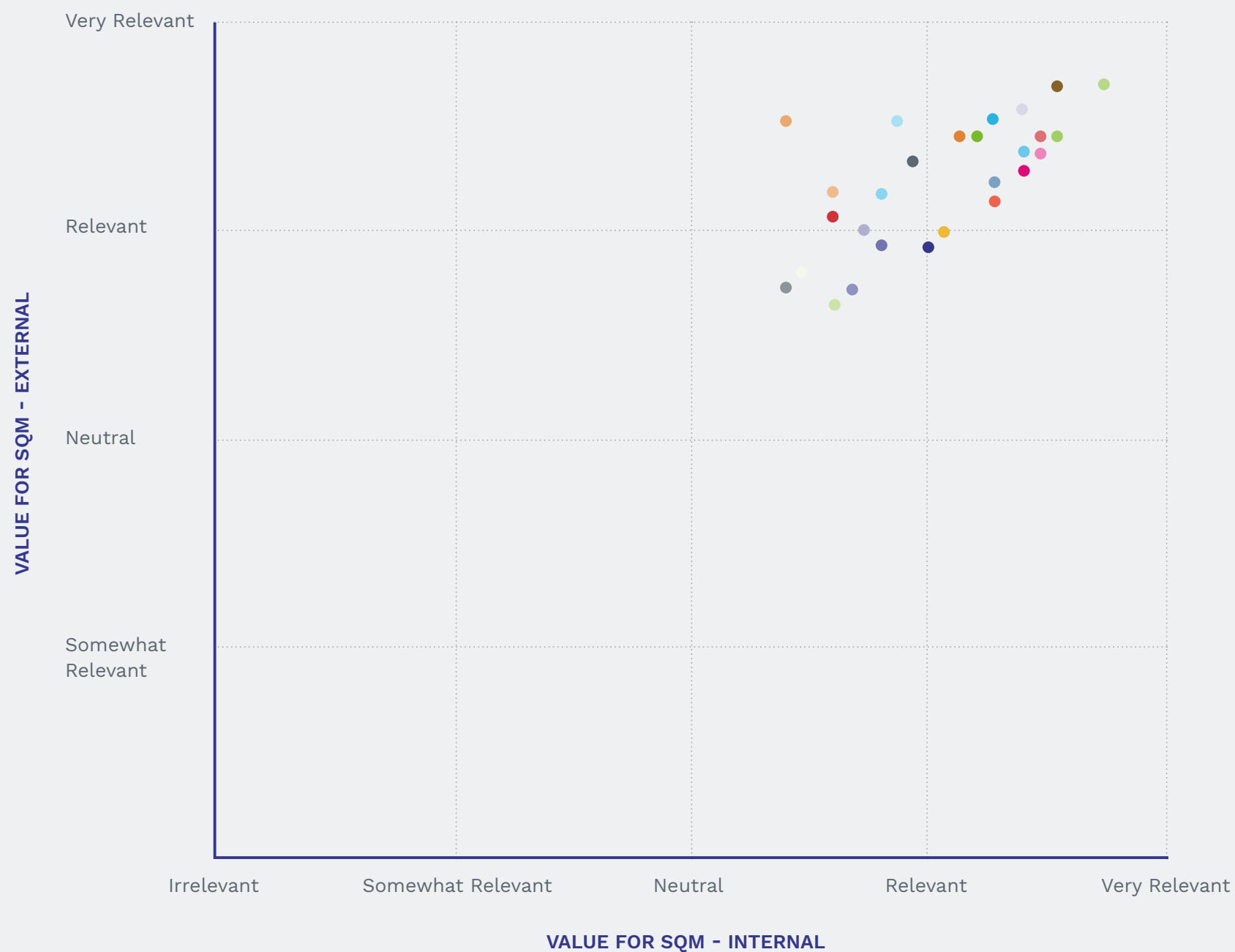




Based on the list of material aspects generated by our stakeholders, we assessed them in conjunction with the Company's senior management, putting the internal and external dimension of each aspect into perspective.

## Materiality Matrix

Our analysis involved internal and external approaches, stakeholder interviews, document reviews and a sector analysis, among other activities.



### RESPONSIBLE BUSINESS MANAGEMENT

- Corporate governance
- Sustainable business strategy
- Ethics, corruption
- Responsible supply chain management
- Innovation and development

### LITHIUM

- Product circularity
- The future of lithium mining

### FAIR LABOR PRACTICES

- Employability
- Hiring local workers and creating jobs
- Work / family / personal life balance
- Diversity and inclusiveness (gender and individuals with disabilities)
- Protecting worker health in terms of professional diseases and workplace safety

### RESPONSIBLE WATER MANAGEMENT

- Fresh water consumption
- Optimization of water resources
- Use of sea water
- Water management and innovation

### ENERGY MANAGEMENT

- Energy consumption
- Use of clean energies
- Energy management and innovation for process improvement

### AIR EMISSIONS

- Particulate matter emissions PM10 (for operations in María Elena and Tocopilla)

### BIODIVERSITY

- Biodiversity commitments and performance

### CLIMATE CHANGE

- Greenhouse gas emissions
- Product life cycle

### ENVIRONMENTAL COMPLIANCE

- Environmental regulation and compliance

### COMMUNITY RELATIONS

- Engagement with and commitments to indigenous groups
- Community management and engagement

### COVID-19 CHALLENGES

- Challenges and opportunities in the Company and our communities





03.  
SQM AND THE  
CHALLENGE OF  
2020







OUR IMMEDIATE CONCERN FROM THE VERY START OF THE PANDEMIC WAS PROTECTING THE HEALTH OF OUR WORKERS AND NEIGHBORING COMMUNITIES.

**DISCLOSURE 103-1/103-2/103-3**

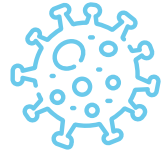
In early 2020, we identified as risk factors for our business the spread of infection or transmissible diseases like COVID-19, which we knew would pose major challenges that we would have to address in all our operating areas.

These include safeguarding the health of our workers and neighboring communities and impacts on international markets, customers and suppliers. In addition to restrictions and interruptions in manufacturing and jobs, closures of factories and other businesses, setbacks or delays, there were restrictions and limitations placed on workers and factories including quarantines and limits on travel and returning to work, scarcity or production and shipping delays for products or raw materials and border closures.

This is a multidimensional challenge that we met with early measures for aspects that we could manage in order to safeguard the health of our direct and indirect employees and neighbors and to maintain operational continuity and responsible business management, focusing most of the measures on our production centers in Chile, where our operations are located.



## Standing by Our People in the Context of COVID-19



In order to safeguard the health and wellbeing of our workers in all offices and at all work sites in Chile and abroad, we developed an Emergency Plan in collaboration with the Epidemiological Experts Committee from Clínica Alemana and Universidad del Desarrollo. It covers a series of measures that have been updated on an ongoing basis and disseminated to our staff and contractors as the pandemic has developed.

Several of these measures involved changing how we relate to one another. We have quickly adopted a new culture of self-care and care for our colleagues and families, reinforcing the importance of following World Health Organization (WHO) recommendations as well as those issued by officials through the Ministry of Health, which serve as the guide to caring for employees and contractors.

The measures adopted include:

- Reorganizing teams and reviewing our staffing for both 7x7 and 4x3 shifts in order to identify who can work from home. We also provided flexible schedules for workers who use public transportation so that they could arrive later or leave earlier in order to avoid peak travel times.

- Suspending all travel within Chile and abroad. Only individuals who receive special permission from the Vice President of their area may travel. Anyone who returned from a trip that began prior to the pandemic was required to quarantine.

- Taking workers' temperatures when they board corporate buses and distributing masks and hand sanitizer at the gatehouses of facilities and offices for our staff.

- Distributing individual meals in dining halls and suspending the traditional buffet serving arrangement.

- Reinforcing cleaning and sanitizing of bathrooms, dining halls, buses and rooms at SQM camps.

- Suspending the use of common areas such as gyms and sports activities, tournaments and other events. During 2021, we will hold some sporting events with social distancing in order to limit the spread of COVID-19 and improve the quality of life of workers at our work sites.

- Suspending in-person meetings for more than three people and encouraging the use of available technological media.

- Encouraging our employees to limit physical contact, for example, when they greet each other.

- Suspending visits by anyone external to the Company as well as visits by our staff to other companies.

- Requiring anyone who has symptoms of a cold or severe flu to stay at home and immediately notify his or her superiors as a precaution.

- Suspending attendance at seminars, conferences and other large-scale events both in Chile and abroad, including in-person training activities with third parties.

- Requiring any worker who lives with or has had direct contact with someone who has contracted COVID-19 to quarantine and notify their supervisor, who will in turn inform the respective human resources unit for follow-up. This same procedure must be completed by workers who test positive for the virus.

WE REORGANIZED WORK TEAMS AND SHIFTS AND OFFERED JOB FLEXIBILITY SUCH AS STAGGERED START TIMES, WORKING FROM HOME AND OTHER MEASURES.







Nueva Victoria operations.

- Allowing high-risk employees, including those over the age of 65 and those under 60 who have conditions identified by health officials, to remain at home in order to avoid any risk of contagion.
- Implementing ongoing self-care campaigns using digital information, videos and infographics in public places.
- Coordinating and communicating with neighboring communities on an ongoing basis in order to review workers' situations and safeguard the wellbeing of our employees, their families and our communities.

In addition to these protocols, we developed a "COVID Site Form" created by teams in various areas of SQM. It has proved very effective for early detection and tracing.

The questionnaire must be completed by anyone who enters an SQM site whether they are employees, contractors or visitors. The document contains questions about potential exposure to individuals suspected of having or who have tested positive for COVID-19 as well as the main symptoms of the virus.

The self-assessment has algorithms that send an alert based on the responses.

The alerts are color-coded based on the risk of possible contagion and come with a QR code. If there is a risk, a red light will appear informing the employee that they should not travel to the site or enter the facility, and that they should inform the Company. If the employee does not automatically contact the Company, they will be contacted and given guidance about next steps, which may include taking a PCR test or starting to quarantine. The guidance is issued on a case-by-case basis.

All employees must submit their survey result prior to boarding a bus or entering a work site or office.

Fifteen cases of COVID-19 were identified. All of them involved close work contacts as defined by the Ministry of Health and were classified as job-related illnesses by the administrative entity. Others in the Company were diagnosed as having COVID-19, but their cases were classified as common illnesses.

In order to alleviate any concerns of SQM families, and based on quarantines, the Company delivered over 5,000 boxes of food and cleaning supplies to all direct employees in Chile, Ecuador, Spain and Mexico.

IN ADDITION TO THESE PROTOCOLS, WE DEVELOPED A "COVID SITE FORM" CREATED BY TEAMS IN VARIOUS AREAS OF SQM. IT PROVED VERY EFFECTIVE FOR EARLY DETECTION AND TRACING. IF THERE IS A RISK, A RED LIGHT WILL APPEAR INFORMING THE EMPLOYEE THAT THEY SHOULD NOT TRAVEL TO THE SITE OR ENTER THE FACILITY, AND THAT THEY SHOULD INFORM THE COMPANY.





# 57

SOUP KITCHENS IN VARIOUS MUNICIPALITIES WERE SUPPORTED THROUGH THE “LEND A HAND TO YOUR COMMUNITY” GRANTS. THESE INITIATIVES WERE LED BY SQM VOLUNTEERS.

WE IDENTIFIED THE NEEDS OF OUR NEIGHBORS AND ORGANIZATIONS, WITH WHOM WE MAINTAIN CONSTANT CONTACT, SO THAT WE COULD SUPPORT THEM DURING THE PANDEMIC AND ADDRESS THEIR MAIN CONCERNS.

## Standing by Our Neighbors in the Context of COVID-19

In addition, with a view to protect mental health and provide opportunities to have fun, workshops were held with the Miradas Compartidas Foundation that were focused on including people with cognitive disabilities along with training activities for participants of all ages.

All of the Company’s activities were held virtually, including the Christmas Party that SQM has traditionally held employees’ children. During the summer months, we offered zumba classes, functional training and pilates, family bingo nights, culinary workshops, and classes on education and sustainability to members of the SQM family.

During 2020, we created a children’s coloring book with games and stickers that could be used in different parts of the house to remind family members to take steps such as wearing a mask when they go out and frequently washing their hands. We also created a memory game with COVID-19 related concepts to play as a family and reinforce preventative measures.

It bears mentioning that ongoing communications campaigns included educational materials for employees and their families in an effort to reinforce hygiene measures and prevent the spread of disease.

From the moment a global pandemic was declared, we understood that as a company present in areas far from urban centers we should support our neighbors through concrete actions, developing initiatives that would help them to limit contagion and the human and economic consequences of the virus. To that end, we launched the “COVID-19 Community Support Plan.”

We surveyed the needs of each area through direct contact with local authorities, communities and organizations with which we have deep-rooted, robust programs of shared value. Most of the beneficiaries belong to communities located near our operations. The health and safety of our neighbors is an important issue and ongoing concern for SQM.

The program centered on four areas: Health, social wellbeing, education and healthy living, and economic recovery.



#### HEALTH:

We supported the strengthening and enhanced response capacity of hospitals and care units, providing medical equipment, personal protective equipment and rapid tests in Quillagua, María Elena and Tocopilla and donating mechanical respirators to the health network in Antofagasta. We sanitized public spaces and distributed home cleaning kits.

We contributed to efforts to maintain a health residence for people to quarantine in Calama and funded medical equipment in Quillagua.

We financed efforts to hire new healthcare staff and a comprehensive healthcare program in the communities of Toconao, Talabre and Camar. We facilitated telemedicine appointments with our in-house medical professionals for members of neighboring communities since these towns are located far from healthcare centers.

#### ECONOMIC RECOVERY:

We continued to provide support to local businesses and microenterprises through El Puerto Cowork, offering the “Atrévete y Embárcate” program and leveraging resources with other private companies in order to help businesses that have seen sales drop. The “Juntos Impulsamos tu Negocio” (“Promoting Business Together”) program distributed resources to 33 small and micro business owners in María Elena and Quillagua in order to help businesses impacted by public health restrictions. In addition, the CORFO Pampa Salitrera PAR Program distributed support to 13 entrepreneurs and small business owners from María Elena through public resources and co-funding from partnerships with companies.

We donated 47 tons of alfalfa and 7.5 tons of corn and farming equipment to benefit ranchers in Quillagua and Pampa del Tamarugal.

We created two solidarity bakeries in collaboration with the Alto Jama and Lickanantay Neighborhood Councils. They provide work and opportunities to participate to local residents in order to ensure that families have regular access to bread given the impact that the decrease in tourism has had in this area.

#### SOCIAL WELLBEING:

We distributed baskets to families containing food, personal protective equipment and prevention information. It was mainly given to members of high-risk groups such as older adults and individuals with disabilities.

We purchased lettuce and produce grown in greenhouses in Quillagua and Pozo Almonte and donated the items to residents of coastal fishing villages in Alto Hospicio, Tocopilla and María Elena.

We held Family Gardening courses in neighboring communities in order to contribute to the production of fresh, quality produce in small spaces for recipients to consume.

We partnered with other key stakeholders to create a Social Assistance Program for the municipality of San Pedro de Atacama.

We helped provide potable water in Camar, developing an ongoing plan to deliver 20m3 of potable water every two days.

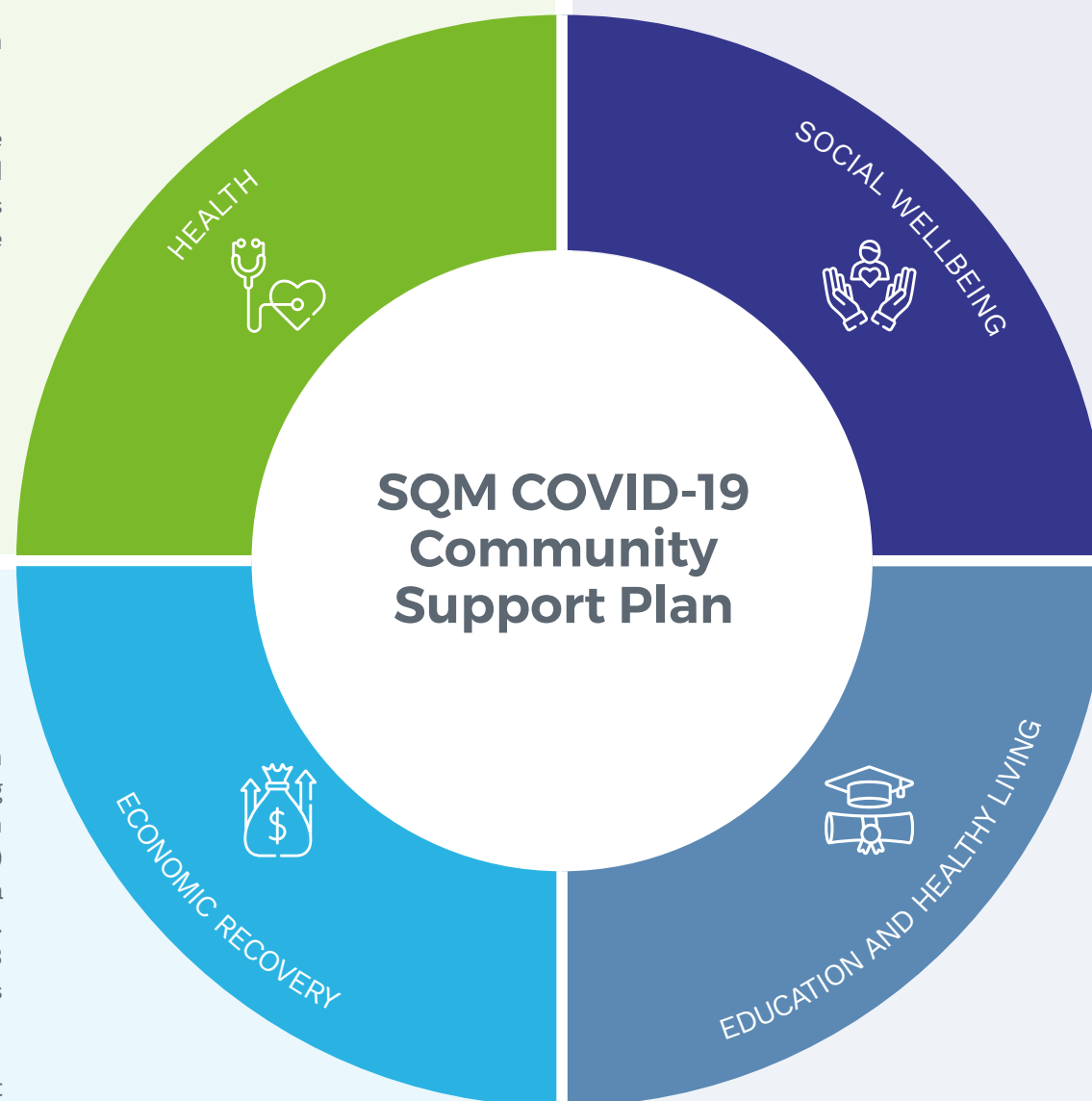
#### EDUCATION AND HEALTHY LIVING:

We reformulated our educational programs, turning them into distance learning programs. This includes the Vilti Semann-ECN Virtual Learning Laboratory, I Learn At Home With You through the Choshuenco Educational Foundation, and Home Gardening through the Mr. Barber Foundation. We also worked on the +Mathematics and +Language programs with Corporación Crea+, the Second-Chance Education Program with the municipality of San Pedro de Atacama and Otec Da Vinci, and an Intermediate Excel Course with Insecap Capacitaciones. Inclusive online athletics classes with Miradas Compartidas Foundation and the development of the Arts and Culture at Home Program with the Revital Foundation.

Contribution to the soup kitchen created through the San Pedro de Atacama Parish in April 2020 in order to provide meals to older adults, homeless people and families who had lost their jobs due to the pandemic.

We distributed food and cooking utensils to 57 soup kitchens in various municipalities through the “Lend a Hand to Your Community” grants. These initiatives were led by SQM volunteers.

It is worth noting that several of the initiatives presented through this plan are outlined in the “SQM, Present in the Community” section in this report. The majority of these communities, foundations and corporations have prior knowledge and an ongoing relationship with these initiatives prior to the pandemic.





# Supporting Our Neighbors During COVID-19



**US\$1,828,639**

donated to communities during the COVID-19 pandemic.



**2 Mechanical ventilators**

and 2 respirators as well as supplies for the Antofagasta Healthcare Network.



**1 Portable hemodialysis machine**

donated to the Tocopilla Province Healthcare Network.



**+ 11,000**

boxes of food for older adults and residents of neighboring communities, foundations, associations and schools linked to SQM volunteer work.



**3 Months of funding for**

the Calama health residence for people to quarantine and its clinical team of 24x7 professionals, supplies and meals. We also provided support for outfitting health residences in Talabre, Toconao and Camar.



DELIVERY OF

**personnel protective equipment**

for the healthcare networks of Tocopilla, María Elena and San Pedro de Atacama.



Delivery of

**personnel protective equipment**

and/or disinfecting kits to all of the communities located near our operations.



**1 Ambulance**

rented for Quillagua to transport emergent patients.



Hiring of

**medical personnel**

to provide comprehensive services to the communities of Quillagua, Talabre, Toconao and Camar.



Support for the implementation of health checkpoints and staff meals: Pozo Almonte, María Elena, Quillagua, Tocopilla, San Pedro de Atacama, Toconao, Talabre, Socaire, Camar and Peine.



Disinfecting of public spaces in Pozo Almonte, Quillagua, María Elena, Tocopilla, San Pedro de Atacama, Toconao and Talabre.



Delivery of a total of

**7,000 COVID-19 rapid tests**

in Pozo Almonte, Quillagua, María Elena and Tocopilla.



Installation of hand sanitizer dispensers in public places in María Elena.



Provision of visual materials on prevention and self-care to all neighboring communities.



- Scheduling of online cultural and athletics activities for neighboring communities.
- Emotional support lectures, psychotherapy and radio interviews in María Elena.
- San Pedro de Atacama: Art and Culture at Home
- Support for the Toconao Educational Center, celebration of Children's Day





04.  
SQM, FROM CHILE  
TO THE WORLD





# Our History

SQM was created 52 years ago in the caliche pampa of northern Chile as a nitrate company. We cultivated a special capacity for innovation and development within an industry with a small number of players. As such, our only opportunity to move forward and achieve excellence has been through ongoing innovation and recognizing the opportunities provided by the market.

Our vision and ability to reinvent our Company time and again, adapting to the market and its customers' diverse needs, is one of the traits that characterizes us today.



**OUR ORIGINS**  
1926

Inauguration of Maria Elena, the first plant using the Guggenheim system.

1931

Operations begin in Pedro de Valdivia, the second plant with the same Guggenheim system.



1968

Sociedad Química y Minera de Chile S.A. (SOQUIMICH) is created. It was 37.5% state-owned, represented by CORFO, which provided the Victoria office, and 62.5% privately-owned, represented by Anglo Lautaro, which owned the María Elena and Pedro de Valdivia offices.



1993  
THE 1990S

The Company begins leasing mining claims in the Salar de Atacama from CORFO, paving the way for the production of potassium and lithium. Operations begin at a technical-grade potassium nitrate facility in Coya Sur.

1985  
THE 1980S

The heap leaching process is first applied in extracting nitrates and iodine, resulting in changes to the production system.

1994

SQM earns an international quality certification (ISO 9001) for its iodine plants.



The first environmental management and corporate quality system is implemented at SQM. The Company implements the "Lend a Hand to Your Community" grant program to support social initiatives proposed by SQM employees for neighboring communities.

The first environmental permit is granted to operate in the Salar de Atacama and production of potassium chloride begins. The Company signs an agreement with the Chilean National Forestry Corporation (CONAF) to monitor lagoons and bird fauna in the Salar de Atacama.

1995



1996

Production of lithium carbonate begins in the Salar del Carmen, Antofagasta.

1997

Iodine production begins at the Company's plant in Nueva Victoria, Tarapacá Region.



2002

2004

The lithium carbonate production process carried out at our Salar del Carmen plant is certified under ISO 9001:2000.



2005

Lithium hydroxide production begins, adding more value to the lithium production chain. We are the only company in Chile that manufactures this product.

2001

SQM signs commercial agreements with international companies, expanding its production capacity and business network.

THE 2000'S



Production of Ayllu Wine begins as part of the Atacama Tierra Fértil program. This wine is produced in Toconao at 2,400 meters above sea level.

Production starts at the potassium nitrate plant in Coya Sur, increasing annual production by 300,000 tons.

SQM and Migao Corporation inaugurate a new potassium nitrate plant in China.



The LEAN work methodology is successfully implemented through a program known as M1 as part of the Company's efforts to cut costs and enhance productivity.

The Puquios de Llamara Observation Trail is inaugurated in the Pampa del Tamarugal National Reserve.

2014

2015

The Company earns Protect & Sustain certification from the International Fertilizer Industry Association (IFA).

Production is suspended at Pedro de Valdivia and production of iodine, iodide and nitrate salts is now concentrated in Nueva Victoria.

Over 5,700 new Tamarugo trees are planted through SQM's Tamarugo Planting Program in the areas of Llamara and Bellavista in the Tarapacá Region.



SQM published its Workplace Diversity and Inclusiveness Policy, which involves the various levels of the Company.

At our Salar de Atacama operations, we begin operating an online, real-time monitoring system that allows us to view brine extraction and performance data from the hydro-geological environmental monitoring plan.

The production and sales processes for lithium, iodine and soluble fertilizers are certified under ISO 9001: 2019. SQM's operations in Nueva Victoria, located in the Tarapacá Region, are re-certified in Responsible Care. This certification is granted by the Chilean Chemical Industries Association (ASIQUM).

The farming and ranching community of Pozo Almonte, SQM and the local municipality open the first Agriculture and Livestock Research and Development Center in La Tirana.

With the signature of SQM and the President of the Atacameña Community of Toconao, SQM officially donates company accommodation facilities to the Toconao community to create a high-end hotel managed by local residents.



2016

SQM's operations in Nueva Victoria are re-certified in Responsible Care, an initiative that is managed in Chile by the Chilean Chemical Industries Association (ASIQUM).

2019

2018

CORFO and SQM sign an agreement that includes important modifications to the Salar de Atacama Lease Agreement. On one hand, CORFO authorizes SQM to increase its quotas for the production and sale of lithium and lithium derivatives produced from resources in the Salar de Atacama until 2030. Lithium carbonate production is expected to reach 2.2 million tons during that time. SQM will make a one-time payment of US\$17.5 million plus interest to CORFO.

SQM must increase the payments it makes to CORFO, which are linked to sales of different products, and make annual contributions of US\$10.8 to US\$18.9 million for R&D, contribute US\$10 to US\$15 million to communities near the Salar de Atacama, and make another contribution equivalent to 1.7% of SQM Salar's total annual sales for regional development. The agreement binds SQM to strengthen its corporate governance, through auditing and environmental control mechanisms and creating opportunities for coordinating with CORFO.

2017

The production capacity of SQM's Nueva Victoria iodine plants hit their 2017 targets of 13,000 MT/year.

SQM launches a partnership with technical high schools in the Antofagasta and Tarapacá Regions through collaboration agreements.



2013

SQM's operations in Nueva Victoria are certified in Responsible Care by the Chilean Chemical Industries Association (ASIQUM).

The Center for Environmental Education in the Pampa del Tamarugal National Reserve is inaugurated in the Tarapacá Region, in partnership with the National Forestry Corporation.

The town of Quillagua begins operating a high-tech, hydroponic greenhouse with SQM's support.

2011

2010

Environmental approval is obtained for the Pampa Hermosa project to expand production of iodine and nitrates in Nueva Victoria, Tarapacá Region, with an environmental monitoring and early warning plan.

THE 2010S THROUGH THE PRESENT



SQM signs new joint ventures with Coromandel (India), Qingdao Star (China) and Roullier (France).

2009

2008

A joint venture agreement is signed with Migao Corporation for the

production and distribution of potassium nitrate in China.

The Company invests in rebuilding the town of María Elena after the 2007 earthquake. SQM builds two modern residential facilities for 772 workers in the same town.

2007

Production begins at the new nitrate prilling and granulation plant in Coya.

In collaboration with the Tarapacá Region's Nitrates Museum Foundation, a project is carried out to refurbish the industrial area of the former Humberstone nitrates office.

The Salar del Carmen lithium hydroxide production process is certified under ISO 9001:2000.

2006

The Company issues its first Sustainable Development Policy.

The Company acquires DSM's Chilean iodine business in the Tarapacá Region in order to increase iodine production capacity in Nueva Victoria.

The Salar de Atacama operations obtain environmental approval to increase extraction, with a robust environmental monitoring and early warning plan.

In collaboration with CONAF and the San Pedro de Atacama community, improvements are made to tourism facilities at Laguna de Chaxa.





# SQM and Sustainability

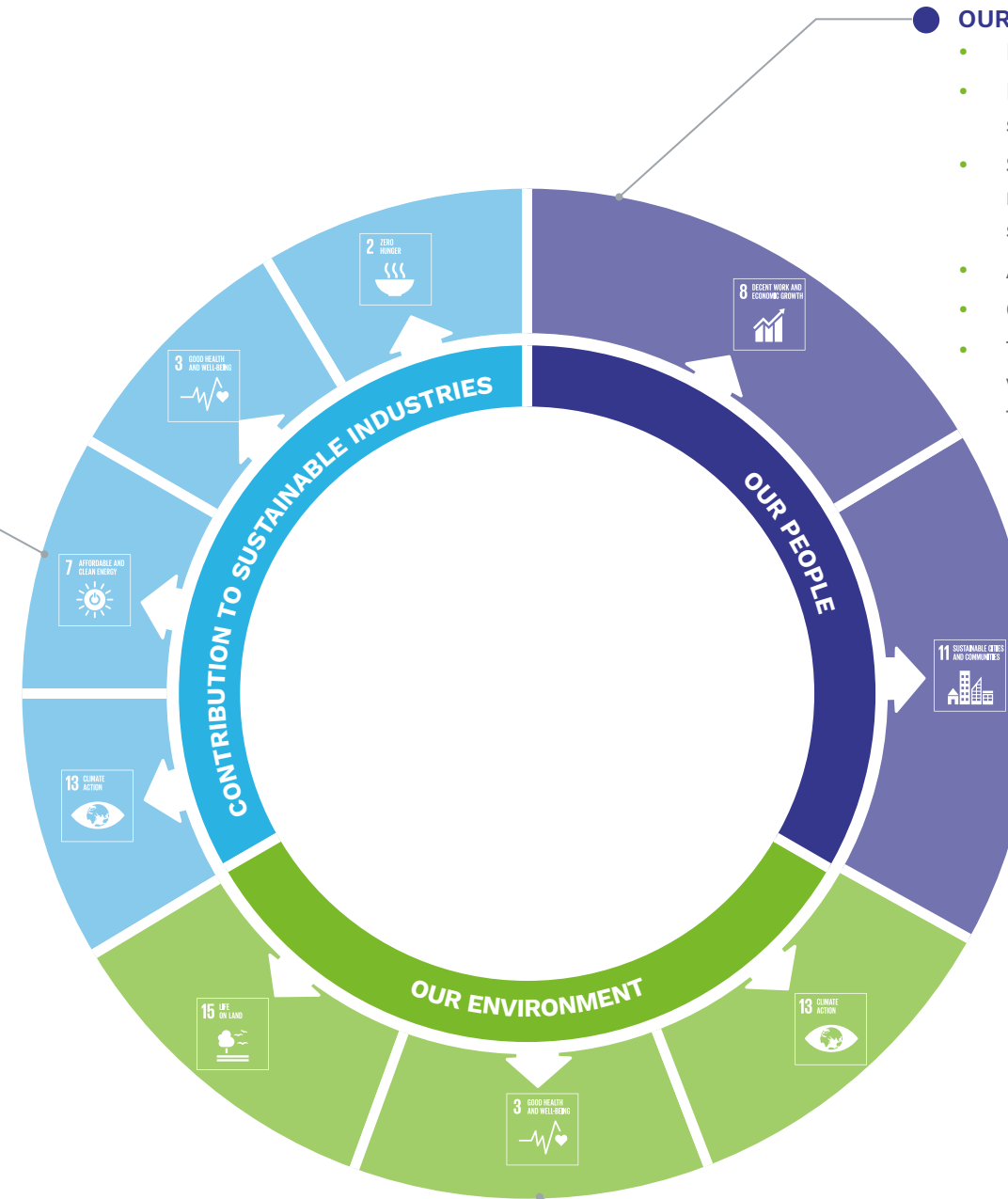


Based on our commitment to the sustainability of our business, and as part of our efforts to listen to our stakeholders, we have rolled out a Sustainable Development Plan, which responds to the new demands and expectations in environmental, social and governance areas. After months of work with an external advising firm, we developed a plan based on the UN Sustainable Development Goals (SDG) that is complemented by a series of initiatives designed to ensure our harmonious coexistence with the environment, the communities located near our operations and our own workers.

This plan is based on three pillars of work: a commitment to our environment, our communities and our contribution to sustainable industries. We have set medium- and long-term goals based on each of these:

## CONTRIBUTION TO SUSTAINABLE INDUSTRIES

- Continuing to be an important stakeholder in the sustainable development of the world with a strong presence in key industries for human development (healthcare, nutrition, renewable energies and sustainable mobility) that improve the quality of life of people around the world.
- Creating trust and credibility in the coming years, reinforcing a brand that is publicly associated with the other green industries in the world.



## OUR PEOPLE

- Establishing a strong local presence and being a good neighbor.
- Participating in the co-creation of value in communities in a sustainable way over time.
- Strengthening local economies and the development of neighboring communities, contributing to the creation of shared social value.
- All SQM workers are responsible community agents.
- Continuing to guarantee safe and inclusive work conditions.
- Through its operations, SQM guarantees safe, inclusive working conditions while participating in local economies and the sustainable development of neighboring communities.

## OUR ENVIRONMENT

- Improving systems for monitoring ecosystems surrounding our operations in order to provide an even more timely response.
- Reducing brine extraction by 50% by 2030. We began this process by reducing extraction by 20% in November 2020.
- Reducing continental water consumption by 65% by 2040 beginning with a 40% decrease by 2030, as forecast in 2020.
- Being carbon neutral in all of our products from the source to the customer by 2040 and by 2030 in the case of lithium, potassium chloride and iodine.
- Creating a corporate waste management system to promote a cultural shift towards sustainability. The first step is to measure and then determine how to reduce while including our suppliers, employees, contractors and offices in Chile and around the world in the process.
- SQM is committed to responsibly managing the natural resources that it uses, minimizing its direct impact on flora and fauna, working together with communities to care for and protect these ecosystems.



SQM also has decided to move towards the implementation of best practices in reporting and transparency such as adding assurance of its annual sustainability report in 2019, which was developed in accordance with Global Reporting Initiative (GRI) principles. It will also actively participate in the S&P Dow Jones Index, where the Company qualified for both the DJSI Chile Index and DJSI MILA Pacific Alliance Index. Thanks to its results on that index, it was ranked one of the five most sustainable companies in Chile according to the IPSA ESG index.

In August 2020, we conducted an initial assessment of the Company using the SDG Action Manager tool to accelerate actions based on the United Nations Global Compact and the Sustainable Development Goals. The assessment was conducted by the external firm Proyecta. We hope to continue to use this valuable assessment once a year in order to support our efforts.

We also will continue to use our online monitoring system to inform stakeholders about our water and brine extractions and environmental monitoring plans for SQM operations in Salar de Atacama. We hope to replicate this initiative in our other operations as a practice in transparency and part of our path to joining green industries.

In September 2020, we began a self-assessment of the responsible mining standard through the Initiative for Responsible Mining Assurance (IRMA) at our Salar de Atacama operations as a first step towards certification based on this rigorous standard. We also launched the Carbon Disclosure Project (CDP) assessment process.

The CDP is an international, non-profit organization that helps companies and cities disclose the environmental impact related to greenhouse gases, water use and consumption and biodiversity.

We published a Human Rights Policy, the first step towards fulfilling the Company's commitments to the Guidelines for Companies and Human Rights in the context of the United Nations program "Protect, Respect and Remedy." The publication of this policy involves becoming aware of and committed to respect for and promotion of human rights. It is the beginning of a process of implementation and improvement through the due diligence mechanism that will allow the Company to progressively identify, prevent, mitigate and remedy any potential adverse affect in the area of human rights in our Company.



“Our commitment to sustainability translates into challenging our operational practices and reducing the impact on our environment, expanding dialogue, building close and respectful relationships with neighboring communities and achieving a high standard of transparency in everything we do.” Ricardo Ramos, Chief Executive Officer, SQM.





## Risks and Opportunities Derived from Climate Change

DISCLOSURE 103-1/ 103-2/ 103-3/ 201-2

As part of our work throughout 2020 and given our understanding of the importance of climate change, the identification and evaluation of risks and the opportunities arising from future situations, we wish to disclose our information in this area as part of the Carbon Disclosure Project (CDP). We are complementing this exercise with the elements of a Task Force on Climate-related Financial Disclosures (TCFD).

We have made a first attempt to elucidate the Company's risks and opportunities, and will strengthen this process over the course of 2021. These include:

### REGULATORY RISKS:

- Mechanism for setting the price of carbon in the countries where we operate. For example: The limits on facilities subject to this tax in Chile are less than 50 thermal megawatts (MWt). As such, the risk is that a larger number of operations become subject to it or that the current tax is levied on other industrial sectors (tax indexed to the price of fuels). Another risk is a considerable increase in the carbon tax, which is currently US\$5/tCO<sub>2</sub>.
- There is a risk of hydric stress increasing in the areas where we operate, leading to a prioritization of human consumption that impose restrictions on our water use. This

could have implications such as unanticipated costs to purchase this resource in order to meet our operation's needs.

- International regulations associated with climate change that generate a barrier to entry for our products in destination markets. For example: Carbon taxes at the border.
- Increases in obligations or increases in mitigation targets set in the countries where we operate. For example: Chile committed to becoming carbon neutral by 2050.

### REPUTATIONAL RISKS:

- Failing to deliver on our promises in the area of sustainability, such as greenhouse gas reduction, not earning certifications or receiving low environmental, social or governance scores, could put our reputation at risk and impact the markets.
- Failing to control our exposure and vulnerability to climate change risks. For example: Lacking information on our assets' exposure to climate change and the absence of a strategy to adapt.

### TECHNOLOGICAL RISKS:

- The Company failing to adapt to a low-carbon economy, which would have an unanticipated cost

for meeting targets. For example: The transition to more sustainable transportation, replacing fossil fuel boilers with electric ones or other shifts that involve technological changes.

### PHYSICAL RISKS:

- Increased severity and frequency of extreme weather phenomena such as cyclones and floods could impact our production sites.
- Extreme amounts of rain, evaporation loss, inventory loss resulting in a failure to meet demand, increased insurance premiums.
- Risks of mudslides that would cut off roadways, physical risks to people and equipment. Heat waves could threaten worker safety and put equipment at risk.
- At the port, tidal waves, floods, increased costs due to port changes. Heat waves could threaten worker safety. Strong winds could cause product loss.
- Issues transporting products to Chile and other parts of the world due to port closures.
- Ongoing physical risks such as higher sea levels that cause problems in ports like Tocopilla, preventing products from being loaded and delivered to our customers on time.

AMONG THE OPPORTUNITIES ARISING FROM CLIMATE CHANGE IS THE POSSIBILITY TO ADAPT TO NEW CONDITIONS AND MORE EFFICIENTLY USE OUR RESOURCES, A PROCESS WE WILL BEGIN IN 2021.





- Changes in precipitation patterns and extreme variability in weather patterns: If it is due to an increase in rain, the cost rises. A rise in average temperatures could cause changes in process efficiency if equipment is impacted by higher temperatures.
- At the port, changes in biodiversity on the coast could pose a risk of arrival of new protected species of flora and fauna, adding new environmental impacts to the operation that had not been considered.

#### OPPORTUNITIES:

- Our products contribute to solutions for today's world and that of the future. As such, as part of our efforts to limit the global temperature increase to 1.5°, it is paramount that we promote electromobility, solar energy with storage, water efficiency and other changes. All of these processes require the use of our lithium, solar salts and bischofita fertilizer products, which contribute to these global challenges.
- The opportunity to adapt to new conditions and to be more efficient in the use of our resources will allow us to cut costs.
- Collaborative efforts to address new challenges. Interaction with other stakeholders geared towards meeting the same challenge is fundamental to growing as a company and leading in sustainability and climate change. This in turn generates positive benefits in the industry, our customers, suppliers and our own workers by strengthening the Company's purpose and generating internal tools to be better workers.



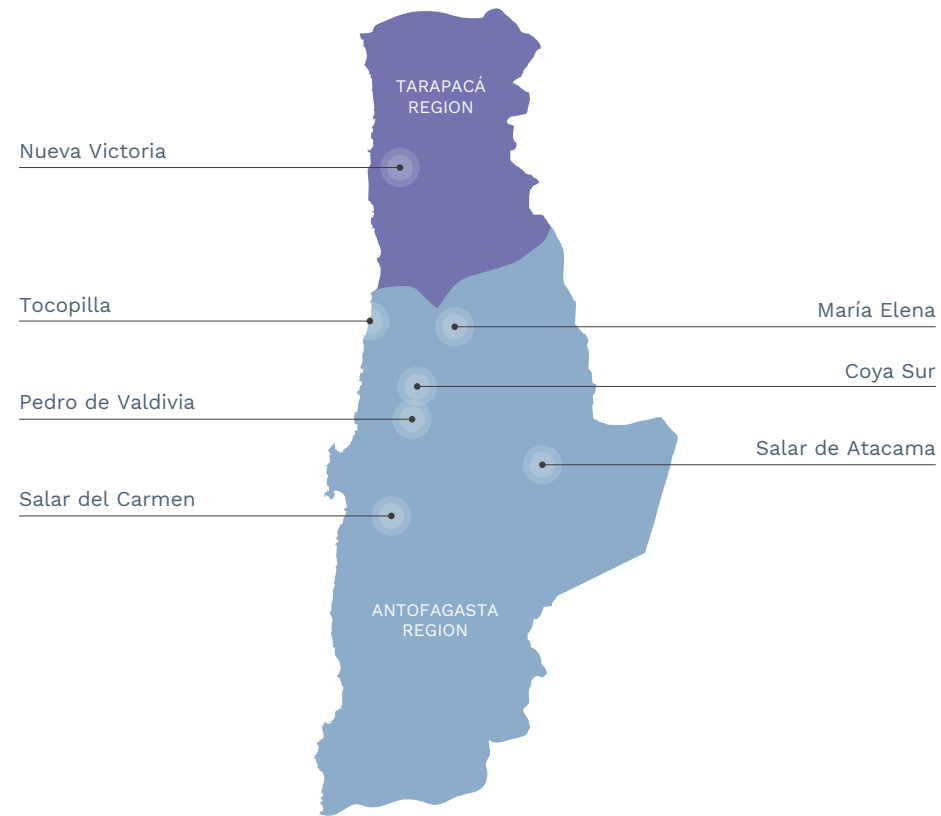


# Global Presence

We are a global leader in each of our five business lines:

-  Specialty plant nutrition
-  Iodine and derivatives
-  Lithium and derivatives
-  Potassium
-  Industrial chemicals

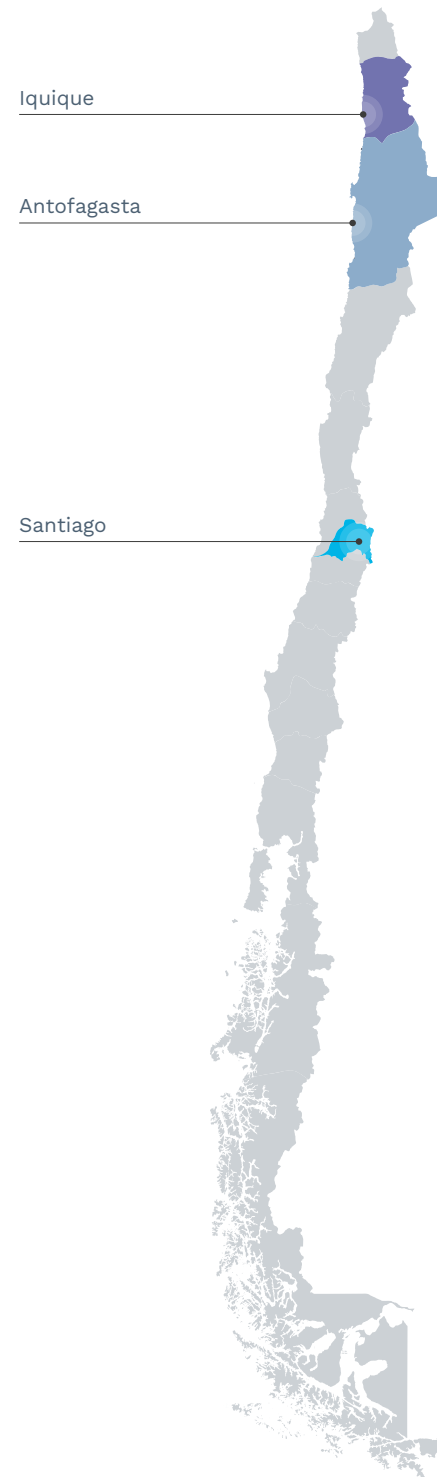
## CHILEAN OPERATIONS



We develop our products from caliche ore and brines extracted from mineral resources located in northern Chile in the Antofagasta and Tarapacá regions.



## OFFICES IN CHILE



### DISCLOSURE 102-3/ 102-4

SQM is an integrated producer and seller of specialty plant nutrients, iodine and iodine derivatives, lithium and lithium derivatives, potassium fertilizers and industrial chemicals. Our products are based on the development of high-quality natural resources, making us a cost leader. Our efforts are supported by a specialized international commercial network with sales in over 110 countries. Our development strategy aims to maintain and strengthen our global leadership in each of our business lines.



# 91%

OF OUR SALES WERE OUTSIDE CHILE IN 2020.

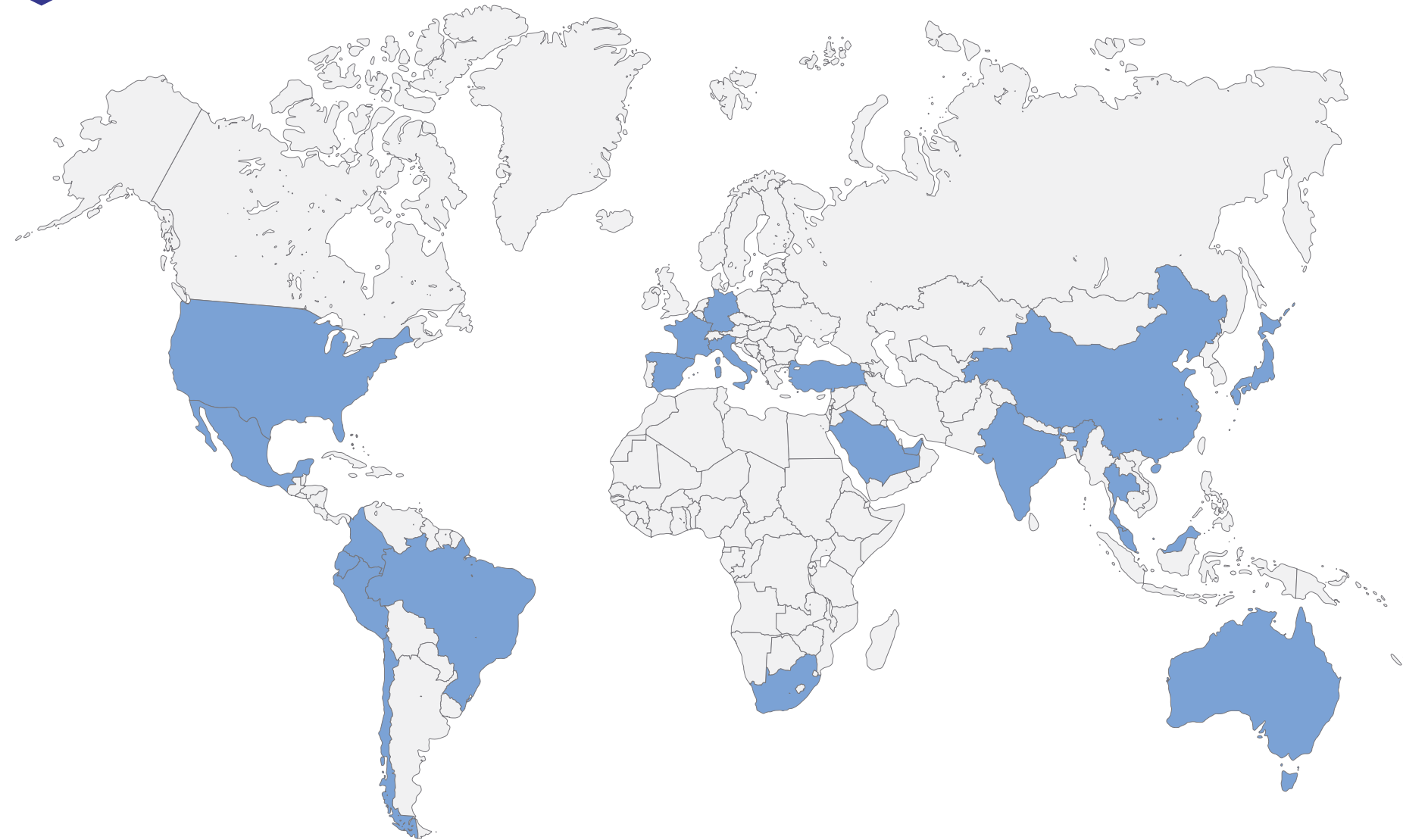


## MARKETS SERVED:

DISCLOSURE 102-6

Approximately 44% of our sales were to emerging markets:

- 8% to Latin America (excluding Chile);
- 12% to Africa and the Middle East (excluding Israel);
- 9% to Chile;
- 14% to Asia and Oceania (excluding Australia, Japan, New Zealand, South Korea and Singapore).



APPROXIMATELY

**44%**

OF OUR SALES WERE TO EMERGING MARKETS

### COMMERCIAL OFFICES

- Atlanta / USA
- Guadalajara / Mexico
- Bogota/ Colombia
- Guayaquil / Ecuador
- Barcelona / Spain
- Antwerp / Belgium
- Terneuzen / Holland\*

- Tokyo / Japan
- Beijing / China
- Shanghai / China
- Bangkok / Thailand
- Seoul / South Korea\*
- Johannesburg / South Africa
- Sydney / Australia

\* New Commercial Office

### PRODUCTION PLANTS

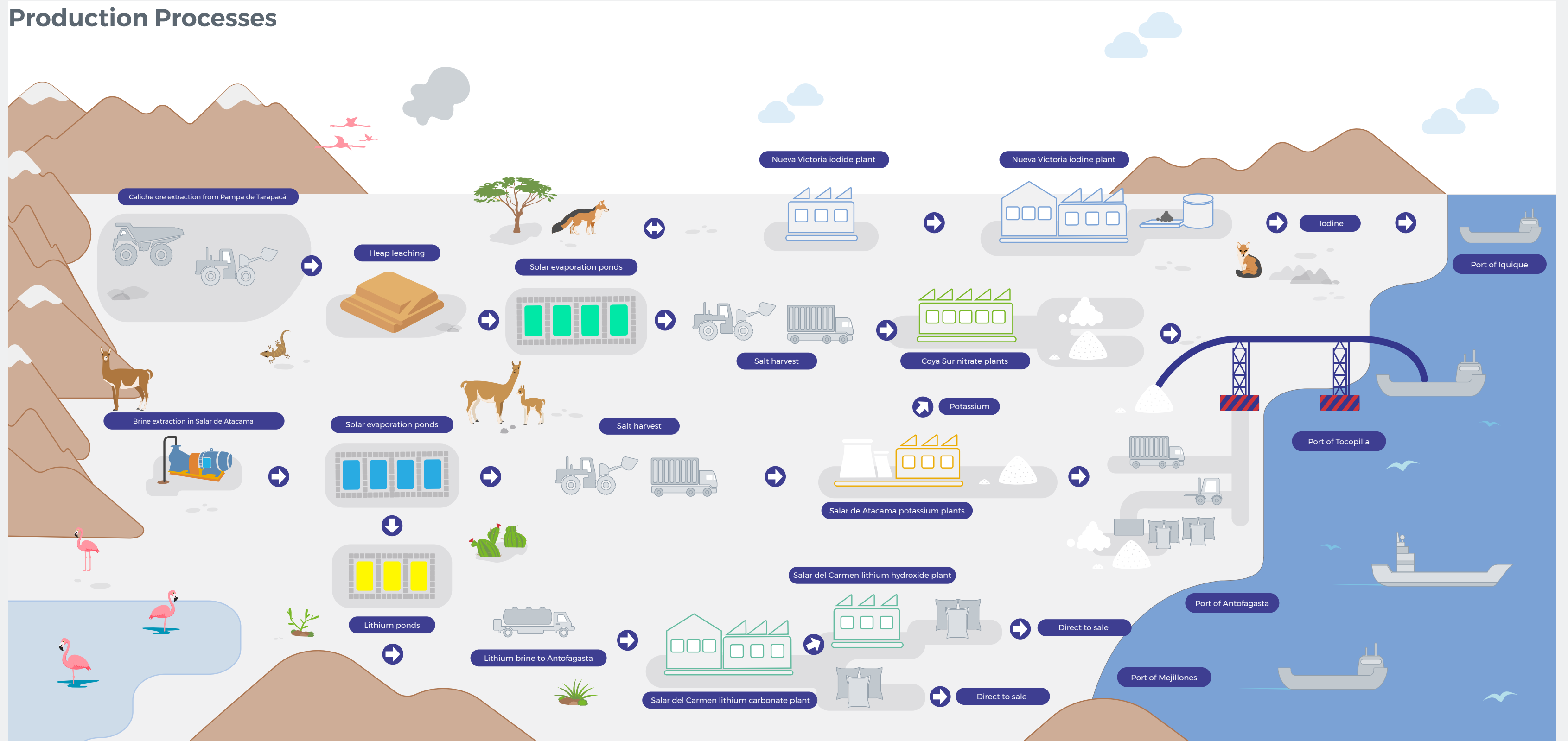
- Jackson / USA
- Topolobampo / Mexico
- Manzanillo / Mexico
- Veracruz / Mexico
- Ensenada / Mexico
- Cadiz / Spain
- Durban / South Africa
- Cape Town / South Africa
- San Antonio / Chile
- Terneuzen / Holland

### JOINT VENTURES / PRODUCTION PLANTS / COMMERCIAL OFFICES

- Ajay North America: United States / Atlanta (office-plant)
- SQM Vitas Brazil: Brazil / Candeias (office) / Paranaguá, Sao Paulo, Imbituba, Ríó Grande (plants)
- SQM Vitas Peru: Peru / Lima (office) / Trujillo (plant)
- Ajay Chile: Chile / Santiago (office)
- Ajay Europe: France / Evron (office-plant) / Pays de la Loire (plant)
- Pavoni: Italy / Catalina- Ramacca (offices and plants)
- SQM Vitas Dubai: Arab Emirates / Dubai (office)
- Abu Dhabi Fertilizer Industries Co. WLL [ADFERT]: Arab Emirates / Abu Dhabi (office and plant)



# Production Processes





# Products

DISCLOSURE 103-1/103-2/103-3

SQM is a key player in the markets where we sell our products, including lithium and derivatives, specialty plant nutrients, iodine and derivatives, potassium and industrial chemicals.

The raw materials needed to produce these products are brine and caliche ore. Brine is extracted from our operations in Salar de Atacama, Antofagasta Region, and we use it to produce potassium chloride, lithium carbonate and potassium sulfate. Caliche ore is obtained from our surface mines in Nueva Victoria, Tarapacá Region. We use it to produce nitrate and iodine.

As our Sustainable Development Policy states, we are accountable to our customers, delivering high-quality products that meet agreed-upon standards and applicable regulations and providing assistance and service to ensure a mutually beneficial, long-term, collaborative relationship. We use a Quality Management System to accomplish this. We are also concerned about our neighbors, the environment, our suppliers and workers, and everyone who is part of our value chain.

## AT SQM S.A., OUR PRODUCTS ARE ORGANIZED INTO FIVE LINES OF BUSINESS

DISCLOSURE 102-1/ 102-2



**SPECIALTY PLANT NUTRITION**



**IODINE AND DERIVATIVES**



**LITHIUM AND DERIVATIVES**



**POTASSIUM**



**INDUSTRIAL CHEMICALS**

OUR PRODUCTS ARE PRESENT IN VARIOUS INDUSTRIES, INCLUDING MEDICINE, HEALTH, NUTRITION, AGRICULTURE, TECHNOLOGY, ELECTRO-MOBILITY, CLEAN ENERGY PRODUCTION AND CONSTRUCTION.

### DISCLOSURE 102-6

Our products are present in various industries, including medicine, health, nutrition, agriculture, technology, electro-mobility, clean energy production and construction.

We serve markets in North America, Europe, Chile, Central America, South America, Asia and Africa.

We identify market demand in each of our main segments on an ongoing basis, for both our customer base and new markets for existing products or new ones that could be developed based on our natural resources. To take advantage of these opportunities, we have prepared a specific strategy for each one of our product lines.





## LITHIUM AND DERIVATIVES



WE HAVE SET A GOAL OF TRANSITIONING TOWARD “GREEN LITHIUM” PRODUCTION, WHICH ENTAILS PRODUCING WITH THE LEAST POSSIBLE IMPACT SO AS TO LIMIT OUR CARBON FOOTPRINT WHILE OPTIMIZING THE USE OF WATER AND ENGAGING NEARBY COMMUNITIES.



We store these products in our facilities around the world to facilitate fast delivery to customers.



Lithium and its derivatives are a key input for the development of electromobility and the technologies that are moving the world. It is also important for the pharmaceutical industry and for industrial uses. As the world's largest, lowest-cost producer with the smallest carbon footprint in this market, we are committed to the development and sustainability of the lithium industry, striving to deliver high-quality products on time. We also make significant investments in order to guarantee product availability.

Lithium carbonate and lithium hydroxide are used to produce cathode material for rechargeable (secondary) batteries due to lithium's high electrochemical potential and low density.

Batteries are the main application for lithium, including batteries for electric cars. This increases the efficiency of resources and promotes sustainable lifestyles by allowing for the

accumulation of energy from renewable sources.

There are many other uses for lithium, including basic lithium chemicals and lithium derivatives. These include lubricant grease, heat-resistant glass, frits for the ceramics and enamel industry, and chemical substances for air conditioning and many other uses including air treatment systems, pharmaceutical synthesis, metallic alloys, etc.

Sales of lithium carbonate and lithium hydroxide are made based on spot purchase orders or in the context of supply contracts. Such contracts generally specify minimum and maximum commitments for annual purchases, and the prices are adjusted annually based on current market prices.

Our lithium and derivatives business in Chile depends to a great extent on mining rights based on the Project and

Lease Agreements, as all of our products originating in Salar de Atacama are derived from our extraction operations through the Lease Agreement, which expires in 2030. It also includes a series of requirements that the Company must meet.

SQM has set a company-wide goal of transitioning toward “Green Lithium” production, which entails producing with the least possible impact so as to limit our carbon footprint while optimizing the use of water and engaging with communities near our operations through programs aimed at boosting their social wellbeing.



## ACTIONS FOR GREEN LITHIUM



→ We use 95.8% solar energy, operating a solar concentration pond system that allows us to have a lower CO<sub>2</sub> footprint, which we measure using scopes 1, 2 and 3. SQM lithium carbonate has a footprint of less than 4 tons of CO<sub>2</sub>/ton.



→ We measure and protect our water footprint. During 2020, we used ~120 l/s, which is equal to ~2% of all the fresh surface and groundwater rights in the entire basin.



→ SQM uses ~ 15lt of water/kg in its lithium hydroxide production; less than 1 liter is fresh water and the rest is made up of recycled water from the city of Antofagasta.



→ We publish daily consumption data for each of the ponds in Salar de Atacama on our website along with measurements of the parameters used to control both hydrogeological and biotic impacts. Moreover, this information is available online for the ongoing monitoring conducted by regulatory authorities.

→ We deliver quality products that meet strict international standards.



→ Our lithium production and sales processes were recertified under ISO 9001:2015 in September 2019.



→ Our operations are continuously regulated by different government agencies.



→ We continually make investments to guarantee product availability, plus we have a team of professionals dedicated to ensuring that our processes meet environmental standards.



→ In October 2020, we published our Sustainable Development Plan, which incorporated carbon neutrality measures for lithium products through 2030 and called for reducing water and brine use by 50% by that same year. This went into effect in November 2020 with a 20% effective reduction.



→ We published our Human Rights Policy, which aligns with the highest community engagement and employee relations standards.

→ We began the IRMA standard self-assessment process in Salar de Atacama in 2020.



→ The ISO 14001 certification process also began in both Salar de Atacama and Salar del Carmen.



→ SQM is part of the DJSI MILA and DJSI Chile indices, which reflects the effort that the Company is making to align with the highest environmental, social and corporate governance standards.







**PRODUCT: LITHIUM CARBONATE IN THE FOLLOWING GRADES:**

Battery grade, micronized Technical grade, crystals Technical grade, powder Technical grade, micronized

**USES:**

- Rechargeable batteries
- Specialty glass
- Frits for ceramics and enamels
- Specialty cements and adhesives
- Powder for continuous casting
- Industrial air conditioning
- Aluminum

**PRODUCT: LITHIUM HYDROXIDE IN THE FOLLOWING GRADES:**

Battery grade, crystals Industrial grade, crystals, Technical grade, crystals

**USES:**

- Rechargeable batteries
- Lubricant grease
- Colorings



The process carried out in the Salar de Atacama consists of concentrating lithium solutions and using saturation and gravity to deposit them without the addition of external substances, thereby eliminating most of the other elements and attaining an approximate 6% lithium concentration, which is 30 times more concentrated than the extracted brine.

This stage of the process takes more than one year and most of the energy consumed in this process comes from solar power. Once the desired concentration is obtained, the solution is sent to a chemical plant located in Salar del Carmen, on the outskirts of the city of Antofagasta, where SQM produces lithium carbonate and lithium hydroxide.





## SPECIALTY PLANT NUTRITION



BY WORKING CLOSELY WITH OUR CUSTOMERS, WE CAN IDENTIFY THEIR NEEDS FOR NEW PRODUCTS AND THE POTENTIAL EXISTENCE OF HIGH VALUED-ADDED MARKETS. OUR PRODUCTS ARE USED IN A WIDE RANGE OF CROPS, ESPECIALLY HIGH VALUE-ADDED CROPS THAT ALLOW OUR CUSTOMERS TO INCREASE YIELD AND SECURE A PREMIUM PRICE FOR THEIR OWN PRODUCTS.



We are a global leader in the production of chlorine-free, natural potassium nitrates that are 100% soluble and allow for rational use of water since they can be applied through irrigation systems to enhance the quality and performance of crops. This is vitally important given global water scarcity and the need to develop more sustainable agriculture that yields better quality products and uses natural fertilizers.

As part of our marketing strategy, we provide technical and agricultural assistance and support to our

customers. We have specific knowledge based on the exhaustive research and numerous studies conducted by our agricultural teams around the world in close collaboration with growers. Solid agricultural knowledge is key for the development of specific formulae and software for hydroponic and fertigation nutritional plans, allowing us to provide expert advising to produce crops that meet high quality standards for the most efficient markets and the most challenging environmental conditions.

### PRODUCTS:

Sodium nitrate, sodium potassium nitrate and potassium nitrate

### USES:

- Crop fertilizer
- Fertigation

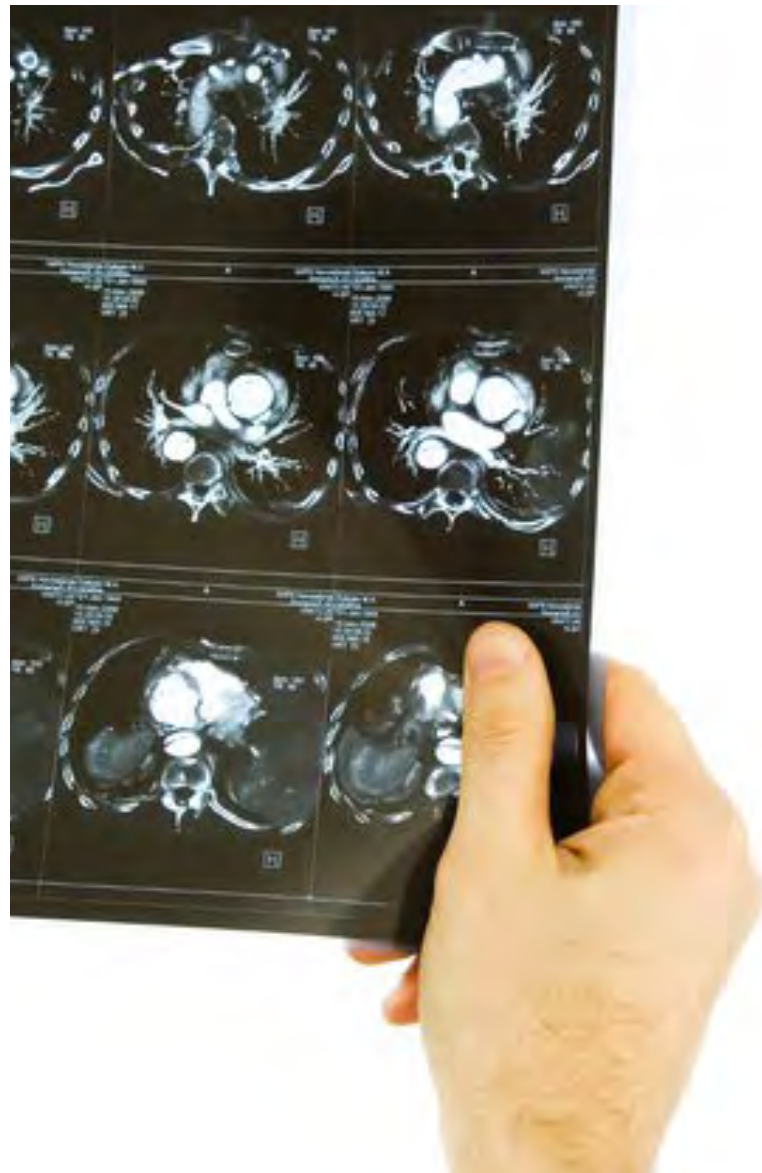




## IODINE AND DERIVATIVES



WE ARE CONSTANTLY WORKING TO DEVELOP NEW APPLICATIONS FOR IODINE-BASED PRODUCTS, SEEKING TO CONTINUOUSLY EXPAND OUR BUSINESS AND MAINTAIN OUR LEADERSHIP IN THE MARKET.



Our iodine and derivatives are used by the healthcare and technology industries to better people's lives.



SQM is the global leader in iodine production since the world's largest caliche ore reserves (raw material for iodine production) are located in northern Chile.

Iodine and its derivatives are used in a wide range of medical, industrial and agricultural applications and in human and animal nutrition products. Iodine and its derivatives are used as raw materials or catalysts in the formulation of products such as contrast media for X-rays, biocides, antiseptics and disinfectants, pharmaceutical intermediaries, polarizing films for LCD and LED liquid crystal screens, chemical products, organic compounds and pigments.

Iodine is also added in the form of potassium iodate or potassium iodide to edible salts to prevent iodine deficiency disorders.

In line with our business strategy, we are constantly working to develop new applications for our iodine-based products, seeking to continuously expand our business and maintain our leadership in the market.

SQM produces organic and inorganic iodine derivatives under a joint venture with Ajay Chemicals. SQM is also actively present in the iodine recycling business in Europe, the United States and Asia, either through Ajay or on its own.

### PRODUCTS: IODINE AND DERIVATIVES

#### USES:

- Antiseptic, germicide, disinfectant, bactericides, fungicides
- Contrast media for X-ray exams
- Povidone-iodine
- Synthesizing pharmaceuticals

- Nylon industry
- Water repellent
- Polarizing film for liquid crystal screens (LCD and LED)
- Fluids for construction
- Pharmaceutical industry
- Raw materials or catalysts as contrast media for X-rays
- Pharmaceutical intermediaries
- Chemical products
- Organic compounds and pigments
- Additive to table salt to prevent iodine deficiencies



## POTASSIUM



THE MAIN SOURCES OF POTASSIUM THAT EXIST IN THE MARKET FOR USE IN FERTILIZERS ARE: POTASSIUM CHLORIDE (KCl), POTASSIUM SULFATE ( $K_2SO_4$ ) AND POTASSIUM NITRATE ( $KNO_3$ ). SQM IS THE ONLY COMPANY THAT PRODUCES ALL THREE.



In order to supply its own potassium chloride for use as a raw material in producing potassium nitrate, SQM began operating in the Salar de Atacama.

SQM's initial investment included building a potassium chloride and potassium sulfate plant. The main sources of potassium available on the market for use in fertilizers are: potassium chloride (KCl), potassium sulfate  $K_2SO_4$  and potassium nitrate  $KNO_3$ .

Of these three sources, potassium chloride is by far the most important globally and SQM is the only company that produces all three.

It is important to bear in mind that potassium deficiencies in plants can lead to abnormalities and affect  $CO_2$  absorption. Additionally, potassium plays a key role in how plants regulate water for root absorption and water loss through stomata. Having a good level of potassium boosts a plant's resistance to water stress.

### PRODUCTS:

Potassium nitrate, potassium sulfate and potassium chloride

### USES:

- Nutrient with multiple industrial uses
- It prevents diseases such as high blood pressure, cerebrovascular complications and cognitive impairment
- In plants it improves resistance to stressors such as extreme temperatures, droughts, parasites and other elements



## INDUSTRIAL CHEMICALS



### SOLAR SALTS

INDUSTRIAL APPLICATIONS OF POTASSIUM AND SODIUM NITRATES AS A MEDIA FOR THERMAL ENERGY STORAGE IN SOLAR POWER PLANTS. CONCENTRATING SOLAR POWER (CSP) PLANTS EQUIPPED WITH A MOLTEN SALT STORAGE SYSTEM STORE SOLAR ENERGY IN THE FORM OF HEAT, ENABLING 24/7 CONTINUOUS OPERATION FOR POWER GENERATION.



SQM's "Solar Salts", made from potassium nitrate and sodium nitrate, are raw materials that are essential to the functioning of solar thermal power plants. Another industrial chemical, magnesium chloride hexahydrate—known as bischofite—is used for effective dust control and de-icing on roads.

#### PRODUCTS:

Nitrates, potassium chloride, boric acid and magnesium chloride, solar salts

#### USES:

- Explosives
- Thermal energy storage
- Metals treatment
- Lubricant for oil extraction
- Fire retardant
- Road stabilization







## Product Quality and Customer Service



SQM has its own distribution and logistics network made up of ground operations, the Port of Tocopilla and a network of commercial offices and sales staff in strategic locations.

### DISCLOSURE 102-6

Given the characteristics and diversity of our products, we serve sophisticated, exacting domestic and international markets and customers. This has required sustained effort on our part to ensure that deliveries meet the standards specified by each customer in our diverse markets, maintaining and consolidating long-term, mutually beneficial relationships where innovation, excellence and quality are key.

The Company's communications policy has enabled us to build supplier-customer relationships where trust and transparency are fundamental. We have a Quality Complaint System that seeks to ensure satisfaction with product deliveries and provide technical and safety information on the use and handling of products. We also have an exceptional technical team that is available to answer questions and respond to technical or service complaints.

Satisfied customers are a must for SQM. To that end, it has implemented:

- A Quality Management System, which has made it possible to engage in ongoing work on its manufacturing, sales and distribution processes. This has allowed each to be optimized.
- Indicators are also continuously reviewed and monitored in order to maintain open communication channels, production quality and excellence in all operations.





Ensuring proper and continuous supply of our products is paramount to SQM, which is why we have a customer follow-up plan in place.

**DISCLOSURE 102-43/ 102-44**

SQM has a fluid exchange of information with its customers. They audit us in various areas on an ongoing basis. These range from product quality to production, sustainability and human rights, among other topics. They also carry out surveys or visit our operations. Recently the Company has used technology to conduct these visits remotely.

Customer concerns are directly addressed by sales directors and sales managers, who then leave a record of the matters discussed. Any complaint received from our customers is recorded so the respective area can investigate and respond to the matter.

Our sales teams across our leading markets visits our buyers regularly in order to learn more about their satisfaction. After each sales visit, the matters addressed, including any related to customer satisfaction, are logged in a report that is submitted to the respective commercial division.

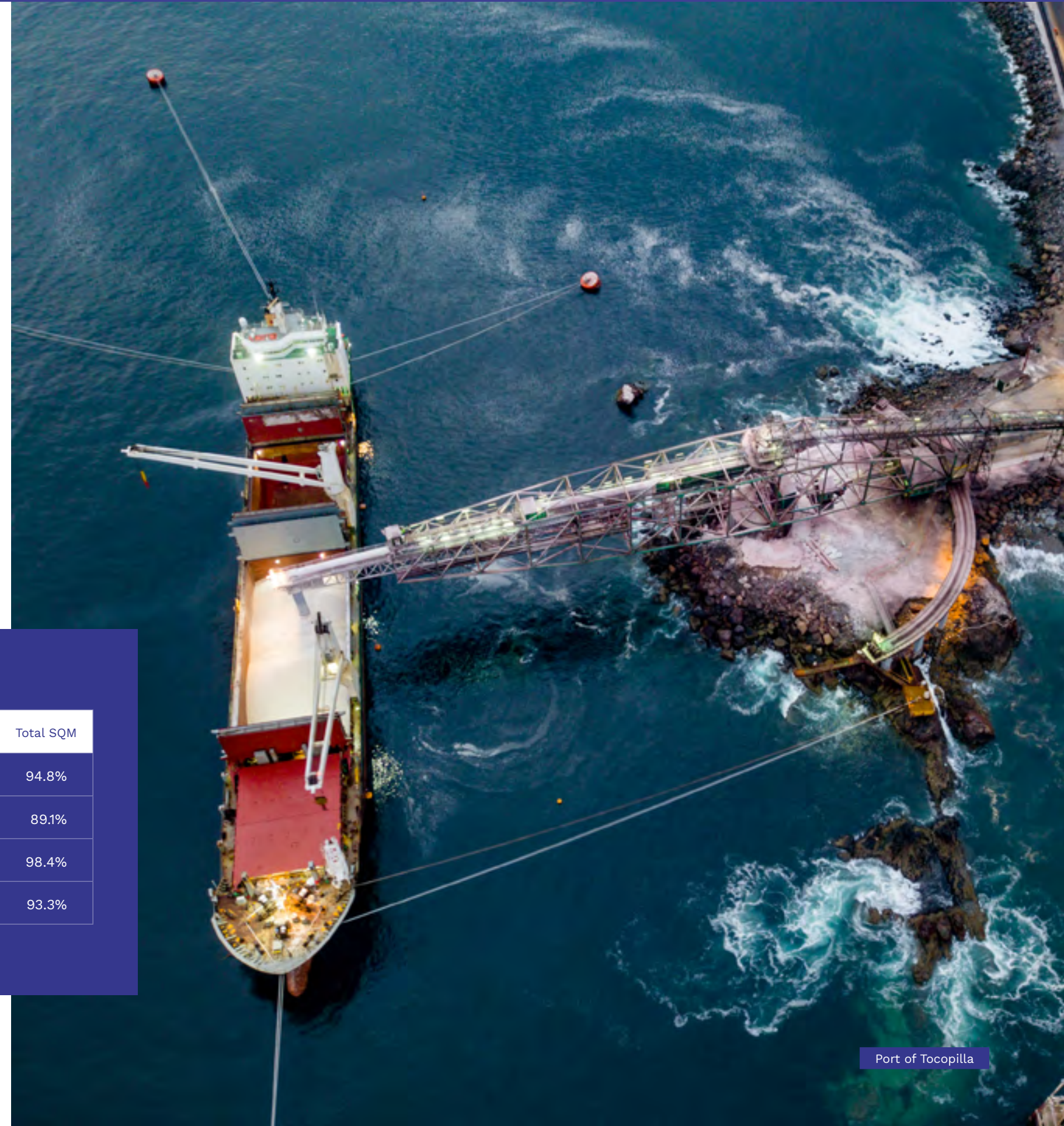
Our relationship with our customers is handled through the new Customer Relationship Management (CMR) platform, which was implemented in 2019-2020 for the various business lines. These platforms allow us to gather basic customer data and manage requests, complaints and comments systematically. In order to gauge SQM's performance level and overall

satisfaction with its goods and services, the satisfaction rate is determined based on the percentage of products in a business line that are reported to have any kind of problem compared to sales during the same period.

**CUSTOMER SATISFACTION RATE**

Year	Lithium	Iodine	Nitrates	Industrial chemicals	Potassium	Total SQM
2017	100%	97%	96%	100%	94%	94.8%
2018	99%	100%	86%	94%	91%	89.1%
2019	91%	96%	100%	100%	97%	98.4%
2020	97%	97%	94%	97%	91%	93.3%

NOTE: Based on 100% of sales in the year 2020.





SQM has paid special attention to its value chain from the very beginning for our specialty plant nutrients line, manufacturing products adapted to satisfy the needs of each customer based on their crops and soils, strengthening their yield and profitability and becoming a strategic partner for customers. In order to meet this objective, the Company has a broad network of highly-specialized technical and agricultural experts in the field of specialty plant nutrients who direct research projects on specific soil and crop requirements and provide expert advisory services in plant nutrition.

## INTERNATIONAL REGULATIONS

### DISCLOSURE 102-2 / 102-12

We are subject to complex regulatory requirements in the countries where we operate, including the following which were introduced during 2020:

The Food Safety Unit of the Directorate-General for Health and Consumers completed its review of the limits of perchlorate in food, which had been ongoing since June 2015. EU regulation 2020/685 was published on May 20. It sets the limits for perchlorate in certain foods, which will allow SQM fertilizer products to be sold without issue and with the previously established limit of 50 ppm in fertilizers according to EU regulation 2019/1102.

EU regulation 2017/542 also went into force, which informed the PCN's (Poison Centre Notification) unified toxicology information system of the classification and information for labeling 83 blends from the specialty plant nutrition business line sold by SQM's three European subsidiaries.

On March 12, 2019, Australia approved the new Industrial Chemicals (General) Rules 2019, which regulate the importation and production of industrial chemical products and replaces the existing regulation. The new regulation, which entered into force on July 1, 2020, establishes the requirement for importing chemical substances for the product and importer. It applies to SQM Oceania iodine imports in Australia. The SQM Oceania registration for iodine imports was updated under the Industrial Chemicals (General) Rules 2019 in June 2020, prior to the deadline of July 1, 2020.

On May 25, 2019, Japan updated its classification and labeling standards for chemical products (JIS Z 7252: 2019 and 7253: 2019) to certify them with the sixth version of the UN-GHS. This update has a three-year transition period and will require SQM to review the safety data sheets and labels of the products it sells in Japan in 2020-2021.

We have started the safety sheet and label review process for the products that SQM sells in Japan under regulations JIS

Z 7252 2019 and 7253: 2019, which has a deadline of May 2022. The safety sheets were updated in February 2021, and the labels will be updated by December 2021.

In 2020, South Korea launched the registration process for three products under the regulation K-REACH, using the Exclusive Representative model to facilitate regulatory compliance by our customers in this market. With the establishment of SQM's sales office in Seoul, the Korea Chemicals Management Association (KCMA) was notified of all of the products that will be imported from the lithium and iodine business lines. The safety sheet notification process for all products sold in Korea under the K-OSHA regulation will begin in 2021. The information will be provided to the various officials with jurisdiction in this

WE USE A CUSTOMER RELATIONS MANAGEMENT PLATFORM THAT GIVES US A 360° PERSPECTIVE AND SAFELY HOUSES RECORDS ON SALES AND COMMERCIAL AGREEMENTS.



With the establishment of SQM's sales office in Seoul, the Korea Chemicals Management Association (KCMA) was notified of all of the products that will be imported from the lithium and iodine business





area in South Korea, including the Labor and Employment Ministry.

In 2020, China completed the process of regularizing registrations for all lithium, iodine and nitrate products.

Brexit caused chemical regulations in the United Kingdom to separate from European regulations, leading to UK-REACH, which entered into force on January 1, 2021. This required SQM to complete a second European registration for the products sold in the UK. SQM is

completing the preregistration process during 2021.

All of the direct farming and industrial products were reported along with fertilizer blends from all business lines that are sold in the Economic Union of Eurasia, which includes Russia, in accordance with the Technical Regulation of the Eurasian Economic Union on the Safety of Chemical Products -TR EAEU 041/2017, also known as Eurasia-REACH.

In December 2020, preregistration for all products sold in Turkey was completed

prior to the deadline in December 2020 in accordance with the EU-REACH “KKDIK” regulation.

In October 2020, we completed the updating of notifications for all products sold in the US under the EPA’s TSCA-CDR regulation.

On November 27, 2020, Chilean Customs issued Exempt Resolution No. 3421, modifying lithium export oversight procedures to incorporate the exportation of lithium carnallite, lithium sulfate and lithium phosphate.

#### DISCLOSURE 416-1/ 417-1

All of the Company’s products are subject to corporate labeling requirements and packaging artwork updating procedures, in accordance with the regulatory framework applicable to the different life cycle stages of SQM’s products.

The labeling standard provides guidelines for all packaging and shipping units for products sold by the Company, including: identification (generic/commercial name), IMDG (International Maritime Dangerous Goods) and GHS (Globally Harmonized System of

Classification and Labeling of Chemicals) coding requirements and special customer requirements. The procedure for updating packaging artwork includes the product origin designation, other regulatory and commercial requirements and safety instructions regarding the product’s life cycle.

All products have a safety sheet in accordance with destination market requirements. The health and safety impacts of 100% of the products have been assessed.

#### DISCLOSURE 417-2/ 418-1

We have not registered any cases of non-compliance with regulations that result in fines, penalties or warnings.

There were no substantiated claims concerning breaches of customer privacy and losses of customer data.

In the case of iodine and lithium, we identified 100% of packaging not in compliance with voluntary codes and updated 14% of them during 2020.



## Research and Development, Patents and Licenses



We have patented several nitrate, iodine and lithium production processes. These patents have been registered in the US, Chile and elsewhere.

One of the main goals of our research and development team is to develop new production processes and products in order to maximize the returns obtained from the resources we mine. Our research is conducted by three different units that cover topics such as chemical process design, phase chemistry, chemical analysis methodologies and the physical properties of finished products, considering all of the processes relevant for the development of our products.

Our research and development policy emphasizes:

- Optimizing current processes in order to reduce costs and improve the quality of our products by implementing new technologies.
- Developing products that will provide better profit margins, either through vertical integration or by adapting product specifications.
- Adding value to all existing salts.
- Using renewable energy in our processes.

Our research and development activities have been fundamental in improving our production processes and driving the creation of new value-added products. As a result of these R&D activities, we have developed new extraction, crystallization and finishing methods. Technological advancements in recent years have made it possible for us to improve the efficiency of nitrate, potassium and lithium operations, enhance the physical quality of our granulated products, reduce dust emissions and caking by using special additives designed for products handled in bulk. Our research and development activities have also led us to enter new value-added markets for our products. One example is the use of sodium nitrate and potassium nitrate for thermal storage at solar power plants.

We have patented several nitrate, iodine and lithium production processes. These patents have been registered in the US, Chile and elsewhere. The patents used in our production processes are No. 47.080 in Chile for iodine, production of spherical granules for sublimating products; No.

43.644 portable plant for concentrating iodine solutions, No. 50.325 procedure for nitrate, iodine and other product recovery; No. 44.400 particles covered with granules that contain urea and metal nitrate; No. 45.109 method for leaching minerals in situ; and No. 45.603 process for obtaining monohydrate lithium sulfate from natural brines. We also registered patent No. 4.889.848 in Japan for nitrates and granulated fertilizers.





## Our Certifications and Alliances

DISCLOSURE 416-1 / 102-12

### ISO 9001:2015

The Company has implemented ISO 9001:2015 for all lines of business, including iodine, lithium carbonate and lithium hydroxide production and sales processes.

- Our iodine and derivatives production facilities have qualified under the ISO 9001:2015 program. The last recertification process was approved in November 2020.
- The production and sales quality validation program for lithium carbonate has been certified under ISO 9001: 2015 since September 2018.
- The production and sales quality validation program for lithium hydroxide has been certified under ISO 9001: 2015 since September 2018.

- Production and sale of potassium nitrates, sodium nitrate and soluble fertilizers certified under quality standard ISO 9001:2015.
- The Tocopilla processes related to the reception, handling, storage and shipment of bulk/packaged nitrates produced in Coya Sur are certified under quality standard ISO 9001:2015.

All of these certifications have been handled by the external organization TÜV Rheinland.



SQM's products and processes are certified to ensure quality and protection of people and the environment during production and sales.

### RESPONSIBLE CARE

Our Nueva Victoria operations, which are located in the Tarapacá Region, re-verified Responsible Care Certification in 2019, which lasts for three years.

SQM has been certified under this international chemical industry certification since 2013, having been previously re-certified in 2016. Responsible Care consists of the voluntary acceptance of a commitment to continuous improvements in the areas of environment, health and safety; efficient use of resources; openly reporting on performance; listening to, involving and working with communities; cooperating with the government and other institutions to develop and implement standards; and providing assistance to promote the responsible management of chemical products. In 2020, our port operations in Tocopilla joined the Chilean Chemical Industries Association. It will begin its assessment for Responsible Care certification in 2021.



### PROTECT & SUSTAIN CERTIFICATION, STEWARDSHIP EXCELLENCE RATING

The International Fertilizer Industry Association (IFA) certified SQM's commitment to responsible, safe product management, which includes aspects such as quality, health, occupational safety, industrial and environmental safety throughout the different stages of the product life cycle.

For this certification, the IFA SHE principles align with SQM's Sustainable Development Policy. This is essential to meeting the standards set forth in the Protect & Sustain program.

SQM's certified areas include production, product development and delivery of fertilizers at the Salar de Atacama, Coya Sur, Antofagasta, Santiago and Port of Tocopilla operations.

The IFA Protect & Sustain recertification audit was conducted in 2019, and we received the Stewardship Excellence qualification, which is valid for three years.



### ECOVADIS



We are one of the 600 multinational companies that work with EcoVadis to contribute to sustainability by managing risks, reducing costs and promoting innovation in our processes.

Ecovadis is a sustainability ratings provider that uses a methodology based on international standards, including the United Nations Global Compact Global Reporting Initiative and ISO 26000.

With this certification, we commit to contributing to better sustainability performance through 21 indicators across four main pillars: environment, labor and human rights, ethics, and sustainable procurement. We currently hold a Silver medal, which corresponds to the top 25%.

In addition, in 2020 we worked to earn certification under the international standard ISO 14001 and the Chilean Standard on Gender Equality and Work/Family/Personal Life Balance (NCh 3262 (2012) and also registered with the Huella Chile program, which assists public and private organizations with GHG emissions management. We also pursued ECOPORTS certification, considered the most important environmental initiative in the European port sector.





## OUR ALLIANCES



We joined several entities in integrating sustainability into our corporate strategy through different social and environmental actions.



### GLOBAL BATTERY ALLIANCE

→ At the 50<sup>th</sup> World Economic Forum, SQM participated in and adhered to the Global Battery Alliance (GBA), to work for a sustainable battery supply chain by making a public, transparent commitment to the alliance's principles.

The organizations that signed this agreement include representatives of the mining, chemicals, battery, automotive and energy industries and several other international organizations; SQM is the only company that produces lithium carbonate and lithium hydroxide.

### GLOBAL COMPACT

→ We adhere to this network and are committed to integrating the concept of sustainability by implementing the 10 Principles. We report our Global Compact-related progress annually via a Communication on Progress (CoP).



### ACCIÓN EMPRESAS

→ This organization brings together more than 130 companies dedicated to managing their businesses in Chile sustainably that have taken on a commitment to People and Work, Sustainable Territories, Responsible Sourcing, Climate Change, Circular Economy and Ethics and Governance.



### CHILEAN CHEMICAL INDUSTRIES ASSOCIATION

→ This association's members number 120 companies in the industrial chemical sector. We are committed to upholding its principles on the sustainable development of the chemical industry and working on health, safety and environmental standards.



### INTERNATIONAL FERTILIZER INDUSTRY ASSOCIATION (IFA)

→ IFA represents between 75-80% of global fertilizer production, including producers, sales and distribution. We uphold its principles of encouraging efficiency and responsibility in the production, distribution and use of fertilizers around the world.







05.  
VALUE  
CHAIN





We are a global company listed on the New York and Santiago Stock Exchanges. We develop and produce a wide range of products for various industries that are essential to human development, including healthcare, nutrition, renewable energy and technology through innovation and technological progress. Our goals are to: Maintain our global leadership position in the lithium, potassium nitrate, iodine and salts markets.

- Ensure access to the best assets related to our current business, expanding our global presence.
- Actively seek out attractive minerals that offer opportunities for diversification in order to replicate and expand our current mining capacities.
- Strengthen our operational, logistical and commercial excellence from end to end even as we make efforts to be leaders in regard to costs.
- Maintain a conservative financial policy that allows us to successfully navigate the economic cycles that could affect the markets in which we sell our products.

Our organization is built and managed in accordance with a culture based on excellence, safety, sustainability and integrity.

We work every day to expand our culture by promoting the attraction, retention and development of talent

and an inclusive work environment in order to ensure that we have distinctive knowledge and innovation to preserve our business. We strive to create safe, accident-free operations, promoting behaviors that favor the physical safety and psychological wellbeing of everyone who works directly and indirectly with the Company.

We position ourselves as leaders in sustainability and commit to responsibly managing natural resources, protecting human rights, caring for the environment, forging close relationships based on trust with neighboring communities and creating value. We support projects and activities in these communities in order to focus on education, business development and protection of the environment and historical heritage. We create value for our customers through established commercial and production models and develop distinctive products that respond to the specific needs of industry and the market, constantly creating and providing a sustainable improvement in quality of life. We will continue to create value for all of our stakeholders through responsible resource management, sustainable expansion projects and the improvement of our existing operations with a focus on minimizing our environmental impacts by reducing our carbon, energy and water footprints, while working with our shareholders, employees, customers, suppliers and communities.

In this context, the Initiative for Responsible Mining Assurance (IRMA)

**WE COMMIT TO RESPONSIBLY MANAGING NATURAL RESOURCES, PROTECTING HUMAN RIGHTS, CARING FOR THE ENVIRONMENT, FORGING CLOSE RELATIONSHIPS BASED ON TRUST WITH NEIGHBORING COMMUNITIES AND CREATING VALUE.**

standard provides a framework for developing responsible processes in our value chain throughout the mining life cycle. We have begun by conducting an exhaustive self-assessment to identify the level of alignment and design of our work plan. This standard contributes to an analysis in 26 areas and their requirements based on four principles: Business integrity, planning for positive legacies (legacies for society), social responsibility and environmental responsibility.

We began our self-assessment in 2020 in the Salar de Atacama operations with the help of external consultants. The goal was to identify our gaps and prepare for the formal auditing process for this exhaustive standard. Furthermore, in March 2021 we were accepted as Pending Members of IRMA, which ratifies our commitment to and belief in the



principles that the standard promotes. We committed to the following through our acceptance:

**COMMITMENTS RELATED TO BEING IRMA MEMBERS:**

- 1.** We are committed to and recognize the value of a multi-sector process and solutions with the participation of all sectors.
- 2.** We acknowledge that we must develop strategies and systems that add value for all sectors, recognizing that different sectors define value differently.
- 3.** We recognize that while we may not always agree, and that sometimes our disagreements may be aired in public, we see value in finding solutions where we are able to find agreement. We are therefore committed to dialogue despite these disagreements or differences of opinion.
- 4.** We are committed to a process that seeks to improve and advance best practices and standards.
- 5.** We will seek to learn from and build upon current examples of site-based good practice as well as broader initiatives that are underway.



**6.** We will seek to identify and recognize progress and improvements at existing operations, understanding that there could be, in some cases, inherent limits as to what can be achieved at these sites. We recognize that in certain cases sites with complex and challenging issues could implement improvements that could lead to certification.

**7.** We recognize that in certain cases, whether or not there is governmental approval, due to potential impacts or other values or benefits, no mining could be the best option. We seek to advance methodologies that allow such decisions to be made within a sustainable development context. We also recognize that we must pursue solutions that avoid simply leaving the mining of such sites to less responsible operators.

**8.** We will ground our standard setting and verification process in sound science with regard to all stages of mine development through closure, considering identified risks, while recognizing that scientific uncertainty is not a reason for inaction, and respecting traditional knowledge, custom and values.

**9.** We agree that efficiency is essential. We seek to develop and advance criteria, targets, benchmarks and processes that integrate, whenever possible, existing tools, processes and resources, such as current reporting or auditing. We seek to build on existing knowledge and system where applicable.

**10.** We recognize that it is essential to develop a system that enables mutually acceptable, credible, independent, third-party verification of compliance with standards, thresholds or performance targets. Accordingly, we seek to create a system that offers public recognition for such compliance and a mechanism to ensure that these commitments are being met in practice on an ongoing basis.

As an IRMA member, SQM commits to supporting this mission, promoting, influencing and implementing responsible mining within its sphere of influence and supply chain and/or with its partners, customers, clients, stakeholders or beneficiaries throughout our entire value chain. We also agree to uphold the following Membership Principles:

- **Active support for IRMA:** As members, we actively and constructively communicate and support the IRMA Standard for Responsible Mining, IRMA processes and the implementation of IRMA projects in the world.
- **Concrete Actions for Responsible Mining:** As members, we develop and implement actions to the best of our ability within the appropriate channels and mechanisms in our company or organization, in order to further responsible mining in the world.
- **Shared Participation:** As members, we know improvement requires many actors and we understand we can all participate in transforming the mining sector towards more responsible practices;

- **Continuous Improvement:** As members, we support and promote continuous improvement and we encourage mines and mining companies at any stage in their journey to engage in IRMA and to continuously improve.
- **Transparency:** As members, we act responsibly and are transparent in our dealings with IRMA;
- **Credible Communications:** As members, we do not make any misleading or unsubstantiated claims about our involvement in IRMA, our IRMA membership, our IRMA achievement levels (for mines), or our sourcing (for purchasers), our investing practices (for investors), nor about the impact associated with our engagement in IRMA.

Parallel to our participation in IRMA, we are working with the Carbon Disclosure Project (CDP), an international non-profit organization that seeks to transform how organizations respond to the challenges posed by climate change and the degradation of natural resources based on the disclosure of key information. The data that the CDP gathers in its questionnaires helps decision-makers to reduce risks and capitalize on opportunities, thus promoting the development of more sustainable markets. As part of our goal of being recognized for our impact on sustainability, during 2021 SQM will answer these questionnaires for both Climate and Water Safety in an effort to be transparent about what we do and measure our work based on an international standard.

Climate change and water resources are two of the biggest global challenges that humanity is facing. They also offer an enormous opportunity for collaboration to reduce our impact and adapt to new conditions. Based on this, we believe that the first step is for all companies to commit to this enormous challenge and to disclose our efforts based on a robust, reliable framework in order to promote greater participation. This can contribute to mitigation and to managing our climate-related risks and opportunities.



IRMA's mission is to protect people and the environment directly affected by mining. We do this by creating financial value for independently verified mines in order to achieve best practices and share this value and greater trust with companies that buy material from these mines.



CLIMATE CHANGE AND WATER RESOURCES REPRESENT A MAJOR CHALLENGE FOR OUR COMPANY. THEY ALSO OFFER AN ENORMOUS OPPORTUNITY FOR COLLABORATION TO REDUCE OUR IMPACT AND ADAPT TO NEW CONDITIONS.



## Value Generated

For the year 2020, SQM reported profit of US\$164.5 million, down from US\$278.1 million for the same period in 2019. These results were impacted by a US\$62.5 million payment related to a class action suit against the Company in the United States.

The gross margin during this period was US\$482.9 million. This is lower than the US\$560.1 million recorded in 2019.

Our total revenue for 2020 was US\$1.82 billion for the 12 months ended December 31, 2020, which represents a 6.5% decrease from the US\$1.94 billion reported in 2019.

The year 2020 was positive from an operational perspective. We successfully implemented effective protocols that allowed us to keep our production sites operating throughout the year despite the various restrictions implemented in order to prioritize the health of our workers, contractors and neighboring communities. We were able to exceed our original goals for production volume, sustainability, costs and quality in all of our business lines.

The production of lithium carbonate is particularly noteworthy. We produced over 70,000 metric tons in 2020 and

all of the quality indexes exceeded the targets for the year.

Revenue from lithium and derivatives totaled US\$383.4 million over the course of 2020, which represents a 24.2% drop from the US\$505.7 million reported for 2019.

During 2020, we believe that total lithium demand in the market reached approximately 330,000 metric tons of lithium carbonate equivalent. This represents 6% growth over 2019. Meanwhile, our sales volumes grew over 40% during that same period. It is

important to note that electric vehicle sales increased 40% in 2020 over the previous year.

We expect this upward trend in lithium demand to continue in 2021 and anticipate growth of nearly 25%.

We are particularly optimistic about this growth in the long term, which led the Board to approve the investment in the Mt. Holland lithium project in Western Australia. This business is to be developed 50/50 with our partner Wesfarmers Limited.

The specialty plant nutrition business line reported a total of US\$701.7 million in revenue, down 3.1% from the US\$723.9 million reported in 2019. The specialty

plant nutrition business line continues to be an important segment within our portfolio, and we believe that demand growth in this market was approximately 5% in 2020. Our sales volumes remained more or less level compared to the previous year.

Revenue from iodine and derivatives sales through December 31, 2020, totaled US\$334.7 million, which is 9.8% lower than the US\$371 million generated in 2019.

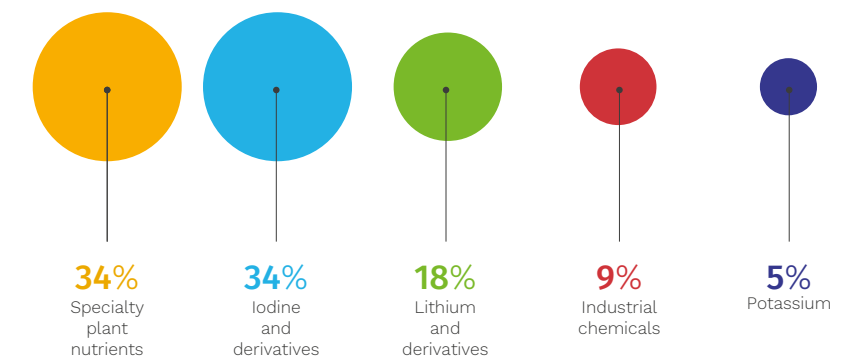
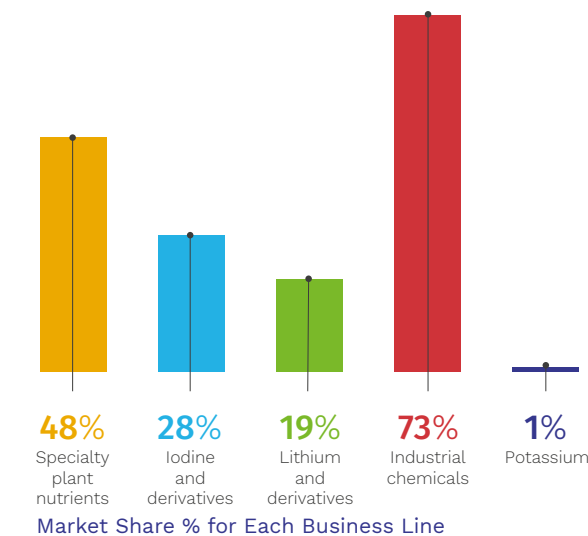
It is worth noting that the iodine market was impacted by the COVID-19 pandemic during 2020 and total market demand dropped approximately 9%. We expect it to recover during 2021 as the impact of the pandemic wanes, mainly

led by contrast media for X-rays, LCDs and pharmaceutical markets. We hope to boost our market share during 2021.

Sales of potassium chloride and potassium sulfate for the year ended December 31, 2020, totaled US\$209.3 million, 1.3% less than 2019.



### MARKET SHARE DISCLOSURE 102-7



% CONTRIBUTION TO COMPANY'S GROSS MARGIN





Port of Tocopilla

Our potassium chloride and sulfate sales for the 12 months reached approximately 730,000 metric tons, exceeding our expectations. We believe that sales volumes will be similar in 2021.

Industrial chemicals posted sales revenue of US\$160.6 million, up 69.3% from the US\$94.9 million recorded in 2019.

This increase was the result of prepaid sales of 160,000 metric tons of solar salts. We expect our sales volumes for solar salts in 2021 to reach approximately 200,000 metric tons in addition to the sales volumes from the traditional uses of this business line.

### SALES VOLUMES BY BUSINESS LINE

#### DISCLOSURE 102-7

Sales Volumes by Product Line		2020	2019	2018	2020/2019	
Specialty Plant Nutrition Sales Volumes						
Sodium nitrate	Mton	25.6	30.2	25.0	-5.5	-1%
Potassium nitrate and sodium potassium nitrate	Mton	575.2	617.4	673.4	-42.2	-7%
Specialty mixtures	Mton	271.3	238.9	242.5	32.3	14%
Other specialty fertilizers (*)	Mton	164.4	155.3	141.6	9.0	6%

(\*) Primarily includes sales of other specialty fertilizers

Sales Volumes by Product Line		2020	2019	2018	2020/2019	
Iodine and Derivatives Sales Volumes						
Iodine and derivatives	Mton	9.7	12.7	13.3	-3.1	-24%
Lithium and Derivatives Sales Volumes						
Lithium and derivatives	Mton	64.6	45.1	45.1	19.5	43%
Potassium Sales Volumes						
Potassium chloride and potassium sulfate	Mton	726.7	597.3	831.8	129.4	22%
Industrial Chemicals Sales Volumes						
Industrial nitrates	Mton	225.1	123.5	135.9	101.6	82%





## GENERATING AND DISTRIBUTING ADDED VALUE

### DISCLOSURE 201-1

Economic Value Generated (ThUS\$)	2020	2019	2018	2017
Revenue	1,817,191	1,943,655	2,265,803	2,157,323
Finance income	13,715	26,289	22,533	13,499
Other non-operating income	26,893	18,218	32,048	17,827
<b>Total economic value generated by SQM</b>	<b>1,857,799</b>	<b>1,988,162</b>	<b>2,320,384</b>	<b>2,188,649</b>

Economic Value Distributed (ThUS\$)	2020	2019	2018	2017
Operating expenses	1,232,642	1,247,265	1,249,237	1,035,863
Payments to providers of capital	567,684	407,846	822,917	519,609
Payments to government (by country)	83,922	108,726	178,630	186,869
<b>Total economic value distributed by SQM</b>	<b>1,884,248</b>	<b>1,763,837</b>	<b>2,250,784</b>	<b>1,742,341</b>

Economic Value Retained (ThUS\$)	2020	2019	2018	2017
<b>Total economic value retained by SQM</b>	<b>-26,449</b>	<b>224,325</b>	<b>69,601</b>	<b>446,308</b>

### DISCLOSURE 201-4

Contributions from the State (ThUS\$)	2020	2019	2018	2017
Employee training tax credit (Sence)	1,254	1,276	1,250	1,166
Tax credit for donations	317	756	658	300
Mining licenses	22	24	22	22
PP&E credit	107	133	175	153
Provisional payments for absorbed profits	2,447	914	-	-
Foreign-source credit	-	-	1,528	-
<b>Total</b>	<b>4,147</b>	<b>3,103</b>	<b>3,633</b>	<b>1,641</b>



## Supplier Management

### DISCLOSURE 102-9

At SQM contractors, subcontractors and suppliers are a key part of our ability to do business. The largest number of contracted workers is at our operations in the Tarapacá and Antofagasta regions, the Port of Tocopilla and our offices in Iquique, Antofagasta and Santiago. The average number of contractors working at SQM in 2020 was 7,402.

All employees and contractors must comply with the standards we have established at SQM, particularly in the areas of safety, labor rights and ethical behavior.

SQM periodically engages in oversight activities in order to measure the degree to which all contractors comply with labor and social security requirements. Contractors are also audited on matters such as health and safety, basic sanitary and environmental conditions in the workplace, the health and safety management system, and the existence and functioning of joint committees and compliance with labor laws.

### SHARED VALUES WITH OUR CONTRACTORS

When contractors of any size begin working at any SQM site, we provide them a copy of our Contractor and Subcontractor Regulations. These regulations inform them of the Company's standards, including obligations and responsibilities to safeguard the health and lives of all workers. In addition, SQM organizes several training sessions focused specifically on safety matters for contractors as part of its efforts to contribute to risk prevention and align workers with our Code of Ethics, Sustainable Development Policy and other standards. We also have Procurement Procedures and Service Hiring Procedures.

The Procurement Procedures and Service Hiring Procedures are designed to regulate and standardize these processes by defining an effective methodology for managing and overseeing the products acquired. These processes include making a purchase request, selecting from possible supply sources, analyzing alternatives, placing an order, generating and monitoring purchase orders and paying suppliers.

We try to work with suppliers that are located in or near the communities and cities where we operate. We define a local supplier as a company whose

main offices are located in the Tarapacá or Antofagasta regions, close to our operations in order to develop and strengthen companies located in each region.

SQM's purchasing strategy takes safety and labor regulations into account for its procurement processes. Essential requirements include: membership in a safety association (mutual in Spanish), accident rate certificates, authorization to subcontract, health examinations, compliance with labor laws and employment contracts, personnel skills, equipment certifications, among others.

Suppliers are assessed in several ways, one of which is site visits conducted by procurement engineers at the suppliers' offices. A site visit consists of touring local companies that want to be part of the SQM service provides portfolio. Staff inspect items such as: infrastructure, equipment, use of

ALL EMPLOYEES AND CONTRACTORS MUST COMPLY WITH THE STANDARDS WE HAVE ESTABLISHED. SQM PERIODICALLY ENGAGES IN OVERSIGHT ACTIVITIES IN ORDER TO MEASURE THE DEGREE TO WHICH ALL CONTRACTORS COMPLY WITH LABOR AND SOCIAL SECURITY OBLIGATIONS.



personal protective equipment, trash segregation, storage cages, final waste disposition, storage shelves and meeting points, among others. Due to social distancing measures, these activities were suspended in 2020.

Site visits were also conducted at companies that already have a contract with SQM in order to oversee and inspect the aspects mentioned above. The only difference is that if any issues are identified, we ask that they be corrected. During 2020, we inspected contractor sites and made observations about aspects to be corrected. These activities could only be conducted during the first quarter due to public health protocols.

SQM began to accept the submission of guarantee policies when contractors cannot issue a performance bond. The former are less expensive than the latter, so this policy allows smaller companies or entities with less financial backing to enjoy more opportunities. We also pay SME suppliers upon delivery or within 15 days for services provided in the logistics area.

Due to the pandemic, SQM accelerated the electronic signature process for all contracts, which decreases the use of paper and mailing costs, creates a digital record and is aligned with public health protocols.





Salar de Atacama operations

AS A COMPANY, WE EXPECT ALL OF THE SUPPLIERS WE WORK WITH TO COMPLY WITH APPLICABLE LAWS AND TO SHARE OUR COMMITMENT TO SUSTAINABILITY IN THEIR OWN COMPANIES.

### RESPONSIBLE SOURCING

At SQM, we are working towards responsible sourcing that reflects the value of sustainability throughout our supply chain. In view of this, during 2020 we conducted a series of pilot assessments for a subset of suppliers in addition to our regular reviews and surveys. The goal is to include sustainability, ethics and human rights aspects in our supply assessment criteria.

We also carried out supplier reviews using the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. Our review identified no purchases from suppliers located in conflict-affected or high-risk areas.

We aspire to conduct ongoing monitoring in order to establish clear and fair business relationships that are part of our due diligence process, and to identify risks and opportunities.

In addition, as part of the development of our sustainability strategy, we held specific meetings with some suppliers in order to be able to reflect and understand their commitment in these areas and help integrate them into our goals.

In line with this, we expect all of the suppliers we work with to comply with applicable laws and to share our commitment to sustainability in their own companies. We encourage all of our suppliers, including those responsible for inputs, services and consultancies, as well as intermediaries and others that provide services to SQM to:

- Respect their employees' human rights
- Care for the environment
- Protect health and safety
- Prioritize ethics and integrity in their business activities
- Encourage fair treatment of their own employees

To that end, we ensure that at least the following are met in concrete terms:

- Compliance with our Code of Ethics
- Familiarity and understanding of our policies
- Self-assessments on sustainability conducted annually
- Commitment to providing more information if needed and/or participating in an additional validation
- Application of corrective actions when necessary

We are currently working on a web portal especially for suppliers. We hope it will be available to the public during 2021. This will allow contractors to access information about the status of contracts, training activities, accreditation, information about the company and other matters.

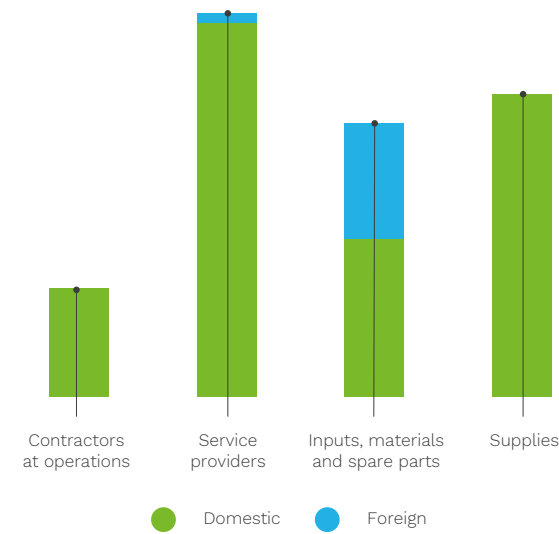


**CHILEAN AND FOREIGN SUPPLIERS BY TYPE, QUANTITY AND PURCHASES IN US\$**

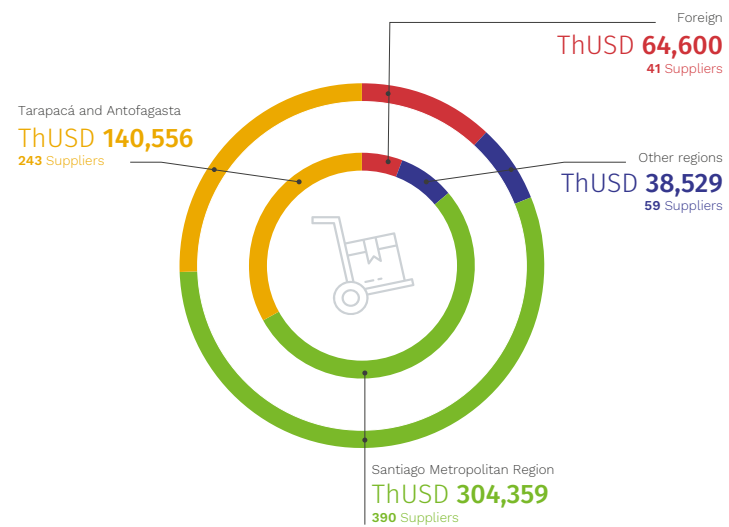
DISCLOSURE 102-9 / 204-1

Region	Chilean		Foreign	
	Number of Suppliers	Value (US\$)	Number of Suppliers	Value (US\$)
Contractors at operations	90	55,790,267	0	0
Service providers	489	191,579,919	23	5,102,054
Inputs, materials and spare parts	98	80,835,454	17	59,469,998
Supplies	15	155,238,649	1	27,820
	692	483,444,289	41	64,599,873

**SUPPLIERS BY TYPE**



**DISTRIBUTION OF SUPPLIERS BY REGION AND PURCHASES IN US\$**



**DISTRIBUTION OF SUPPLIERS BY REGION AND PURCHASES IN US\$**

DISCLOSURE 102-9 / 204-1

Region	Number of Suppliers	Value (US\$)
Tarapacá and Antofagasta regions	243	140,555,738
Metropolitan Region	390	304,359,150
Other regions	59	38,529,401
Overseas	41	64,599,873
<b>Total</b>	<b>733</b>	<b>548,044,162</b>







Nueva Victoria operations

## PROMOTING LOCAL SUPPLIERS

Each year we participate in activities promoted by the Antofagasta Industrial Association (AIA) through the Suppliers of Goods and Services Registration, Evaluation and Qualification System (SICEP in Spanish) and business conferences organized by the association along with local companies from the Tarapacá and Antofagasta regions that wish to be mining suppliers. These activities were held online during 2020.

We participated in the Tarapacá Region's 5<sup>th</sup> International Mining Conference, "Mining as a Driver of Local Reactivation"

along with the Iquique Industrial Association (AII). SQM was a sponsor and exhibitor. We participated in virtual business conferences organized for the event with local companies from Tarapacá.

We continued to promote the More Suppliers in Tarapacá Program with the Iquique Industrial Association (AII). This initiative, which began in 2021, seeks to increase mechanisms for generating business opportunities between supplier companies and regional mining sector clients, providing

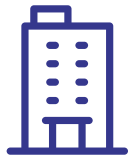
participating companies tools and training. In addition, we supported a Tamarugal Province Agricultural Supplier Development Program with the AII. This involves business and farming advising and the incorporation of a "farming broker" who can create partnerships, identify new business and support the sale of agricultural produce.

During 2020 we promoted various initiatives to support innovation and enterprise, including Puerto Cowork in the municipality of Tocopilla, the promotion of economic reactivation of businesses

in María Elena and Quillagua, among other initiatives designed to strengthen business and production activities in the towns near our operations, as outlined in the "SQM, Present in the Community" section of this report.

In 2020 we also carried out supplier reviews using the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. Our review identified no purchases from suppliers located in conflict-affected or high-risk areas.





06.  
CORPORATE  
GOVERNANCE





# Corporate Governance

DISCLOSURE 103-1 / 103-2 / 103-3 / 102-18

The structure of SQM's Corporate Governance Model is described in the Corporate Governance Policy, which is the frame of reference used by the Board. It is not a set of legal obligations, because this policy is subject to change over time based on the decisions of the Board and legal provisions.

Our Code of Ethics is an essential document for SQM. It is supported by related policies, procedures and financial controls, which together are an important part of our Ethics and Compliance Program. Our code and program apply to everyone equally; senior executives, board members, managers, full-time and part-time employees, without exception and anywhere in the world.

Acting ethically begins with the basic commitment of every SQM team member to the law and the Company's values, which are: Excellence, Integrity, Safety and Sustainability. These values guide our actions.

In addition, and in accordance with the SQM Code of Ethics, we have a commitment to create and maintain a strong culture against corruption and of enforcing and complying with all laws. SQM does not tolerate any form of bribery or corruption. We have an Anti-Bribery and Anti-Corruption Policy, which commits us to developing our operations and activities in accordance

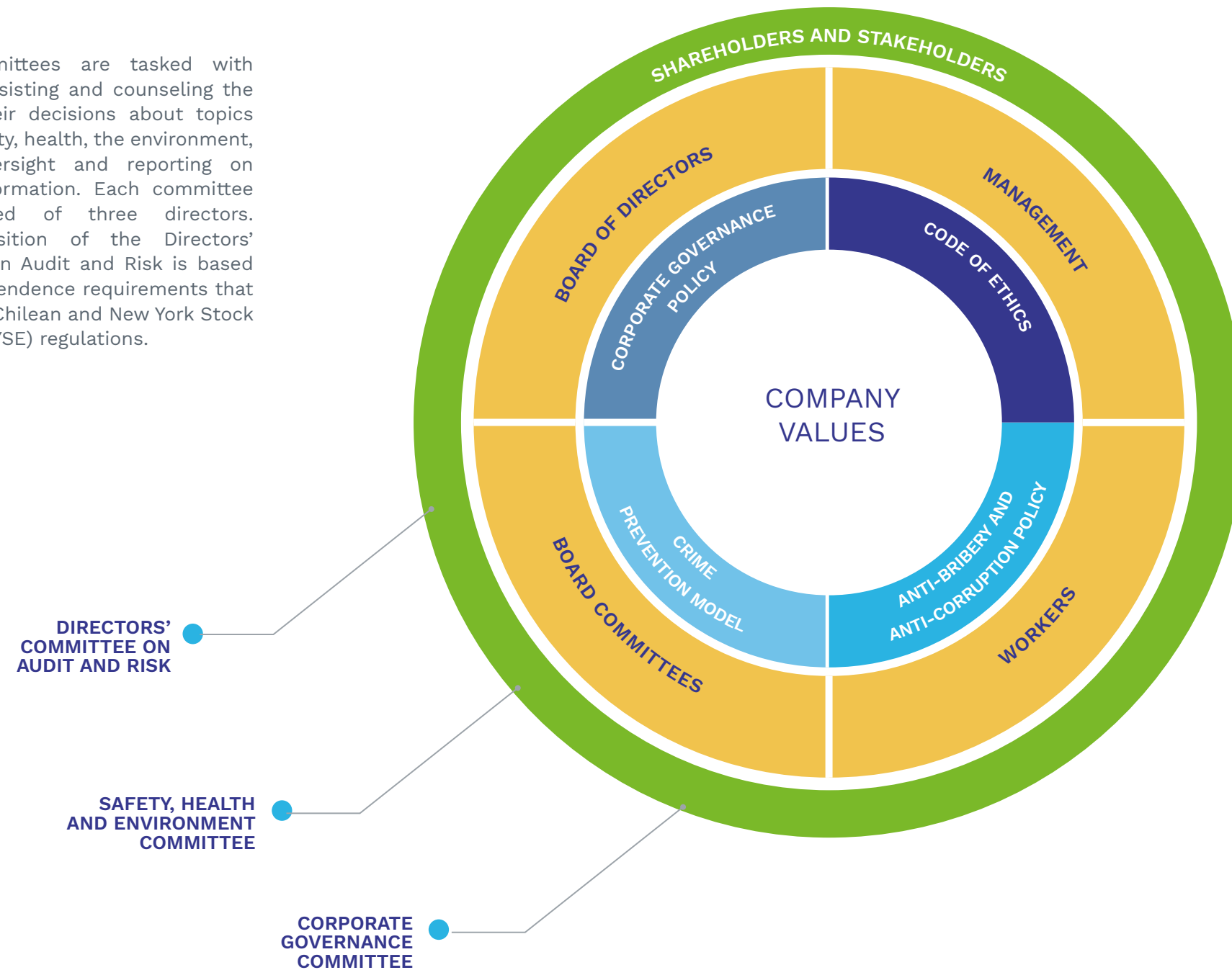
with the letter and spirit of all local and international laws and rules against corruption. These include, for example, Chilean laws on bribery and corruption and the Chilean law on criminal liability for legal entities (Law No. 20393), the U.S. Foreign Corrupt Practices Act and similar laws in the countries in which the Company operates, which together comprise applicable anti-corruption laws.

DISCLOSURE 102-22 / 102-23 / 102-24 / 102-25

The SQM Board is comprised of eight members, seven of whom are elected by Series A shareholders, and one of whom is elected by Series B shareholders<sup>1</sup>. The chairman is elected based on an absolute majority of the members, and he or she may not be a company executive. This practice has been in place for more than ten years. Furthermore, no director holds an executive position with SQM. The average term of directors is three years.

The Board is elected by the shareholders, and they are expected to have at least the qualifications of integrity, time available to meet the responsibilities of the position, and the capacity to evaluate the Company's challenges and opportunities in a critical and strategic manner, and to commit to the highest ethical standards.

Board committees are tasked with reviewing, assisting and counseling the Board in their decisions about topics such as safety, health, the environment, policies, oversight and reporting on financial information. Each committee is comprised of three directors. The composition of the Directors' Committee on Audit and Risk is based on the independence requirements that apply under Chilean and New York Stock Exchange (NYSE) regulations.



<sup>1</sup> Series A shareholders have the preference of being able to exclude the director elected by Series B shareholders from the process of appointing the Board Chairman because in the event of a tie the series A candidate has preference. Each Series A and B share has the same right to any dividend announced based on SQM's outstanding share capital. The Series A and B shares are listed on Santiago Exchange and the Santiago Electronic Stock Exchange. The ADRs that represent Series B shares have been traded on the New York Stock Exchange since September 20, 1993.



**DISCLOSURE 102-19 / 102-29 / 102-32**

The Board is responsible for managing the Company and, under Chilean Law 18,146, it may delegate some responsibilities to the committees. In this context, the Safety, Health and Environment Committee reviews policies, changes and improvements related to social issues as well as those related to safety, health and the environment, and reports its conclusions to the Board. This committee is also responsible for reviewing and approving the Sustainability Report each year.

The Board generally maintains an attendance minimum based on Article 13 of the bylaws. If a director misses three consecutive sessions with a cause that the Board deems sufficient, he or she will cease to fully exercise their position and will be replaced without further procedures. The Board met 16 times in 2020, holding 13 regular sessions and 3 extraordinary sessions. No director attended less than 85% of the regular Board meetings, and average attendance was 96%. The Board's attendance goal is 75%.

**DISCLOSURE 102-25 / 102-20 / 102-33 / 102-35**

In the organization, both the Chief Executive Officer and senior other executives take on responsibilities related to economic, environmental and social matters depending on their position. The Board is responsible for hiring and evaluating the CEO and senior executives. It also identifies potential replacements for these individuals who have the appropriate experience

and conditions for each position. This ensures a succession plan for the Chief Executive Officer.

The CEO and senior executives' salaries include an annual performance bonus based on meeting targets and their individual contributions to the Company's results. These incentives are structured as a minimum and maximum number of gross monthly salaries and are paid once a year. There are also retention bonuses for Company executives. The amount of these bonuses is linked to the price of the Company's shares and is paid in cash during the year.

The average number of shares owned by executives compared to their base salary is 0.11 belonging to Gerardo Illanes and José Miguel Berguño.

There are no members of the founding family who individually hold more than 5% of the voting rights.

Board members may directly contact the CEO or senior executives at any time to discuss matters related to SQM business. In addition, the Board expects to have frequent opportunities to meet with the CEO and senior executives during Board meetings, committee meetings and any other formal or informal space.

The Board has an annual work plan that is approved once each year. Each month, the executives have the opportunity to bring up other topics in addition to the work plan to the Board meeting. This allows them to convey critical concerns to the organization's highest ranking entity.

**DISCLOSURE 102-27 / 102-28 / 102-30**

Once a new director joins the Board, he or she participates in an orientation process to learn about the Company and its business, risks, policies and procedures, among other matters. They also receive training on corruption risks, the Ethics Program, Compliance and free competition risks with the Risk Management and Compliance Officer, and their participation in these trainings is certified. The Board's professional development is encouraged through formal training activities. The Board completes an evaluation of its own work each year designed to promote efficiency and continuous improvement. It is conducted by a third party. This assessment was conducted by EY in 2020.

The assessment considers, among other things: Any area that should be examined to improve the efficiency of the Board and the Company; any area that can be strengthened and enhance personal performance.

Organizational, social or cultural barriers that may stand as obstacles to the natural diversity of capacities, visions, characteristics and conditions that would exist on the Board if there were no such barriers; any change in the Board's organization and operations in response to a crisis situation; any improvement related to the Company's political relevance and procedures, ensuring that the developments are easy for the public to understand and are released in a timely manner.







Nueva Victoria operations

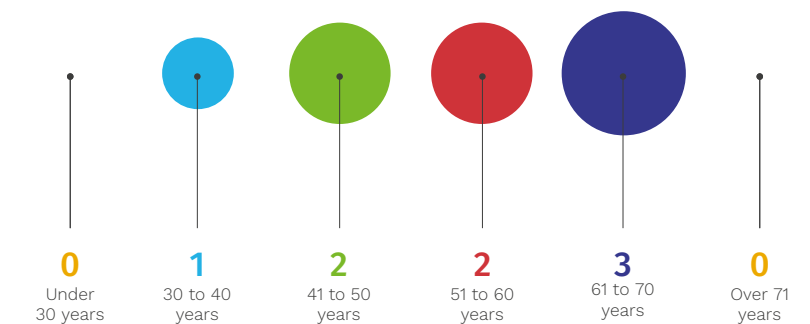
**DISCLOSURE 102-26 / 102-31**

Another one of the roles of the SQM Board is to approve the Code of Ethics, which describes the Company's values and addresses aspects such as the work of the directors and employees, definitions of what is considered to be a conflict of interest, and Ethics and Compliance Program policies and procedures. The Code of Ethics is reviewed annually. In addition, training activities are held at least once per year for directors on corruption risks, the Ethics and Compliance Program and free competition laws. Impacts related to communities, health, safety and the

environment are addressed in detail by the Safety, Health and Environment Committee, as they are of special interest to the Board. This committee helps the Board with changes to its policies, sustainability strategy and supervision of the Company's performance in this area. The Board evaluates environmental and health-related issues in the context of this committee at least four times each year. Economic issues are assessed at least once per month during each Board meeting.

**BOARD MEMBERS:**

**AGE RANGES**



**NATIONALITY**



**6**  
CHILEAN

**2**

OTHER NATIONALITIES

**GENDER**



**8**  
MALE



## Board of Directors

DISCLOSURE 102-22



**ALBERTO SALAS M.**  
**CHAIRMAN OF THE BOARD**

Independent

Taxpayer ID: 6.616.233-0

Civil Engineer in Mining, Universidad de Chile; graduate studies in Corporate Finance at Universidad Adolfo Ibáñez. Member of the Boards of Minera Valle Central, CAP, ENAP, ENAEX S.A. and Amerigo Resources Ltda. Former Chair of Universidad de Chile's Foundation of Mining Engineers.

He is currently the chairman of INACAP and on the board of ABAC.

- Chairman of the SQM Board since April 2018. Last elected in April 2019.
- Member of the Directors' Committee on Audit and Risk.



**Patricio Contesse F.**  
**VICE CHAIRMAN OF THE BOARD**

Independent

Taxpayer ID: 15.315.085-0

Attorney with a degree from Universidad Católica de Chile; member of the Boards of Sociedad de Inversiones Pampa Calichera S.A., Potasios de Chile S.A., Sociedad de Inversiones Oro Blanco S.A. and Norte Grande S.A., and also a member of the Board of Nitratos de Chile S.A. Chairman and member of the Directors' Committee of Invercap S.A.

- Appointed in April 2018. Last elected in April 2019.
- Member of the Corporate Governance Committee and Safety, Health and Environment Committee.



**GEORGE DE BOURGUIGNON A.**  
**BOARD MEMBER**

Independent

Taxpayer ID: 7269147-4

Undergraduate degree in Economics from Universidad Católica de Chile, MBA from Harvard Business School; he is co-founder and chairman of Asset Chile S.A. and Asset Administradora General de Fondos S.A. Over the last ten years he has served on the boards of various Chilean companies such as LATAM Airlines and Embotelladora Andina, where he remains on the board.

- Appointed in April 2019.
- Member of the Directors' Committee on Audit and Risk.



**HERNAN BÜCHI B.**  
**BOARD MEMBER**

Independent

Taxpayer ID: 5718666-6

Civil Engineer, Universidad de Chile. He served on SQM's Board for several years until April 2016.

He is currently on the boards of Quiñenco S.A. and S.A.C.I. Falabella, among other companies. He also chairs the board of Universidad del Desarrollo.

- Appointed in April 2017. Last elected in April 2019.
- Member of the Corporate Governance Committee.





DISCLOSURE 102-22



**LAURENCE GOLBORNE R.**  
**BOARD MEMBER**

Independent

Taxpayer ID: 8170562-3

Civil Industrial Engineer, Universidad de Chile. Currently Chairman of Ripley Corp. S.A., Construmar S.A. and Aventura S.A. (Peru), an advisor to the boards of Sociedad Inversiones Arrigoni S.A. and Metalúrgica Arrigoni S.A., and the chairman of Tavamay S.A. (Paraguay).

Previously, he served as a minister of the Chilean government from 2010-2012, and before that was CEO of Cencosud S.A. and Corporate CFO of Gener S.A., among other positions in diverse companies.

- Director elected by Series B shares.
- Appointed in April 2018. Last elected in April 2019.
- Member of the Directors' Committee on Audit and Risk.



**GONZALO GUERRERO Y.**  
**BOARD MEMBER**

Taxpayer ID: 10581580-8

Lawyer, Universidad de Chile Master's degree in business administration from Universidad Adolfo Ibáñez. He was legal counsel and alternate director of Integramédica S.A. and on the board of Inversiones Oro Blanco S.A., Asfaltos Chilenos S.A. and Vantrust Capital Asset Management and SMA Clínica Internacional S.A. (Peru), among other companies.

He is currently Executive Director of Guerrero y Asociados and sits on the boards of Sanasud S.A., SQM S.A. and Club Deportivo Palestino SADP.

- Appointed in April 2016. Last elected in April 2019.
- Member of the Safety, Health and Environment Committee.



**FRANCISCO UGARTE L.**  
**BOARD MEMBER**

Independent

Taxpayer ID: 10.325.736-0

Attorney with a degree from Universidad Católica de Chile, LL.M. from the University of Chicago Law School. Partner, Carey Abogados He has a long history with international and Chilean companies and institutions in mergers and acquisitions, finance, capital offers and debt and other corporate matters. He also has experience in executive roles at Bci Corredores de Bolsa, Votorantim Andina and Compañía Industrial El Volcán.

- Appointed in April 2019.
- Member of the Corporate Governance Committee.



**ROBERT J. ZATTA**  
**BOARD MEMBER**

Independent

Taxpayer ID: 48.211.511-K

Undergraduate degree in Business, Merrimack College, MBA in Finance from Fairleigh Dickinson University. He has held senior management positions at the former General Foods Corporation and Campbell Soup Company. He worked with Rockwood Holdings, Inc, was a board member of Nexeo Solutions, Inc., and has chaired the Advisory Committee of Silberman College of Business – Fairleigh Dickinson University.

- Appointed in April 2019.
- Member of the Safety, Health and Environment Committee.



THE CURRENT BOARD OF DIRECTORS WAS ELECTED FOR A THREE-YEAR PERIOD AT THE ANNUAL GENERAL MEETING HELD ON APRIL 25, 2019.

SQM DIRECTORS ARE NOT COMPANY EXECUTIVES.



## Management

DISCLOSURE 102-22



**CHIEF EXECUTIVE OFFICER**  
**RICARDO RAMOS R.**  
Industrial Engineer  
Pontificia Universidad Católica de Chile  
Taxpayer ID: 8037690-1



**CHIEF FINANCIAL OFFICER**  
**GERARDO ILLANES G.**  
Industrial Engineer  
Pontificia Universidad Católica de Chile  
Taxpayer ID: 13904120-8



**GENERAL COUNSEL**  
**GONZALO AGUIRRE T.**  
Lawyer  
Pontificia Universidad Católica de Chile  
Taxpayer ID: 13441419-7



**SENIOR VICE-PRESIDENT OF SALES,  
LITHIUM AND IODINE**  
**PABLO ALTIMIRAS C.**  
Industrial Engineer  
Pontificia Universidad Católica de Chile  
Taxpayer ID: 13657862-6



**SENIOR VICE-PRESIDENT OF SALES,  
NITRATES AND POTASSIUM**  
**FRANK BIOT**  
Master's in Applied Economics  
University of Antwerp, Belgium  
BEL592009828/2054



**SENIOR VICE-PRESIDENT OF NITRATES  
AND IODINE OPERATIONS**  
**JOSÉ MIGUEL BERGUÑO C.**  
Industrial Engineer  
Pontificia Universidad Católica de Chile  
Taxpayer ID: 10903992-6



**SENIOR VICE-PRESIDENT OF  
POTASSIUM AND LITHIUM OPERATIONS**  
**CARLOS DÍAZ O.**  
Industrial Engineer  
Pontificia Universidad Católica de Chile  
Taxpayer ID: 10476287-5



**VICE-PRESIDENT OF MINING  
OPERATIONS**  
**RODRIGO VERA D.**  
Industrial Engineer  
Pontificia Universidad Católica de Chile  
Taxpayer ID: 9.120.446-0



**SENIOR VICE-PRESIDENT OF PEOPLE  
AND PERFORMANCE**  
**NATALIA PIZARRO G.**  
Civil Engineer  
Universidad de Santiago  
Taxpayer ID: 14167897-3



**INTERNAL AUDIT MANAGER**  
**RAÚL PUERTO M.**  
Industrial Engineer  
Pontificia Universidad Javeriana de  
Colombia  
Taxpayer ID: 14757436-3



**RISK MANAGEMENT AND COMPLIANCE  
OFFICER**  
**FRANCISCO SANCHEZ V.**  
Industrial Engineer  
Pontificia Universidad Católica de Chile  
Taxpayer ID: 15.381.281-0



**DIRECTOR OF CORPORATE AFFAIRS**  
**MARÍA IGNACIA LÓPEZ B.**  
Journalist  
Universidad Finis Terrae  
Taxpayer ID: 10.777.962-0

Note: Management as of December 31, 2020. As of publication of this report, Mr. Raúl Puerto M. had resigned.



**DISCLOSURE 102-5**

SQM S.A. is a publicly traded corporation with shares listed on the Santiago (Chile) and New York (US) stock exchanges.

Ownership structure as of December 31, 2020. The main series A+B shareholders.

Series	Taxpayer ID	Name or Corporate Name	Number of Shares	Ownership Interest	Series	Taxpayer ID	Name or Corporate Name	Number of Shares	Ownership Interest
A	76902021-7	INVERSIONES TLC SPA	62,556,568	43.80%	B	59.030.820-K	THE BANK OF NEW YORK MELLON ADRS	50,792,452	42.19%
A	96511530-7	SOCIEDAD DE INVERSIONES PAMPA CALICHERA SA	44,894,152	31.43%	B	96899230-9	EUROAMERICA C DE B S.A.	8,788,517	7.30%
A	76165311-3	POTASIOS DE CHILE SA	18,179,147	12.73%	B	97.036.000-K	BANCO SANTANDER ON BEHALF OF FOREIGN INVESTORS	7,294,827	6.06%
A	96863960-9	INV GLOBAL MINING CHILE LTDA	8,798,539	6.16%	B	97004000-5	BANCO DE CHILE ON BEHALF OF STATE STREET	6,971,782	5.79%
A	79798650-K	INVERSIONES LA ESPERANZA CHILE LIMITADA	4,147,263	2.90%	B	97004000-5	BANCO DE CHILE ON BEHALF OF NON-RESIDENT THIRD PARTIES	6,129,339	5.09%
A	96518570-4	KOCHI SA	945,490	0.66%	B	98000100-8	AFP HABITAT S.A.	4,854,276	4.03%
A	59046730-8	KOWA CO LTD	781,429	0.55%	B	76265736-8	AFP PROVIDA S.A.	4,283,483	3.56%
A	96571220-8	BANCHILE CORREDORES DE BOLSA S A	459,202	0.32%	B	98000000-1	AFP CAPITAL S.A.	4,199,918	3.49%
A	80537000-9	LARRAIN VIAL S A CORREDORA DE BOLSA	327,898	0.23%	B	76.240.079-0	AFP CUPRUM S.A.	3,629,239	3.01%
A	59023690-K	KOWA HOLDINGS AMERICA INC	227,550	0.16%	B	96571220-8	BANCHILE CORREDORES DE BOLSA S A	2,426,758	2.02%
A	76237243-6	SOC ADM DE FDOS DE CESANTIA DE CHILE II SA FDO SOLIDARIO	183,633	0.13%	B	97004000-5	BANCO DE CHILE ON BEHALF OF CITI NA NEW YORK CLIENTS	1,732,249	1.44%
A	97004000-5	BANCO DE CHILE ON BEHALF OF CITI NA NEW YORK CLIENTS	177,463	0.12%	B	80537000-9	LARRAIN VIAL S A CORREDORA DE BOLSA	1,523,391	1.27%
Subtotal Series A			141,678,334	99.20%	Subtotal Series B			102,626,231	85.25%
Total Series A			142,819,552	100.00%	Total Series B			120,376,972	100.00%





Port of Tocopilla

Series	Taxpayer ID	Name or Corporate Name	Number of Shares	Ownership Interest
A+B	76902021-7	INVERSIONES TLC SPA	62,556,568	23.77%
A+B	59030820-K	THE BANK OF NEW YORK MELLON ADRS	50,792,452	19.30%
A+B	96511530-7	SOCIEDAD DE INVERSIONES PAMPA CALICHERA SA	45,817,123	17.41%
A+B	76165311-3	POTASIOS DE CHILE SA	18,179,147	6.91%
A+B	96863960-9	INV GLOBAL MINING CHILE LTDA	8,798,539	3.34%
A+B	96899230-9	EUROAMERICA C DE B S.A.	8,789,935	3.34%
A+B	97036000-K	BANCO SANTANDER ON BEHALF OF FOREIGN INVESTORS	7,294,827	2.77%
A+B	97004000-5	BANCO DE CHILE ON BEHALF OF STATE STREET	6,971,782	2.65%
A+B	97004000-5	BANCO DE CHILE ON BEHALF OF NON-RESIDENT THIRD PARTIES	6,129,339	2.33%
A+B	79798650-K	INVERSIONES LA ESPERANZA CHILE LIMITADA	4,193,763	1.59%
A+B	96571220-8	BANCHILE CORREDORES DE BOLSA S A	2,885,960	1.10%
A+B	97004000-5	BANCO DE CHILE ON BEHALF OF NEW YORK CLIENTS	1,909,712	0.73%
Subtotal Series A+B			224,319,147	85.23%
<b>Total Series A+B</b>			<b>263,196,524</b>	<b>100.00%</b>

For Series A and Series B shares, one vote is allowed per share, with a total of 263,196,524 shares in 2020.





## 07. OUR VALUES



<b>5</b> GENDER EQUALITY 	<b>8</b> DECENT WORK AND ECONOMIC GROWTH 	<b>10</b> REDUCED INEQUALITIES 	<b>11</b> SUSTAINABLE CITIES AND COMMUNITIES 	<b>13</b> CLIMATE ACTION 	<b>15</b> LIFE ON LAND 	<b>16</b> PEACE, JUSTICE AND STRONG INSTITUTIONS 
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## Our Values

DISCLOSURE 102-16 / 102-17

### MISSION

We are a global company with a team of people committed to excellence. Our activities focus on the extraction of minerals, capable of being selectively integrated in the processing and commercialization of products for industries essential for human development.

### VISION

We seek to be a global company, recognized for its competitiveness, excellence and innovation in its lines of business, oriented towards the development of products essential for human development, within a framework of the highest standards of integrity.



#### EXCELLENCE

- We are an organization that is constantly striving to achieve better results, for the purpose of creating shared value with shareholders, employees, customers, suppliers and communities.
- We strive to be creative, agile and innovative in our work and daily challenges.
- We develop our work in a framework of sustainability and respect for the environment.
- We wish to build a culture of excellence throughout the organization, based on the ten principles of the M1 methodology.
- We foster and value internal meritocracy as the main path of professional growth, thereby favoring equality of opportunity, inclusion and diversity. We seek to create opportunities for professional development so that people achieve their maximum potential.



#### SAFETY

- Caring for people's safety is a priority commitment at the Company that motivates us daily to develop safe and accident-free operations.
- We are responsible for creating conditions under which each job can be performed safely and also for promoting conduct that favors the physical safety and psychological wellbeing of everyone who works at SQM.
- Each person at the organization is responsible for taking care of him/herself and other members of the team with an uncompromising commitment to safe conduct.
- We promote open and ongoing feedback in order to identify opportunities to improve safety.



#### INTEGRITY

- Each day, we seek to do our job with the high standards of integrity described in the internal Code of Ethics. At the same time, we are open to and interested in identifying and implementing better ways to work that ensure and facilitate compliance with those standards.
- We promote respect and fulfillment of each of the commitments made to shareholders, customers, employees, regulators, communities, suppliers and authorities.



#### SUSTAINABILITY

- Sustainability is a voluntary commitment involving a future outlook to become relevant players in cultural change, to contribute to the sustainable planet we all want and long for, which we will accomplish not only by manufacturing products for health, food, green energy and technology, but also through the production chain for these products.
- Sustainability drives us to rethink our processes, activities and operations in order to implement concrete actions.



WE HOLD OURSELVES TO VALUES THAT GUIDE OUR ACTIONS, WHICH WE PROMOTE ON A DAILY BASIS WITH EVERYONE WE INTERACT WITH, INCLUDING OUR SHAREHOLDERS, EMPLOYEES, CUSTOMERS, SUPPLIERS, THE ENVIRONMENT AND THE COMMUNITY.



## THE VALUE OF SUSTAINABILITY



### SUSTAINABILITY

In 2020, we reaffirmed our commitment to the environment, our surroundings, communities and stakeholders, highlighting **Sustainability** as a corporate value that guides our actions.

The inclusion of Sustainability as a value is accompanied by a **Sustainability Plan** that includes a series of actions for harmonious and sustainable production. It also includes the implementation of best practices in the areas of reporting, transparency and certifications.



→ To be carbon neutral in iodine, lithium and potassium chloride by 2030 and in all SQM products by 2040.

→ To decrease the use of fresh water in our production processes by 40% by 2030.



→ To reduce the generation of industrial waste by 50% by 2025.

→ To reduce brine extraction at Salar de Atacama by 20% beginning this year and by 50% by 2030.



→ To strengthen the development of our neighboring communities.

→ To develop a high standard of ESG reporting.







## Code of Ethics and Policies

We are committed to abiding by and complying with the laws, rules and regulations of the countries where we operate and do business. We act in accordance with the highest standards of integrity and honesty, with a firm and clear rejection of all forms of corruption.

This is a fundamental principle for the Company and is also of vital importance to maintain the trust and credibility of our shareholders, directors, employees, customers, suppliers, government entities and regulators, as well as society at large.

As part of our Ethics and Compliance Program, SQM has established and promotes a set of policies that guide the actions of its employees and directors, as well as our relationships with third parties.

### CODE OF ETHICS

We have a Code of Ethics that emphasizes the commitment made by the Board, management and all Company employees to ethical and transparent business practices.

It sets forth the standards that we must follow when conducting business everywhere in the world.

We ensure that we are doing our job correctly with the right people and in a way that we are able to create value for our employees, communities, business partners and shareholders.

Our Code applies to everyone, across the board, without exception. In addition, SQM has a Business Partner Code of Conduct, which sets the integrity standards that business partners must meet when conducting any business with us.

The Risk and Compliance Department is responsible for updating and implementing the Code. It is also responsible for answering questions about the Code and the right way to do things. Moreover, this department provides employees with resources to help them make the right decisions and abide by the Code and applicable laws. The full text of SQM's Code of Ethics is available on the Company's website: [https://www.sqm.com/wp-content/uploads/2019/03/2.1.-SQM-Codigo-de-Etica\\_Espan%CC%83ol.pdf](https://www.sqm.com/wp-content/uploads/2019/03/2.1.-SQM-Codigo-de-Etica_Espan%CC%83ol.pdf)



We have zero tolerance for any type of corrupt activities committed by any person who works on behalf of SQM, including any payment or undue benefit provided directly or indirectly to public officials.



AT SQM, WE HAVE A SUPPORT AND COMPLAINT CHANNEL AVAILABLE TO ALL SQM WORKERS AROUND THE WORLD AND ALSO TO THIRD PARTIES. ITS PILLARS ARE CONFIDENTIALITY, ANONYMITY AND ZERO REPRISAL.

The Company's Code of Ethics is available in Spanish, English, Flemish and Mandarin, and its topics and scope are addressed in the training activities offered by the Risk and Compliance Department and the e-learning orientation courses that all employees must complete.

**DISCLOSURE 102-17**

At SQM, we have a support and complaint channel available to all SQM workers around the world and also to third parties. Parties may lodge complaints through the channel on the website: <https://sqm.ethicspoint.com> or by calling the numbers available in the countries where we have our main commercial offices.

The Risk and Compliance Department is responsible for following up on all reports of possible violations of the Code, which is done in accordance with the Global Complaints Procedure.



**100%**

OF OUR EMPLOYEES RECEIVE THE CODE OF ETHICS AND MUST SIGN A CERTIFICATE CONFIRMING RECEIPT OF THE DOCUMENT.



## Ethics and Compliance Program and Corporate Risks

DISCLOSURE 102-30

SQM has developed an Ethics and Compliance Program that establishes a set of policies and procedures that support the standards contemplated in the Code. This program and the Code establish a framework for our way of working and making business decisions for SQM.

This program applies to all employees (male and female), executives and contractors without exception. It is shared through trainings and internal communication channels with all SQM employees.

The program contains a set of policies and procedures, such as the Anti-Bribery and Anti-Corruption Policy; the Free Competition Policy; the Donation and Contribution, Business Courtesy, Sponsorship and Membership Procedure; procedures that regulate relationships with public officials; and the necessary due diligence policies and procedures for starting new business relations with external partners, and for mergers or joint ventures; and due diligence procedures for hiring third parties, such as suppliers, agents or distributors.

Moreover, SQM has an internal audit area that is independent of SQM's management and acts as a third line of defense.

### DISCLOSURE 205-1

The SQM Ethics and Compliance Program has a three-year plan. It will review 100% of the activities considered to pose a compliance risk in three years. It also includes ongoing compliance risk evaluations of certain operations.

For SQM Chile and sales offices, there are 22 operations/activities that pose a compliance risk. During 2020, eight were evaluated through monitoring for SQM Chile and sales offices.

The activities that present the greatest risk to compliance in SQM Chile are: suppliers and donations. There are three activities that pose the greatest risk to compliance for sales offices: Sales agents and distributors; rebates, discounts and compensation for quality; and sales consultants.

A risk assessment was conducted in 2020.

### DISCLOSURE 205-2

Each time a worker joins the Company, they are given a copy of the Code of Ethics. In 2020, we hired 458 SQM Chile workers and 87 sales office employees. All 545 new employees should have received the Code of Ethics.

When an employee joins SQM, they must complete the compliance e-learning program, which is supervised by the Compliance Department.

THE RISK MANAGEMENT AND COMPLIANCE DEPARTMENT IS RESPONSIBLE FOR THE CODE OF ETHICS AND FOR MANAGING ANY POSSIBLE CONFLICT OF INTEREST BETWEEN EMPLOYEES, DIRECTORS AND THIRD PARTIES.

As part of its work in 2020, the Compliance Department sent 10 emails on procedures and policies to employees.

In addition, all policies and procedures are available online in the sharepoint [www.sqm.com/politicas](http://www.sqm.com/politicas) for SQM and on the intranet of SQM Comercial. The materials have been disseminated through emails and training activities. Commercial relationships were formed with 3,621 third parties in 2020, and 100% of them adopted the Business Partner Code of Conduct. 1,430 are from sales offices and 2,191 work with SQM Chile. Of these third parties: 30 are third-party intermediaries, 11 are sales agents, and 2 are representative distributors. These entities must also accept the Business Partner Code. They are required to complete an e-learning program on fighting corruption and to adopt the ABAC.

We planned to train 1,043 workers in 2020, and 90% of them did receive the training. Of these, 119 are executives, 773 are supervisors and 45 are general employees. 239 are from sales offices and 698 from SQM Chile.

We should mention that as part of the program, the eight SQM SA directors and 7 SQM Comercial directors were briefed on anti-corruption policies and procedures during 2020. Of the 15 directors, 93% received training.





COMPLAINTS FILED



IN 2020 THE COMPANY RECEIVED

91

COMPLAINTS



100%

OF COMPLAINTS WERE ANALYZED BY THE TEAM RESPONSIBLE FOR DOING SO.



23

COMPLAINTS MERITED AN INTERNAL INVESTIGATION.



12

DISCIPLINARY MEASURES WERE APPLIED, RANGING FROM EXTRA TRAINING TO DISMISSAL.



**DISCLOSURE 205-3 / 206-1**

There were no confirmed cases of corruption or measures taken in this area in 2020.

No legal actions were recorded involving anti-competitive behavior or anti-monopoly practices.

**DISCLOSURE 415-1**

In accordance with our Anti-Bribery and Anti-Corruption Policy, SQM prohibits making any type of donation to any political party, officials of political parties or political candidates.

In order to be able to monitor such activities, or if an exception is made, the account is parametrized in the ERP—enterprise resource planning system—to request approval from the Risk Management and Compliance Department. In 2020, no political or charitable contributions were recorded in the accounting system.

**DISCLOSURE 102-11 / 102-15**

SQM has a precautionary commitment and acts preventively in response to any serious situation by analyzing its strategic and material risks.

In order to adequately manage risks that may impact the achievement of SQM’s goals of preserving its value and promoting a risk management culture in a timely manner, the Risk Management

and Compliance Department has a complementary Corporate Risk Management Policy and Corporate Risk Management Procedure. They are an essential part of the Company’s comprehensive risk management and are based on international standards such as COSO ERM and ISO 31000. This policy is aligned with SQM values.

The goals of this corporate policy are to:

- Establish risk management guidelines;
- Define the roles and responsibilities of the various SQM participants in risk management;
- Strengthen trust among SQM stakeholders;
- Adapt risk identification and management standards and connect them to strategic guidelines;
- Involve all SQM senior vice-presidents in risk management;
- Integrate national and international best practices on risk management.

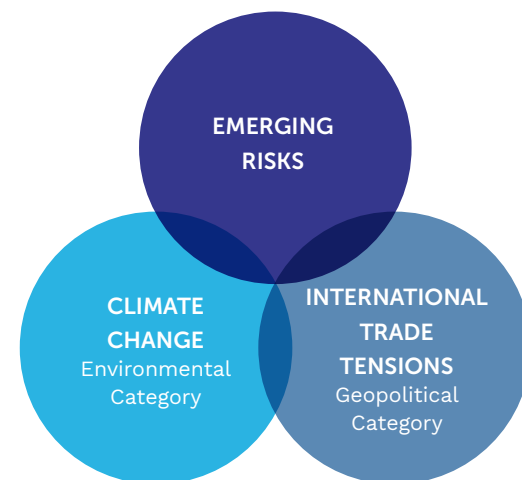
According to the definitions contained in the Corporate Risk Management Policy, SQM’s strategic risks are the most critical risks that could impact execution of the Company’s strategy. These must be reviewed periodically by the Risk Committee, which is led by SQM’s Chief Executive Officer and includes the senior vice-presidents, Internal Audit Manager and the Risk Management and Compliance Officer.

The SQM strategic risk matrix includes the Company’s strategic risks and the likelihood and impact of each of them.

**EMERGING RISKS**

These are recently developing risks that are uncertain and difficult to quantify due to their external nature but that could have repercussions for the Company. As such, there is not sufficient information to assess their impact accurately or in detail or to define control mechanisms. Emerging risks also include risks that have presented some important additional element and, thus, require new analysis to understand the scope of their impacts.

The Company has also developed a sustainability risk matrix associated with its Sustainability Plan.



WE HAVE A PRECAUTIONARY COMMITMENT AND ACT PREVENTIVELY IN RESPONSE TO ANY SERIOUS SITUATION BY ANALYZING OUR STRATEGIC AND MATERIAL RISKS.

THE COMPANY DOES NOT USE POLITICAL AND/OR CHARITABLE CONTRIBUTIONS AS A MEANS OF ENGAGING IN BRIBERY OR CORRUPTION.





Contractor, Coya Sur operations

## Human Rights

SQM published its first Human Rights Policy in August 2020 as part of the commitments acquired through responsible business management. It is reflected in actions such as the Sustainability Plan and all of the areas that it covers.

SQM is committed to respect for and promotion of human rights based on current national and international standards through this Human Rights Policy. In order to strengthen this commitment at the highest corporate level and throughout our entire operational chain, we published our Human Rights Policy. This document is based on the framework of “Protect, Respect and Remedy” of the United Nations Guiding Principles on Business and Human Rights. It is also inspired by the Universal Declaration of Human Rights, Convention 169 on Indigenous and Tribal Peoples of the International Labour Organisation, the International Compact on Civil and Political Rights and the United Nations International Compact on Economic, Social and Cultural Rights.

This Human Rights Policy has been defined as a series of principles that SQM and its affiliates and subsidiaries follow in order to create an institutional culture of protection and promotion of the fundamental rights of the people who work and interact with the Company or live near its facilities. SQM also

hopes that its suppliers, contractors, consultants, business partners and other third parties related to SQM defend and adhere to these principles, and encourages them to adopt similar policies in their own business. This policy complements and discloses topics already contained in other SQM policies, codes and procedures, including: Sustainable Development Policy, Inclusiveness and Diversity Policy, Code of Ethics, and Anti-Bribery and Anti-Corruption Policy.

We consider this policy and its commitments to be essential to our role as a company that provides solutions for human progress.

For SQM, the scope of this policy and the commitments emanating from it have as their intended recipients all of our spheres of influence, starting with SQM’s Board, our workers and shareholders, our suppliers and supply chain and the communities and territories where our operations are located.



Our Human Rights Policy has been defined as a series of principles that SQM and its affiliates and subsidiaries follow in order to create an institutional culture of protection and promotion of the fundamental rights of the people who work and interact with SQM, or live near its facilities.



## HUMAN RIGHTS POLICY

As a global company that produces essential supplies for industries that play a key role in human development, such as healthcare, nutrition, clean energies and technologies, SQM's actions are guided by the principles of excellence, safety, integrity and sustainability. These are reflected in our Code of Ethics and are applicable to everyone who is part of SQM. This Code calls us to follow strict standards to ensure proper corporate governance and a robust risk management system, fully complying with current laws and regulations and observing commitments and high national and international standards that we voluntarily undertake to meet.

In an effort to complement our ethical commitments with due diligence in human rights and to reinforce our commitment to the sustainable development goals of the United Nations Global Compact and fundamental labor rights, we have made the following commitments:

### EMPLOYEES

In our organization, we promote labor relations based on respect, generating the conditions necessary to allow each person to develop their capacities. We value meritocracy and favor equality of opportunities, inclusion of diversity, non-discrimination and respect for human rights in strict compliance with

the labor rights recognized in national legislation and the main instruments of the International Labour Organisation.

#### We are committed to:

- Flatly rejecting any type of child, forced or other labor that involves any type of slavery and making this principle enforceable throughout our supply chain.
- Respecting the right to freedom and the right to association of our workers, seeking to create spaces of informed and transparent dialogue that allow mutually beneficial agreements to be reached.
- Promoting a corporate culture that affirms diversity, inclusion, non-discrimination, respectful treatment and equality of opportunities.
- Rejecting violence, sexual harassment and workplace harassment.
- Promoting merit and encouraging our employees to develop their potential.
- Creating safe and healthy work conditions that protect workers' dignity and promote a culture of work safety through the ongoing dissemination of guides and education on safety and risk prevention.
- Extending our health and safety policy to all of our employees, consultants, contractors, distributors, independent contractors, subcontractors and wholesalers.

### VALUE CHAIN

At SQM, we are responsible for providing quality products that meet the standards we have committed to and applicable regulations. We also provide timely service to our consumers and customers through a rigorous Quality Management System. We are determined to ensure that human rights, fair treatment and environmental protection are respected throughout our production chain and, as such,

#### We are committed to:

- Promoting responsible and sustainable sourcing.
- Respecting and promoting respect for human rights, including labor rights of the workers in our supply chain, including consultants, contractors, distributors, independent contractors, subcontractors and wholesalers.
- Manufacturing quality products that meet the standards we have committed to and applicable safety standards.

### ENVIRONMENT

As a mining company selectively integrated in the processing and sale of products, we are committed to strict compliance with current environmental standards. We take steps to ensure rigorous assessment of the possible impacts of our processes on the environment, responsible resource management, the establishment of

timely prevention, compensation and remediation measures, and an effective policy for monitoring them. As such,

#### We are committed to:

- Complying with current environmental standards;
- Evaluating the impacts of our operations on the environment and neighboring communities in advance;
- Developing and executing prevention, mitigation and remediation measures that diminish the environmental footprint;
- Promoting the development and implementation of technical advances that allow for sustainable development;
- Promoting citizen and community participation in the development of environmental studies in accordance with current standards.

### COMMUNITIES

Our projects seek to generate shared social value with communities in the areas in which they are developed. Based on the United Nations Guiding Principles on Business and Human Rights, the United Nations Sustainable Development Goals and Convention 169 on Indigenous and Tribal Peoples of the International Labour Organisation, SQM promotes local sustainable development and respect for communities' autonomy through an ongoing process of participation and dialogue meant to



**SQM IS COMMITTED TO THE ERADICATION OF CHILD LABOR AND FORCED OR COMPULSORY LABOR. IT PROHIBITS THIS TYPE OF PRACTICES AT THE COMPANY AND WITHIN ITS SUPPLY CHAIN AND WITH ALL ITS COMMERCIAL AND BUSINESS RELATIONS.**



reach mutually beneficial agreements and the creation of plans and programs with community benefits in priority areas such as education, social inclusion, enterprise, historic heritage preservation and sustainable development.

In order to generate informed assessments of possible impacts of our projects, we encourage ongoing and transparent delivery of information and promote participation and consultation in all cases required by current legislation, especially in regard to indigenous communities. We incorporate

the standards of ILO Convention 169 into our work as well as the United Nations Declaration on Indigenous Peoples. As such,

**We are committed to:**

- Promoting citizen participation and providing transparent and timely information about our projects in accordance with current standards.
- Promoting participation of indigenous communities and prior, free, informed and good faith consultation regarding communities that may be impacted by our projects in accordance with current legislation.

- Respecting the autonomy and traditional values of the communities where we develop our operations.
- Promoting and supporting sustainable economic development of communities and creating projects with shared value between our operations and neighboring communities.
- Implementing communications channels that allow for ongoing dialogue with the community and the development of effective due diligence mechanisms regarding human rights.

**DISCLOSURE**

In an effort to contribute to reaching the goals of protection, respect and remediation in the context of the United Nations Guiding Principles on Business and Human Rights, we commit to reporting on the SQM Human Rights Policy within and beyond the organization and to creating the conditions necessary to implement effective mechanisms of due diligence in human rights in all of our operations.

**DISCLOSURE 412-1 / 412-2**

As part of the implementation of this policy, we have worked on our human rights risk matrix and held community relations training in addition to participating in customer audits on human rights. To complement all of these actions, we hope to conduct the Due Diligence in Human Rights process in 2021.

## Sustainable Development Policy



We are committed to complying with high standards and are always seeking new challenges to continue improving sustainability at SQM.

At SQM, our commitment to sustainability is far-reaching and unwavering, acting with concern and respect for people, the environment and the community in everything we do. As an organization, we are committed to complying with high standards and, in turn, are always seeking new challenges to continue improving sustainability at SQM.

- We are a global company engaged in industries that are essential for human development, such as health, food, clean energy and technology. Our experience and knowledge have earned us a global leadership position in specialty plant nutrition (SPN), iodine and derivatives, lithium and derivatives, and industrial chemicals. We also participate in the potassium market. We reach diverse markets on time with our products and deliver quality to our customers.

- To give life to products that are strategic for human development, we base our actions on the values that guide our conduct: Excellence, safety and integrity, expressed in our Code of Ethics, which applies to everyone at SQM. This Code calls us to follow strict standards to ensure proper corporate governance and a robust risk management system, fully complying with current laws and regulations, in addition to domestic and international commitments and standards that we voluntarily undertake to meet.
- We foster labor relations based on respect, generating the conditions necessary for each person to develop their skills. We value meritocracy and always favor equal opportunity, inclusiveness and diversity, non-discrimination and respect for human rights.







Port of Tocopilla

- We are committed to protecting the environment and responsibly managing the natural resources we use, complying with our commitments, focusing and planning all our work to prevent and minimize impact on the surroundings, the ecosystem and future generations. We constantly strive to reduce the use of raw materials, control our air emissions, particularly greenhouse gases, and avoid generating waste or ensure it is properly managed. We continuously monitor our Environmental Management System to ensure optimal environmental performance.
- We are accountable to our customers, delivering high-quality products that meet committed standards and applicable regulations and providing assistance and service to ensure a mutually beneficial, long-term, collaborative relationship. We use a Quality Management System to accomplish this. We promote continual improvement of our performance in terms of safety, health, the environment, quality and community engagement.
- This continual attention to our daily work enables us to promptly develop and implement any prevention plans and control measures necessary, integrating innovation and ground-breaking solutions, thanks to the ongoing search for continuous improvement under the Lean M1 methodology.
- Likewise, we maintain a close relationship with communities near our production facilities and participate actively in their development. We engage in an open, ongoing and transparent manner with neighbors through programs and initiatives developed with their participation, by mutual agreement, where we are all part of a common goal. In this spirit, we have defined the following priority areas: education, social inclusiveness, entrepreneurship, reviving historical heritage and sustainable development.

To learn more about our Sustainable Development Policy, visit the SQM website: <https://www.sqm.com/wp-content/uploads/2020/07/POLITICA-Desarrollo-Sustentable.pdf>



## Recognition



→ The municipality of Tocopilla recognized SQM for the social role that the Company played during the public health crisis through various initiatives. The award was given in the context of the commemoration of the city's anniversary.

→ SQM was recognized by the Antofagasta Industrial Association for its responsible management, for the implementation of its system "Online Monitoring of Environmental and Extraction Indicators at the Salar de Atacama Site".



→ In honor of the 30<sup>th</sup> anniversary of the Integra Foundation, SQM was recognized for its contribution to the development of early childhood education in the Antofagasta Region. SQM works with Integra to strengthen the educational process of students from María Elena, Toconao, Quillagua and Tocopilla.

→ The Agricultural Research and Development Center project that we have developed with residents of Pozo Almonte was recognized for Responsible Care through Asiquim in the "Community Engagement" category because of its contribution to strengthening farming and livestock activity in the area, thus strengthening the local residents' household income.

→ The Tarapacá Regional Mining Safety Council (CORESEMIN) recognized the SQM Nueva Victoria operations in three categories: Recognition for the work of the three Joint Committees on Hygiene and Safety, a second recognition for the work of Mining and Leaching Production Officer Nelson Torres, and a third award for being the Tarapacá Region mining company that had the most significant improvements in its safety indexes.



→ The Antofagasta Regional Mining Safety Council recognized the Joint Committees on Hygiene and Safety at the Salar de Atacama operations as the best in the owner-operator category.

→ In the context of the ninth International ASD Conference held during the pandemic, the Antofagasta ASD Foundation recognized SQM as one of the local companies that has actively supported the various activities that the fund develops as part of its commitment to creating a more inclusive society.





08.  
WORKFORCE AND  
LABOR RELATIONS





## SQM and Its Labor Force

DISCLOSURE 103-1/103-2/103-3

SQM employs 5,507 individuals in Chile and abroad as of December 2020. Most employees work at the Company's operations in the Tarapacá and Antofagasta regions of northern Chile.

It is important to SQM to be a good employer and to provide the necessary conditions for its employees' work and professional growth, as stated in our Sustainable Development Policy: We foster labor relations based on respect, generating the conditions necessary for each person to develop their skills. We value meritocracy and always favor equal opportunity, inclusiveness and diversity, non-discrimination and respect for human rights. We reinforced this commitment in 2020 with the publication of our Human Rights Policy and in 2019 in our Diversity and Inclusiveness Policy.

Human capital and employees' technical and intellectual capabilities are the basis for our business given our goals related to development, innovation and the quality of our products. Experience and competency are highly valuable for executing the business plan.

We put a great deal of effort into our selection and recruiting systems in order to build teams of diverse individuals and actively address issues such as inclusiveness and women in mining. In fact, given the unique attributes of

our industry and SQM in particular, our Company is made up of a team of individuals from different professions and trades, operators and technicians, men and women of different ages and nationalities, each of whom contributes their individual capacities, experience and skills.

### PERSONNEL AS OF DECEMBER 31, 2020

DISCLOSURE 102-7

The different positions within the Company are organized into: general staff, supervisory staff and executives.

- **Executives:** These mainly include company administration, managers, deputy managers, superintendents and other professionals responsible for departments.
- **Supervisory staff:** Professionals and technicians in various areas with advanced university or technical studies or proven experience in their field. They normally oversee a section or group of employees.
- **General staff:** Operators, technicians and administrative staff.



SQM provides an annual average of 12,909 jobs in Chile and around the world, including Company personnel and contractors.

EMPLOYEES ARE OUR MOST IMPORTANT ASSET. THAT IS WHY WE WORK TO CREATE GOOD WORKING CONDITIONS AND FOSTER PROFESSIONAL DEVELOPMENT AND PERMANENCY WITH THE COMPANY.



# 5,507

SQM EMPLOYEES IN CHILE AND AROUND THE WORLD



# 5,080

OF SQM'S EMPLOYEES WORK IN CHILE



# 427

EMPLOYEES WORK ABROAD



# 7,402

CONTRACTORS ANNUALLY ON AVERAGE IN 2020

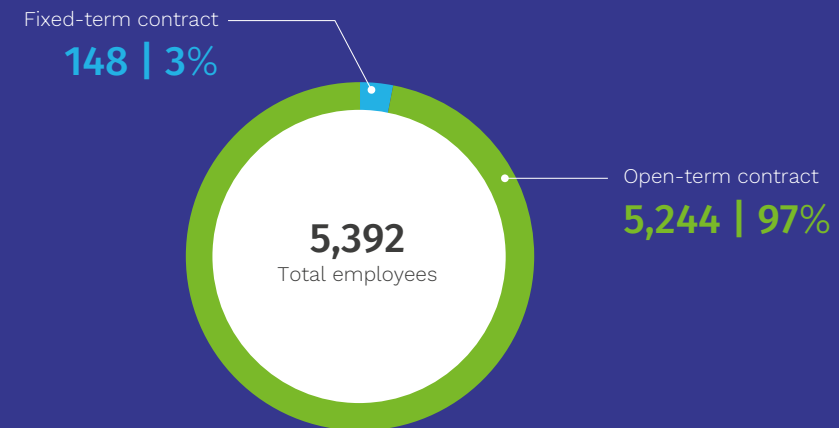


## Our Employees

SQM's workforce totaled 5,392 people as of December 31, 2020, which is less than the 5,565 that worked for the Company during the same period in 2019. This decrease is due to the Voluntary Retirement Plan that gave employees benefits in addition to those established by law.

This plan was offered to men over the age of 60 and women over the age of 55. There was also an Exit Plan that granted benefits in addition to those provided by law upon termination of work contracts.

### TOTAL EMPLOYEES BY EMPLOYMENT CONTRACT AND PERCENTAGE IN 2020



SQM employees form multidisciplinary teams and carry out duties at different production, commercial and administrative facilities.

NOTE: Four part-time workers: three with open-term contracts (two in Antofagasta—one male and one female—and one foreign male worker) and one male worker with a fixed-term contract in Antofagasta.

### TOTAL EMPLOYEES BY TYPE, EMPLOYMENT CONTRACT, GENDER AND REGION AS OF DECEMBER 31, 2020

DISCLOSURE 102-8

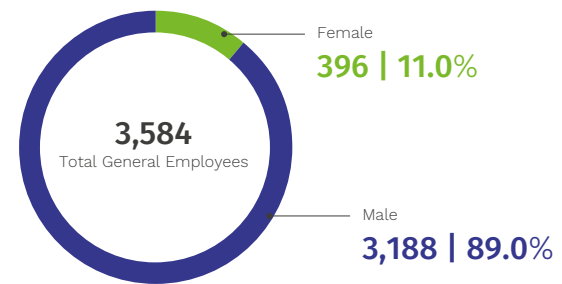
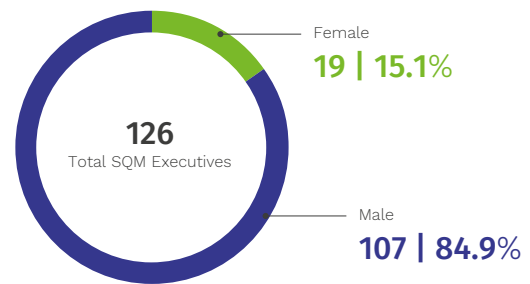
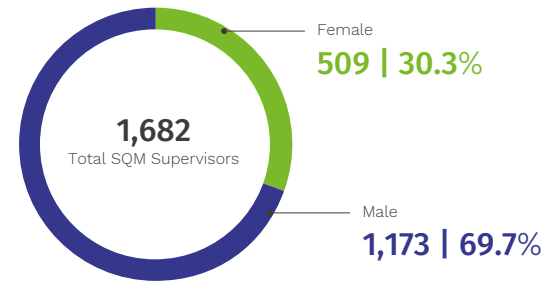
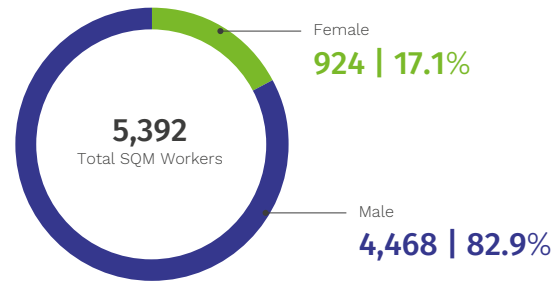
Region	Executives				Supervisors				General				Total				Total
	Open-term contract		Fixed-term contract		Open-term contract		Fixed-term contract		Open-term contract		Fixed-term contract		Open-term contract		Fixed-term contract		
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	
Metropolitan Region	62	13	0	0	229	139	2	3	37	31	0	0	328	183	2	3	516
Tarapacá Region	11	0	0	0	147	29	3	1	713	33	10	1	871	62	13	2	948
Antofagasta Region	28	6	0	0	621	191	7	14	2258	294	83	20	2907	491	90	34	3,522
Other regions	0	0	0	0	23	11	0	0	6	8	0	0	29	19	0	0	48
Overseas	6	0	0	0	139	121	2	0	79	9	2	0	224	130	4	0	358
	107	19	0	0	1,159	491	14	18	3,093	375	95	21	4,359	885	109	39	5,392

NOTE: -The Company has four part-time workers. Three have an open-term contract, 2 in Antofagasta (1 man and 1 woman) and 1 is a foreign national (1 man). One worker has a fixed-term contract in Antofagasta (1 man).

-The total labor force reported in disclosure 102-7 includes 69 people abroad and 46 people at Ajay, which comprise the holding.



## SQM EMPLOYEES BY CATEGORY, GENDER AND PERCENTAGE IN CHILE AND ABROAD IN 2020



## LABOR CATEGORIES BY TYPE AND GENDER

Functional Categories	Male	Female	Total
Senior management	48	12	60
Middle management	62	8	70
Junior management	440	94	534





## MAIN REGIONS WHERE EMPLOYEES WORK BY CATEGORY AND PERCENTAGE IN 2020

Location	No. Executives	%	No. Supervisors	%	No. General	%	SQM	%
% Employees in the Tarapacá and Antofagasta Regions out of Total Number of Employees	45	35.7%	1,013	60.2%	3,412	95.2%	4,470	82.9%
% Employees in the Metropolitan Region out of Total Number of Employees	75	59.5%	373	22.2%	68	1.9%	516	9.6%

## SENIOR EXECUTIVES HIRED AT THE LOCAL LEVEL

### DISCLOSURE 202-2

SQM considers “local” to be the Tarapacá and Antofagasta Regions in northern Chile, which is where the main production centers are located.

Home Region	No. Executives
Tarapacá Region	6
Antofagasta Region	29
Metropolitan Region	5
Other regions	4
<b>Total</b>	<b>44</b>
% of executives that work in and originate from Tarapacá and Antofagasta regions	79.5%
% of executives that work in and originate from Metropolitan Region	86.7%

# 79.5%

OF EXECUTIVES WHO WORK IN THE TARAPACÁ AND ANTOFAGASTA REGIONS COME FROM THOSE REGIONS





**PERSONNEL IN CHILE AND OVERSEAS BY AGE GROUP, GENDER AND GEOGRAPHIC DISTRIBUTION AS OF DECEMBER 31, 2020**

DISCLOSURE 405-1 / 413-1

Region (Origin)	Under 30		30 to 40		41 to 50		51 to 60		61 to 70		Over 70		Total
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	
Metropolitan Region	58	35	192	82	90	44	39	7	10	7	0	0	564
Tarapacá Region	83	11	189	25	129	7	75	3	11	0	0	0	533
Antofagasta Region	297	107	605	203	429	84	352	37	118	5	3	0	2,240
Other regions	225	56	718	105	553	71	248	32	43	3	1	0	2,055
	663	209	1,704	415	1,201	206	714	79	182	15	4	0	5,392

**12.17%**

COMPANY'S TOTAL TURNOVER RATE  
IN CHILE IN 2020

**TURNOVER, NEW HIRES**

DISCLOSURE 401-1

**WORKERS IN CHILE IN 2020 BY CONTRACT TYPE, GENDER AND AGE GROUP.**

Distribution	Male	Female
Under 30	9.47%	15.91%
30 - 40	13.38%	22.78%
41 - 50	9.53%	15.04%
Over 50	12.89%	7.91%
<b>Total</b>	<b>11.34%</b>	<b>16.76%</b>

**PEOPLE WHO JOINED THE COMPANY IN CHILE IN 2020 BY AGE GROUP AND GENDER**

Distribution	Male	Female
Under 30	156	60
30 - 40	150	58
41 - 50	56	18
Over 50	22	2
<b>Total</b>	<b>384</b>	<b>138</b>

**PEOPLE WHO LEFT THE COMPANY IN CHILE IN 2020 BY AGE GROUP AND GENDER**

Distribution	Male	Female
Under 30	66	31
30 - 40	221	60
41 - 50	136	16
Over 50	178	18
<b>Total</b>	<b>601</b>	<b>125</b>



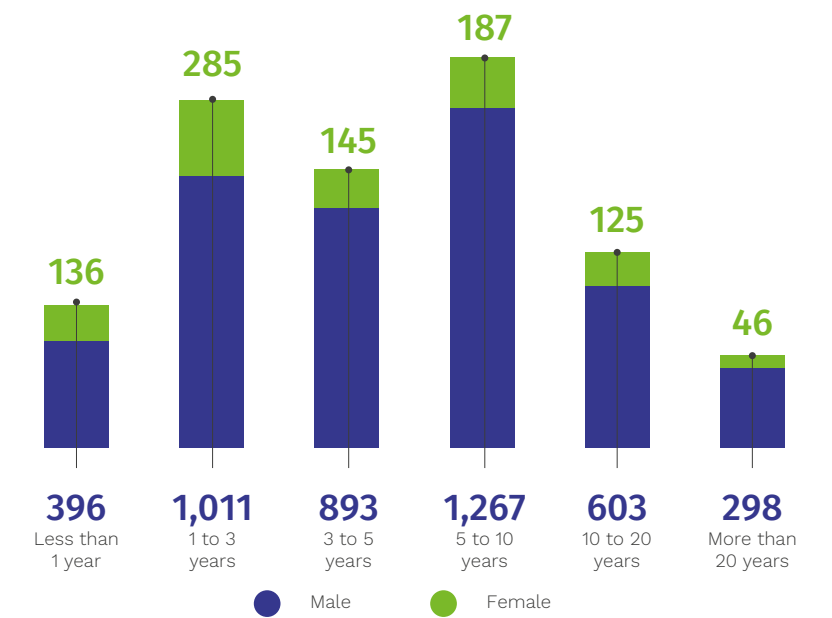


Port of Tocopilla

### PERMANENCE OF WORKERS AT SQM

Our employees are characterized by their extended service and the career paths that they have within the Company. It is not uncommon to find individuals with over 20 years of continuous service with SQM.

### PERMANENCE OF WORKERS AT SQM





## Participation and Inclusiveness

Last year we published our Diversity and Inclusiveness Policy, which covers the various levels of the Company. Its purpose is to generate equality and opportunities for all, with the understanding that individuals from different age groups and nationalities as well as men and women from the communities near our operations work for SQM, as do individuals with disabilities. We seek to generate the opportunities and conditions that allow them to join the organization and develop both personally and professionally.

During 2020, we have also improved our selection processes to facilitate meritocracy, thereby attracting diverse, talented people to the organization that are open to developing their skills. We have a large database—with over 3,000 entries—of people who have applied to work for the Company through [www.trabajaensqm.com](http://www.trabajaensqm.com). When we launch a search, we review this information, initiating what we call an “active search.” We identify those who have the required technical and professional conditions, including everyone who would have fewer opportunities in a

traditional process, such as individuals with disabilities and women. Once we identify these candidates, they are added to open searches along with other participants, which gives us the opportunity to evaluate a heterogeneous group of applicants who have the same capacity for performing a given job.

This methodology has allowed us to hire individuals with disabilities and to have the first female maintenance mechanic and boom crane truck operators join the Company. These people would generally be excluded due to self-marginalization of the applicant, among other reasons.

In parallel, SQM is working on adapting its workplace conditions and spaces to facilitate the gradual incorporation of people with disabilities. As of December 31st, 33 people with disabilities work in Chile.



**We have continued to improve our selection processes to facilitate meritocracy, thereby attracting diverse, talented people to the organization that are open to developing their skills.**

**OUR COMPANY'S GOAL IS TO PROVIDE OPPORTUNITIES FOR PEOPLE WITH DISABILITIES TO JOIN THE WORKFORCE, THEREBY CREATING EQUALITY OF RIGHTS AND RESPONSIBILITIES.**

### INCLUSIVE LABOR PRACTICES

At SQM, we strive to be an inclusive company, creating spaces in which everyone feels comfortable in our offices and work sites, including students who complete their professional Internships with us. In this spirit, our Coya Sur computer lab has received student interns with disabilities for two years.

The area has been adjusted to be inclusive. It hosted a student from the Diego Portales Portezuelo High School (Tocopilla), an inclusive school that trains young people with disabilities, for the third consecutive year in 2020.

The department's staff has been trained in sign language, allowing them to work with inclusive education students and to work with them without any obstacles, breaking down barriers.



This allowed the students to learn to use programs, build and clean computers, visit various parts of the site and interact with other workers that come to get their devices fixed.

This allows the students to adapt to the work world and acquire in-depth knowledge about a field that they may join when they finish high school.



In 2020, we actively participated in “expoinclusion.cl,” a meeting space for companies, the public sector, academia, enterprises and foundations focused on inclusion of individuals with disabilities and older people. The goal was to focus on their rights and provide them tools. SQM had a virtual stand and invited participants to apply for jobs with the Company.





Port of Tocopilla

## Women at SQM

One of our goals is to form heterogeneous teams and expand the female workforce at all levels throughout the organization. At the end of 2020, 17.1% of our workforce was female (amounting to 924 women). This figure is much higher than the rest of the mining industry, where on average the female workforce is 12%, according to the Women in Mining Working Group. This group, made up of representatives from the Ministry of Mining, Ministry of Women and Gender Equity and a large number of mining companies, aims to increase average female participation in

mining in Chile to 18% by 2025. At SQM we have set a goal of 20% by 2021.

As part of our active participation in the Women in Mining Working Group, we signed the “Mining Industry Decalogue for Including Women and Balancing Work, Family and Personal Life,” committing to this initiative as an organization at the highest level.

We are also part of the gender working groups led by the Regional Ministerial Secretariats of Mining of Antofagasta and

Tarapacá, which seek to create a regional strategy in Chile that encourages the incorporation of female human capital.

We participate in various fora and sessions on gender equity and equal opportunities such as: ICARE, ministries, REDEG + Mujeres, a network to promote the inclusion of women in sectors that continue to present major gaps and the Women's Economic Forum (WEF), the only international forum focused on women's economic empowerment, which will be held in Chile in 2021.

We recently joined the UN Women Win-Win project, an initiative that seeks to comply with the Global Compact objectives in order to reach the 2030 Agenda Sustainable Development Goals.

At the regional level, we held training and motivational talks for female students from the professional technical schools with which we have connections, encouraging them to choose areas in which there are low levels of females such as mechanics, electronics and equipment operations.



WE AIM TO HAVE A

**20%**

FEMALE WORKFORCE BY 2021



**17.1%**

OF SQM'S STAFF IS FEMALE



In 2020, we worked towards the implementation of Chilean Standard 3262, which seeks to promote gender equality and have a positive impact on organizations, people and their surroundings. This initiative proposes the implementation of a Gender Equality and Conciliation Management System (SIGIGC in Spanish) on shared responsibility for balancing professional, family and personal life within organizations.

We understand that achieving a sustained increase in female workforce involves promoting work, family and personal life balance in order to ensure that female workers remain in their positions and allow them to develop their careers.

As part of our commitment and in order to achieve this goal, we provide benefits to mothers of newborns who work at the María Elena, Coya Sur and Pedro de Valdivia operations. They can opt to use accommodation facilities in the town of María Elena so that they can be with their child under the age of two. We also created a daycare facility in that municipality that will provide care for workers' children seven days a week based on their 7x7 work shifts.

We also outfitted a breastfeeding room and changing rooms in order to make maternity and work compatible in our corporate building in Santiago.

## PATERNITY AND MATERNITY

### LEAVE IN 2020

DISCLOSURE 401-3

Data for maternity and paternity leave:

Prenatal	24
Maternity	32
Paternity	27

\*Only women used this type of leave in 2020.

## EMPLOYEE RELATIONS

DISCLOSURE 102-37 / 102-41 / 402-1 / 407-1

Cooperation and respect by and between our workers is fundamental, which is why we meet regularly with our employees to maintain and foster smooth, collaborative relations.

We also engage in collective bargaining processes to address diverse topics such as wage adjustments and benefits and other matters of interest to workers and the Company. The Company recognizes employees' freedom of association. We reaffirmed this commitment in our Human Rights

Policy, which reflects our respect for human rights in strict compliance with the labor rights recognized in national legislation and the main instruments of the International Labour Organisation. We are also committed to respecting our workers' right to freedom and right to association, seeking to create spaces of informed and transparent dialogue that allow mutually beneficial agreements to be reached.

As of December 31, 2020, 92.2% of our employees were hired in Chile, and 67% were represented by 20 workers' unions. As of that same date, we were renegotiating collective agreements with 13 unions in advance, and should negotiate with the other seven during 2021. Collective agreements are renegotiated every three years.

As of December 31, 2020, 68.31%<sup>2</sup> of SQM employees are covered by a collective bargaining agreement. These workers are based at the main production centers in: María Elena, Pedro de Valdivia, Coya Sur, Salar de Atacama, Salar del Carmen, Nueva Victoria, Tocopilla, Antofagasta and Santiago.

In regard to the significant changes policy for operational changes that could impact workers and their compensation, SQM periodically meets with unions to explain the origin and expected effect of any such operating changes that may

affect workers and their compensation. Notice is given based on the degree to which the change may affect them. In the event of a significant change, notice is usually given two months in advance.

SQM IS COMMITTED TO THE ERADICATION OF CHILD LABOR AND FORCED OR COMPULSORY LABOR. IT PROHIBITS THIS TYPE OF PRACTICES AT THE COMPANY AND WITHIN ITS SUPPLY CHAIN AND WITH ALL ITS COMMERCIAL AND BUSINESS RELATIONS.



ABSENTEEISM 2020:

**3.72%**


INCLUDES PRE-NATAL AND MATERNITY LEAVE

<sup>2</sup> The percentage difference between unionized workers and workers covered by collective bargaining agreements is due to the fact that some workers were part of the negotiation process and are covered by that agreement until it expires, but were not union members as of December 31st. In other words, they left their union after the negotiation process.

Under Chilean law, the benefits of collective bargaining processes apply until the agreement expires.







ALL OF THE BENEFITS THAT THE COMPANY PROVIDES ARE EVALUATED REGULARLY TO IDENTIFY OPPORTUNITIES FOR IMPROVEMENT, PARTICULARLY IF OUR EMPLOYEES AND THEIR FAMILIES NEED ADDITIONAL SUPPORT BECAUSE OF SPECIAL CIRCUMSTANCES.

## Benefits for Our Workers

DISCLOSURE 102-36 / 401-2 / 201-3

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:

- National holiday and Christmas bonuses.
- Special bonuses: education, funeral assistance, marriage and birth.
- Special leave: death, marriage, moving and mammograms or prostate screenings.
- Life insurance for each employee that covers natural or accidental death and disability.
- Supplementary health insurance.
- Catastrophic health insurance.
- Dental insurance.
- Termination benefits in case of employee resignation with varying benefits based on position.
- University scholarships for employees' children who demonstrate academic excellence.
- University and graduate-level scholarships for outstanding employees.
- Group Voluntary Retirement Savings (APVG in Spanish): Partial matching agreement to encourage employees to save for retirement.
- Gift upon the birth of a son or daughter for employees with open-term contracts.
- Celebration of special days in our offices and at our work sites: Father's Day, Mother's Day, Women's Day, Secretary's Day, Mining Day and Labor Day.
- Box of traditional Christmas foods for each employee and his or her family.
- Christmas gifts for sons/daughters and/or dependents under 12 years of age.
- Birthday gifts for all employees with open- or fixed-term contracts.
- The Company adjusts salaries annually, in September, based on a comparative compensation study of companies from comparable industries. This ensures fair and transparent salaries for non-unionized employees.

- Preferential plans are offered under agreements with gyms and mobile phone companies.
- Agreements with clinics to provide employees or their dependents with care.
- Agreements with other companies to access special rates.
- Activities to provide information on topics of interest such as savings, healthcare and the benefits system.

In 2020, we made various improvements to our accommodation facilities in order to provide the health conditions necessary to operate during the pandemic and protect the wellbeing of our workers and contractors.



It is important to SQM to provide good conditions for our workers while they perform their roles at the Company's facilities. In this spirit, we are constantly improving the infrastructure and services provided at accommodation facilities and offices.





Nueva Victoria operations

## Scholarships for Employees and Their Children

DISCLOSURE 404-2

Given the priority the Company places on the professional and educational development of its employees and their children, SQM's Excellence Scholarship program has granted 1,124 scholarships since created.

A total of 144 scholarships were awarded in 2020 to individuals who demonstrated outstanding academic effort and dedication.

Types of Scholarships	2020	2019	2018
University and graduate-level scholarships for SQM employees.	69	47	45
Academic excellence scholarships for sons and daughters of employees.	75	70	64



**144**

EDUCATION SCHOLARSHIPS AWARDED IN 2020



**1,124**

EDUCATION SCHOLARSHIPS GRANTED TO EMPLOYEES AND THEIR CHILDREN AS OF DECEMBER 2020



## MOBILITY PROGRAM

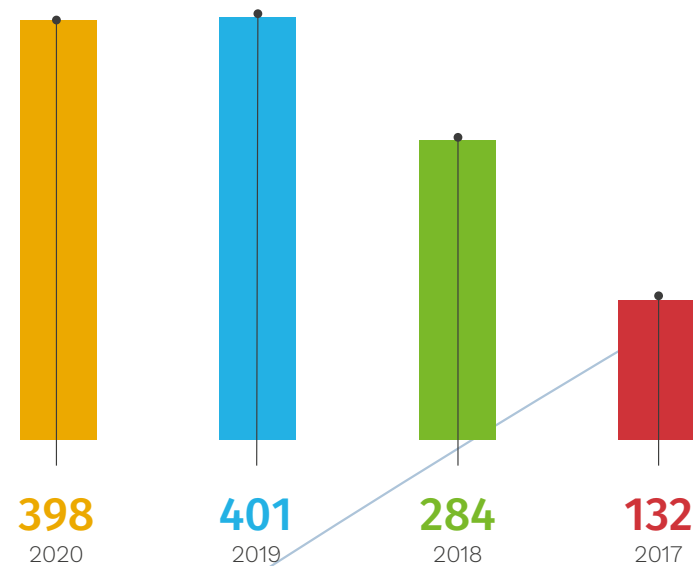
SQM's Internal Mobility Program is a corporate practice centered around promoting the professional development of our employees through recognition and opportunities to grow within the Company, according to their skills, abilities and experience. It has been in place for more than a decade.

General and supervisory staff may apply to vacant positions within the Company. They receive preferential treatment in promotion or lateral movement processes in order to allow them to develop in other areas in which their knowledge and skills are needed.

This generates benefits in terms of organizational culture, such as:

- Encouraging good performance and meritocracy.
- Retaining and rewarding the best talent.
- Reinforcing commitment and motivation.
- Favoring opportunities for personal development.
- Increasing employability by providing learning opportunities within the organization.
- Enriching the Company through collaboration among areas.
- Strengthening the idea that people are valuable assets for the Company.

### NUMBER OF EMPLOYEES WHO HAVE CHANGED JOBS THANKS TO THE INTERNAL MOBILITY PROGRAM



**+398**  
WORKERS CHANGED POSITIONS IN 2020



## Bringing Training Closer to Our Employees

DISCLOSURE 404-2

In 2020, we continued to strongly promote the portal [www.sqmaprende.com](http://www.sqmaprende.com), an online training site that was indispensable due to social distancing measures. This tool allows employees to receive new training on an ongoing basis using any device.

The site offers interactive videos designed to complement learning. Students who complete their courses receive a certificate that states that they met the expectations.

The courses that we offer include: SQM Corporate Orientation, Defensive Driving, M1 Tools for Safety, Plant Maintenance Skill Matrix, Phishing Awareness Training, SAP Support Material, and others.

In an effort to improve our employees' learning, we also held a series of lectures by company leaders in Chile and our sales offices abroad in the context of the COVID-19 crisis.

### WORKPLACE TRAINING

DISCLOSURE 404-1 / 404-2

At SQM, our workers are constantly trained on matters related to their jobs with a view to supporting their professional development and performance excellence.

During 2020, there was a decrease in training rates such as the number of workers trained, number of training hours and investment, due to the implementation of public health protocols and social distancing measures, which prevented us from holding some of the large-scale in person training programs.

The main issues addressed at training sessions during the reporting period were: Risk prevention (legal certification and corporate standards), technical skills and skill matrices, e-learning orientation, skill development, technology and language courses.

SQM Leaders Lecture Series	
Talk	Participants
Crisis Leadership	424 supervisors and 44 lead operators and heads of repair
Assertive Communication	373 supervisors
Telecommuting Tools	154 supervisors
Extraordinary Leaders	85 supervisors
Personal Development and Performance Management	239 supervisors



**3,847**

SQM EMPLOYEES TRAINED IN 2020



**64,598**

TRAINING HOURS



**ThUS\$484**

INVESTED IN TRAINING, INCLUDING COST COVERED BY SENCE AND THE COMPANY





#### AVERAGE TRAINING HOURS PER EMPLOYEE BY CATEGORY

Employee Category	Total Training Hours, All Employees, 2020	No. of Employees 2020	Indicator
Operators	19,778	2,039	9.7
Administrative staff	2,429	110	22.1
Executives	2,479	99	25.0
Professionals	21,185	1,569	13.5
Technicians	18,727	1,575	11.9
	64,598	5,392	12.0

#### AVERAGE TRAINING HOURS PER FEMALE EMPLOYEE

Employee Category	Total Training Hours, Female Employees, 2020	No. of Female Employees 2020	Indicator
Operators	3,561	109	32.7
Administrative staff	809	69	11.7
Executives	531	18	29.5
Professionals	6,167	472	13.1
Technicians	4,417	256	17.3
	15,485	924	16.8

#### AVERAGE TRAINING HOURS PER MALE EMPLOYEE

Employee Category	Total Training Hours, Male Employees, 2020	No. of Male Employees, 2020	Indicator
Operators	16,217	1,930	8.4
Administrative staff	1,620	41	39.5
Executives	1,948	81	24.0
Professionals	15,018	1,097	13.7
Technicians	14,310	1,319	10.8
	49,113	4,468	11.0







Port of Tocopilla

### PULSO SQM

We continued to implement the Pulso SQM survey in order to gather information on aspects such as employee commitment, satisfaction, communication and work environment.

This tool allows us to measure groups of people from different areas, identifying strengths and opportunities that allow us to build a good workplace environment in which workers feel motivated, recognized and committed in addition to promoting positive leaders.

In order to measure satisfaction, we ask three questions on aspects related to perception, as to whether the Company is a satisfactory and healthy place to work, on a scale of 1 to 5.

In order to measure engagement, we asked four questions that quantify perception related to pride of belonging to the organization, vigor (energy and positive sensation displayed at work) and discretionary effort, among other variables.



# 2,790

PULSO SQM 2020 PARTICIPANTS



# 3

VICE-PRESIDENTS OF OPERATIONS AND OFFICES IN ANTOFAGASTA AND SANTIAGO WERE ASSESSED



# 81.5%

OF SURVEY RESPONDENTS STATE THAT SQM PROVIDES LEARNING AND DEVELOPMENT OPPORTUNITIES.



# 83.7%

OF SURVEY RESPONDENTS STATE THAT LEADERS COMMUNICATE THE PURPOSE OF THE WORK, PROVIDE OPPORTUNITIES TO SUGGEST IMPROVEMENTS AND FOLLOW UP.



# 88%

OF PEOPLE ARE ACTIVELY ENGAGED



# 84.5%

SATISFACTION RATE



## Performance Evaluation Program

DISCLOSURE 404-4

Every year our employees must undergo performance evaluations consisting of a self-assessment and a supervisor assessment, coupled with feedback from both parties.

Evaluations begin in the month of January for supervisors and executives, followed by general employee evaluations in April.

### EMPLOYEES EVALUATED BY CATEGORY, GENDER AND PERCENTAGE IN 2020

Performance Evaluations	Individuals Evaluated	% Evaluated
TOTAL EVALUATED	4855	94.6%
Supervisors and Executives	1595	92.1%
General	3266	95.9%
<b>MALE</b>		
Supervisor, Male	1084	95.6%
General, Male	2916	96.1%
<b>FEMALE</b>		
Supervisor, Female	418	88.5%
General, Female	346	94.5%



**4,855**

EMPLOYEES WERE EVALUATED IN 2020

WE ENCOURAGE RECOGNITION OF EMPLOYEE MERIT. THIS WAY OF WORKING SERVES AS A PATH TO PROFESSIONAL GROWTH THAT FAVORS CONTINUOUS IMPROVEMENT.

## Recognizing Our Employees

We continue to promote the VIVO Recognition Program, which is part of our M1 operational excellence system. Workers can award recognitions online or using an app. These awards can be given between peers, to supervisors or people in other areas or entire teams at any of the Company's production centers.

During 2020, 21,977 recognitions were awarded through the VIVO platform. This represents a 60.7% increase over 2019, when 13,679 recognitions were made.

In total, 3,531 individuals were recognized by 1,331 people.

The pillars of this program are: People Development, Continuous Improvement, Common Goals and Efficient Processes.

Recognition Program	Total People Recognized	Men Recognized	Women Recognized
Total Awards	295	255	40
Recognition for Years of Service	208	181	27
Recognition for Best Worker	87	74	13



**21,997**

AWARDS GIVEN THROUGH THE VIVO PLATFORM







09.  
THE VALUE OF  
SAFETY





**DISCLOSURE 103-1 / 103-2 / 103-3 / 403-7 (2018)**

Safety is a company value. We work to have safe, accident-free operations where care for people is a priority organizational commitment that moves us every day.

We promote a culture of prevention and extend this work into our employees' family environment.

We have a Sustainable Development Policy that establishes a commitment to the sustainable development of our business and guarantees Occupational Health and Safety and respect for the people who work in our facilities, our community and our customers.

In this context, we develop and implement preventative management that can identify and encourage behaviors and conditions that guarantee care for everyone who works at our sites, on our projects and in our offices.

As part of the implementation of commitments to occupational health and safety, we have developed a Comprehensive Occupational Health and Safety System. Its purposes are to:

- 1.** Establish obligations and responsibilities in order to adopt the measures necessary to effectively protect and safeguard the life and health of all SQM workers, including contractors and subcontractors.
- 2.** Define and establish rules that can be used to control all of the risks inherent to our processes in order to define and establish the minimum occupational health and safety management specifications.
- 3.** Safeguard the facilities, equipment, machinery and critical materials related to the operations and processes developed at SQM.





## Operational Risk Management System

**DISCLOSURE 403-1 (2018) 403-8 (2018)**  
SQM has developed an Operational Risk Management System (SIGGRO), which contains a set of activities grouped into 13 elements to facilitate and standardize company-wide prevention management and control occupational risks and losses that could potentially occur at its different operations.

SIGGRO is a mandatory application for everyone who is part of the Company, including employees, contractors, visitors or those who work at production sites, projects and offices.

All activities carried out under SIGGRO are part of the Operational Excellence Program, called M1, through which the Company is able to standardize the suite of Lean system tools provided under M1 to risk management, thereby providing better outcomes.

The principles of our management system are:

1. Leadership.
2. Behavior-based prevention.
3. Joint Committees on Hygiene and Safety, JCHS.
4. Reporting and investigating incidents.
5. On-site activities.
6. Compliance.
7. Contractor oversight.
8. Personal protective equipment.
9. Occupational hygiene and health.
10. Emergency plans.
11. Ongoing training
12. Order and cleanliness.
13. Management System Audit

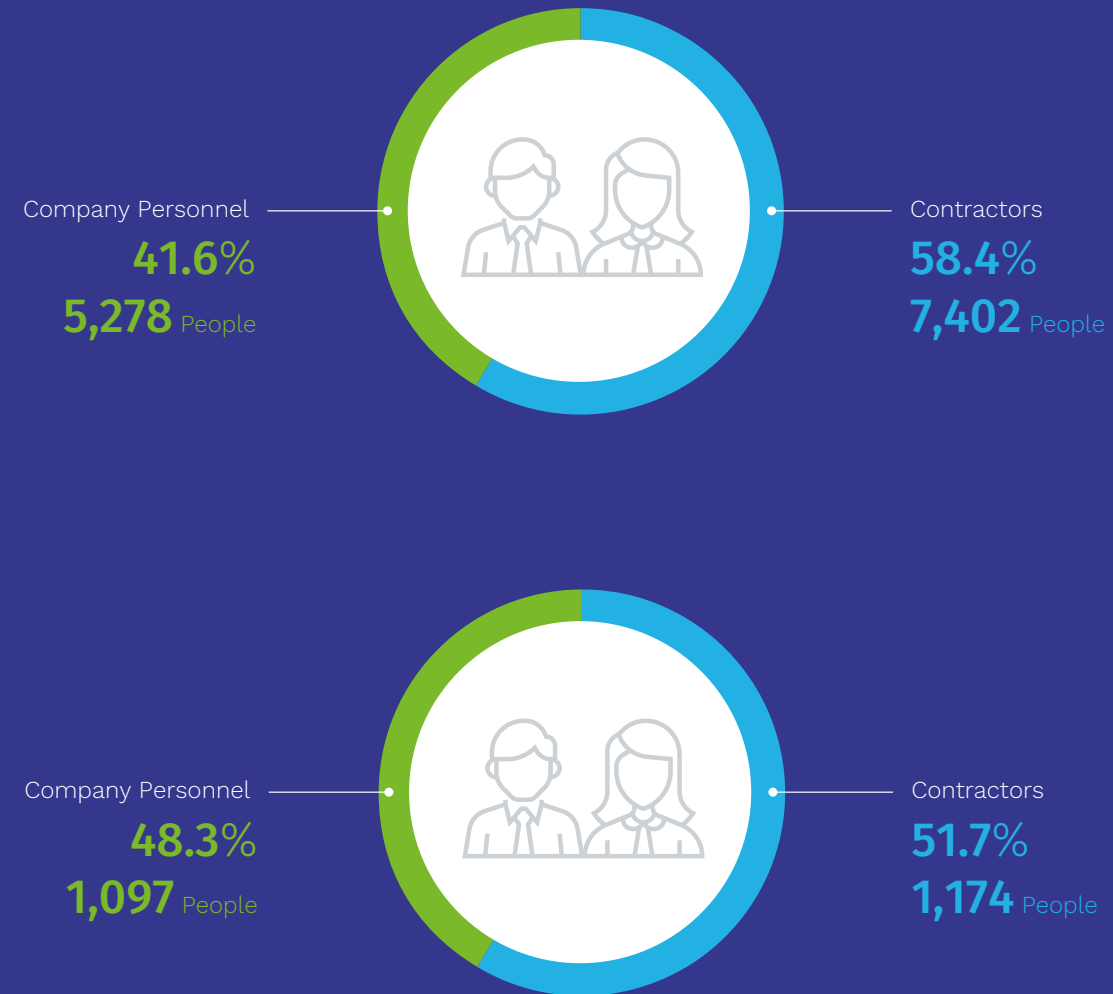
**DISCLOSURE 403-2 (2018)**

In this context, as part of the Occupational Health and Safety Management System, at SQM we have implemented a continuous and systematic process for identifying hazards and evaluating health and safety for workers, contractors and anyone who works in or enters the operations in order to guarantee that we deliver on the established health and safety commitments.

We have defined a procedure that establishes the methodology for creating Critical Inventories by identifying hazards and assessing risks associated with the tasks performed in the different operations areas. This activity allows for the identification of hazards and evaluation of risks to establish the required effective controls. The procedure establishes the identification and implementation of controls for occupational health and safety issues, which are evaluated to determine the level of control of each risk evaluated and to generate the necessary action plans to ensure effective control.

This procedure applies to all SQM work areas, including contractors and sub-contractors.

### SISGRO COVERAGE IS:



NOTE: Employees and non-employee workers whose work or place of work are controlled by SQM and are covered by the SQM SIGGRO system subject to the Company's internal auditing.

\* Corresponds to SQM employees and contractors who have been identified as exposed to operational risks.

NOTE: Employees and non-employee workers who work at the Nueva Victoria operations in the Tarapacá Region whose work or workplace are controlled by SQM and are covered by the SQM SIGGRO. This group of workers is subject to the safety audit for Responsible Care conducted by the Chilean Chemical Industries Association.

Some of the legal requirements that are applicable to our Operational Risk Management System are: Labor Code / Law No. 16.744 of the Ministry of Labor and Social Security, the Undersecretary of Social Security, which establishes rules on job-related accidents and illnesses and its complementary Supreme Decrees (SD). /S.D. 101 Approves regulations for the application of Law 16,744. /S.D. 109 Approves regulations for the classification and evaluation of occupational illnesses and accidents. /S.D. 54 Approves regulations on the formation and operation of Joint Committees on Hygiene and Safety, /S.D. 40 Approves regulations on preventing professional risks, /S.D. 76 Approves regulations for the application of Article 66 BIS of Law No. 16.744 on management of occupational health and safety at work sites, projects or services listed. /S.D. No. 594 Approves regulations on basic health and environmental conditions in workplaces. /S.D. No. 18 Approves regulations on radiological protection of radioactive facilities. /S.D. No. 18 Personal Protective Equipment Quality Certification for occupational risks /Law No. 20.123 Regulating Work in the Subcontracting Regime. /S.D. No. 72, whose consolidated, organized and coordinated text is contained in SD No. 132, both on Mining Safety Regulation.





In order to create Critical Inventories, each department and/or superintendency must identify and validate the processes and subprocesses that they perform so that they can be documented and identified. The steps of these processes are:

#### 1. IDENTIFICATION OF HAZARDS AND RISKS:

- For each task, team and work area, we identify the hazards that may be present before, during or after their execution or use.
- For each hazard identified, the potential risks or incidents that could result in damage to or deterioration of health or a fatality must be input. If not, operational controls that eliminate or minimize them are established.

#### 2. INITIAL RISK LEVEL ASSESSMENT:

- Each hazard is evaluated, estimating its likelihood and most likely consequence of the risk or potential incident. The values are set out in the procedure.
- The initial risk level assessment associated with the hazard is conducted by determining the likelihood and consequence if there were no controls. The combination of these two variables yields the initial risk level. The risk level is the indicator of the criticalness of the hazard evaluated from the perspective of occupational health and safety.

We note that based on SQM policies and goals, there are greater and more extreme consequences that cannot be considered admissible even when there is a low likelihood that they will occur.

#### 3. IDENTIFICATION OF THE ROOT CAUSE OR CAUSES:

- For each hazard, the root cause or causes must be identified.
- A root cause is anything that makes the existence of a hazard probable.

#### 4. IDENTIFICATION OF DIRECT AND INDIRECT OPERATIONAL CONTROLS:

Operational controls are established for each root cause identified. These are actions that workers and the line of command must perform in order to eliminate or minimize the occurrence of a hazard during the execution of a task or use of a piece of equipment or area. These controls may be:

- Direct Operational Controls: The Company must establish, implement and maintain controls that will be executed before, during and after the performance of a task in order to prevent the hazards identified from becoming direct causes of an incident. Direct operational controls are performed by workers and should focus on correct work practices and the use of personal and collective protection systems.

- Indirect Operational Controls: Actions that the line of command executes. These are oriented towards eliminating the hazard, replacing elements, updating procedures and establishing and implementing engineering controls before, during and after the execution of the task.

Critical inventories must be reviewed and updated at least once per year based on new processes, changes in processes that have created new hazards, changes in operational controls and data obtained from the findings of inspection and hazard observation and detection programs. These inventories must always have the signatures of the evaluators and approval.





Nueva Victoria operations

### INCIDENT INVESTIGATION PROCESS:

At SQM we conduct investigations and establish control measures for incidents that occur in our facilities. We also inform the respective authorities in accordance with their specific regulations. In order to ensure compliance, there is a Procedures Document for Accident Investigations. This document is used to record:

1. Who is responsible for the investigation process.
2. Internal reporting of accidents and external reports to authorities.
3. Description of process, steps of the investigation.
4. Establishment of corrective measures using the control hierarchy.
5. The investigative team is formed based on the potential of the accident.

Every incident and accident with and without lost time and material damages and operational failures are recorded and investigated in accordance with the respective procedure. These are presented and discussed at Board meetings and Executive Operations Committee meetings in order to identify lessons learned and improve processes. The Central Occupational Health and Safety Superintendency records the statistical indicators associated with the Lost-Time Injury Frequency Index (LTIFR) and the Severity Index (SI) as well as the Combined Frequency Index (CFI), which considers incidents with and without lost time. Furthermore, it covers incidents with significant potential that allow us to cover both accidents resulting in injury as well as those that have a significant potential to result in injury.



Since 2012, SQM has been a member of the Chilean Safety Association (ACHS), which provides medical attention in the event of accidents as well as advice to ensure ongoing compliance with health and safety standards.



**DISCLOSURE 403-3 (2018)/ 403-6 (2018)**

The SQM Management System establishes that:

1. All processes, areas and teams must have risk assessments and control measures based on the magnitude of the risk.
2. The areas conduct qualitative and quantitative analyses based on the risks identified and define the groups of risk of exposure similar to the agents of risk.
3. Accordingly, pre-occupational and occupational tests are conducted based on the risk group and controls required by risk management standards such as examining physical height for workers exposed to the risk and audio readings for exposure to noise.
4. Once the reports and qualitative and quantitative assessment results are submitted, they are disseminated to all staff members exposed in those work areas, and a record of the activity is made.
5. We oversee and monitor accidents and incidents related to occupational health and safety, communicating through alerts and safety reflections that provide detailed information on the incident, the background of the accident, how to avoid it and related photographs. There are also monthly reports containing statistical indicators of frequency, seriousness and combined frequency.

6. An audit of the risk management system is conducted at least once a year.

The occupational health assessments set out in Law No. 16.744 assess medical conditions or personal risk factors, considering that individuals are exposed to specific work conditions or specific professional risk factors that could make them more susceptible to suffering a work-related accident or contracting a professional illness. The types of occupational health assessments are:

- Assessment of the health status of workers who are exposed to certain risk factors in the performance of their duties, such as tasks completed at a physical height.
- Assessment of the health status of workers who are exposed to specific labor conditions such as geographic latitude or hyperbaric conditions.

The occupational health assessment is performed in the following circumstances as well:

- Prior to performing a new activity, task or position exposed to certain risk factors or specific work conditions.
- While performing activities that present exposure to certain risk factors or specific work conditions. The examinations are performed based on:
  - The relevance of the requirement, reviewing the activity to determine whether the worker performing it implies exposure to certain risk factors or specific work conditions.

- Maintaining a record of occupational health assessments conducted on workers, including, at a minimum, the workers' names, risk factors and specific work condition that led to the assessment. A record of communications to the Company must also be maintained.

The result of the occupational health assessment could indicate:

- No evidence of health changes that contraindicates execution of the task.
- Evidence of health changes that temporarily contraindicates execution of the task, which could be corrected through a health intervention.
- Evidence of health changes that contraindicate execution of the task.

When the result of the occupational health assessment states that evidence of health changes temporarily contraindicates execution of the task, SQM receives the assessment result and reassesses the worker with the information required to do so.

The results of the tests are only handed over with the worker's authorized signature in accordance with Law No. 19628 on Protection of Private Life.

At SQM, all of our clinics and first aid rooms have ambulances and medical and paramedical personnel. Depending on the type of health facility, there is a polyclinic or first aid room for conducting medical assessments, invasive and

non-invasive procedures and initial treatments.

All workers who suffer a job-related accident on site are stabilized in these centers. We also provide care to any worker who seeks it for a likely professional or co-morbidity illness, and handle coordination of care or referral if warranted.

Workers on site have 24-hour access to primary care centers. If necessary, employees are transferred to more sophisticated medical centers in ambulances kept on site at each operational center.

The purpose of these health services is to maintain an optimal level of health by providing comprehensive healthcare.

We also promote wellbeing in accordance with Chilean Health Ministry recommendations based on the unique characteristics of the population at each site through these clinics and first aid rooms. Our staff identify and notify employees of the main risk factors for high-prevalence illnesses such as smoking, excessive use of alcohol and obesity, which are linked to cardiovascular illnesses, cancer, hepatic cirrhosis, diabetes mellitus and other conditions, at each of our operations. We hold annual health prevention and promotion programs for each site in order to decrease the appearance of chronic adult pathologies and acute pathologies unique to the working population. Finally, we encourage staff to participate in fun activities at our work sites in areas related to their skills as well as alcohol and drug use prevention programs at each site.





#### DISCLOSURE 403-4 (2018)

In our Sustainable Development Policy, we make a commitment to maintain open, ongoing communication with our employees, contractors, customers, shareholders, neighbors and authorities, keeping them periodically appraised of our performance. We use various channels to communicate with employees.

We have developed and implemented communication processes such as orientation courses and training activities for employees during which we present topics related to occupational health and safety. These include any accidents or incidents that have occurred, labor risks inherent to processes and means for their effective control, emergency situations and their responses to such events.

In addition, the Occupational Health and Safety Management System requires operations to develop preventative tools designed to maintain ongoing feedback related to conditions and risky actions that could harm workers' health, the facilities and the environment. These include: Discussions of performance, inspections and planned observations, hazard identification, role and process confirmations, among others.

The work of the Joint Committees on Hygiene and Safety is also fundamental in risk prevention. SQM has Joint Committees on Hygiene and Safety comprised of Company and worker representatives whose decisions, which are made in the exercise of the duties outlined in Law No. 16.844, are mandatory for the Company and its employees.

The Joint Committees on Hygiene and Safety are comprised of three Company representatives and three worker representatives. For each standing member, an alternate is also appointed. Company representatives are appointed by SQM, while worker representatives are elected through a secret direct vote convened and presided over by the President of the Joint Committee on Hygiene and Safety at the end of his or her term. All employees participate in the election.

The Joint Committees on Hygiene and Safety meet regularly each month but may also hold an extraordinary meeting at the joint request of one worker representative and one Company representative. In any case, the Committee must meet each time there is a job-related accident that results in the death of one or more workers or that the President believes could cause one or more of them to experience a permanent decrease in their earning capacity of over 40%. A record of the matters addressed at each meeting is established through the corresponding minutes.

The Joint Committee on Hygiene and Safety may continue to function as long as there is a representative of each group (Company and workers). When all of the Company and worker representatives are not present at a Committee session, it will be understood that those in attendance hold all of the votes of their respective delegation.



The responsibilities of the Joint Committees on Hygiene and Safety are to:

- 1.** Advise and instruct employees on the correct use of protective equipment.
- 2.** Oversee compliance by companies and employees with prevention, hygiene and safety measures.
- 3.** Investigate the causes of work-related accidents and illnesses that occur within the Company.
- 4.** Determine whether an accident or occupational illness was due to an employee's inexcusable negligence.
- 5.** Order the adoption of all hygiene and safety measures that can prevent professional risks.
- 6.** Complete the other functions or missions assigned to it by the respective administrative agency.
- 7.** Offer employees professional training courses.



#### DISCLOSURE 403-5 (2018)

We offer training and education courses on a variety of subjects as well as specific training courses that address occupational hazards, hazardous activities or situations. All (100%) of employees and contractors who work in areas controlled by the Company are trained on safety matters.

Courses are given weekly during the workday. All new hires and contractors scheduled to work at one of SQM's production sites must take the introductory courses in addition to specific courses on the subject matter related to the job they were hired to perform. Employees must retake the courses to refresh their knowledge, as necessary or according to their annual planning and assessed danger of exposure. For example, certain courses are valid for one or two years only, such as defensive driving, first aid or fire extinguisher use, among others. At the end of each course students are tested to check their understanding of the concepts taught.

The Company offers the following training activities:

- An orientation course that informs all workers of the risks that their duties entail, preventative measures and correct work methods in a timely and convenient manner.
- Given that risks are inherent to the Company's activities, the orientation course focuses on the elements, products and substances that should be used in production processes or their work areas; how to identify them by their formula, synonyms, appearance and smell; the limitations of allowable exposure to those products; risks to health; and control and prevention measures that workers should take to avoid those risks.
- Training courses related to specific risks such as: UV radiation, exposure to noise, psychosocial risk, work-related musculoskeletal disorders (TMERT) and the National Silicosis Eradication Plan (PLANESI)
- Workshop on the use and handling of fire extinguishers
- First aid
- Accident investigation techniques
- Risk prevention guidance
- Defensive driving of light vehicles
- Use of personal protective equipment
- Dissemination of corporate policies (Alcohol and Drug Use, Sustainable Development, Code of Ethics)
- Dissemination of basic safety regulations
- Reinforcement of risk control tools (HCR and ART in Spanish)
- Emergency plans and subplans
- Product data safety sheets
- Equipment isolation and blocking protocol
- Ergonomics and self-care at work
- Working at heights
- Energy blocking
- Course for joint committees on hygiene and safety
- Fire prevention and control
- Manual handling of loads
- Emergencies and evacuation
- Supervising and managing risk prevention
- Hazardous waste management
- COVID risk prevention courses





# Our Safety Performance

DISCLOSURE 403-9 (2018)

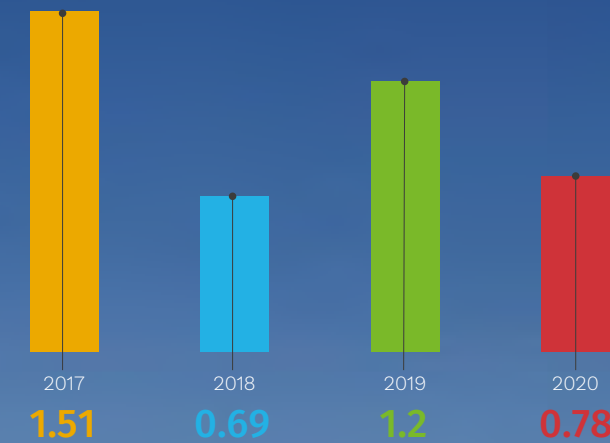
Main types of injuries due to work-related accidents	Contusions, burns, cuts, sprains, fractures, chemical conjunctivitis, contraction, erosion and overexertion.
Hazards that have caused injuries due to accidents	Falls from a different level or the same level, contact with temperatures, dangerous position or posture, excessive effort, improper use of a tool, projectile particles, deviating from or failing to follow work processes, contact with hazardous chemicals, being struck by falling materials or objects.
Control measures	Redesign of processes and infrastructure, improvements to training processes, updating of risk inventory and/or work procedures, risk analyses, assessment and identification of personal protective equipment, acquisition of specific tools, improvements in planning processes and dissemination of information to affected areas.

During 2020, we improved our safety performance over the previous year and had more hours worked compared to other years. In order to achieve this improvement, we focused on creating safe environments and behaviors, zero serious and fatal accidents, standardized and controlled processes that mitigate risks and the possibility of having to improvise, and analyzed accidents to eliminate their root cause and facilitate learning. We also worked on building capacities in leaders and teams to identify and provide feedback based on safe work. All of this allowed us to improve our safety indexes.

We also improved our preventative management plans with a focus on critical risks, emergent risks with personalized programs, management of closings of findings and learning based on incidents. We made progress on the incorporation of technology oriented towards controlling critical risks with DSS-RAEV-analytical video and leadership focused on safety. This allowed us to strengthen safe mentalities and behaviors in our teams and to achieve a level of maturity and cycle of continuous improvement in the deployment of the SQM M1 Program lean tools in safety, where we use role confirmation and performance discussions.



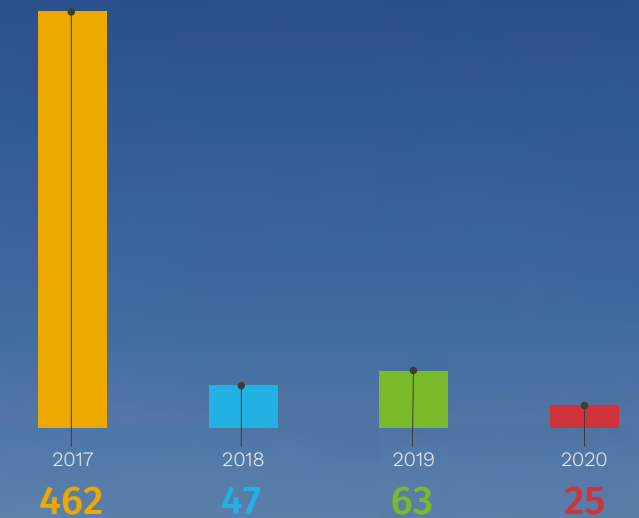
LOST-TIME INJURY FREQUENCY RATE (LTIFR), SQM AND CONTRACTORS



Information based on 1,000,000 working hours. <sup>1</sup>

<sup>1</sup> List of indicators: Lost-time Injury Frequency Rate, Severity Rate and Fatality Index in the "Health and Safety Appendix."

SEVERITY RATE, SQM AND CONTRACTORS



Factor based on 1,000,000 H.H.



**DISCLOSURE 403-10 (2018)**

**EXPOSURE**

Individuals who work in mining may be exposed to contaminants and potential health risks. We seek to address these elements in order to protect all SQM workers. We conduct ongoing risk assessments, which allows us to design measures to ensure that our workers are in good physical and mental health. We

have plans for monitoring, control and reduction of exposure to all of the agents to which our workers may be exposed.

We have identified the following exposure agents: Silica, noise, musculo-skeletal disorders (TMERT), ultraviolet radiation, soldering smoke and SO<sup>2</sup>.

**PROFESSIONAL ILLNESSES**

**SQM EMPLOYEES**

	2017	2018	2019	2020
Number of deaths resulting from an occupational injury or illness	--	--	--	--
Number of cases of occupational illnesses and injuries (Chilean legislation)	8	4	1	17*
Registered cases of COVID-19	N/A	N/A	N/A	15
Main types of occupational illnesses and diseases	Hearing loss Silicosis Mental health issues	Hearing loss	Silicosis	Hearing loss COVID-19

\* The cases of occupational illnesses and injuries correspond to: 15 people with close work contacts per the Health Ministry definition and classified as professional illnesses by the managing entity / 2 people classified as suffering from hearing loss.







Nueva Victoria operations

**JOB-RELATED HAZARDS THAT PRESENT A RISK OF INJURY OR ILLNESS, INDICATING:**

<p>How are certain hazards identified?</p>	<p>Through the application of the various protocols and technical guides available to the different agents. Also through the application of hazard identification and risk assessment in the various areas of the Company. Identification of hazardous agents-qualitative assessments-quantitative measurement-programs-verification and control.</p>
<p>Which of these hazards have caused or contributed to injuries and illnesses?</p>	<p>Mostly exposure to noise in operations.</p>
<p>Measures taken or planned to prevent said hazards, minimize risks through the control hierarchy.</p>	<p>Initially, assessments of agents present in the operations areas by the Workplace Accident Office (OAL in Spanish). Next, each operation must implement the prescribed control measures and then conduct a re-assessment in order to determine whether the agent is still present or if the impact has decreased.</p> <p>Training programs include instructions regarding adequate use of PPE for each agent as well as the recommendation that exposed staff enter medical surveillance plans.</p>

NOTE: The data have been gathered with mutual certificates and the GES medical surveillance list, and workers have not been excluded.

**SAFETY INITIATIVES**

**EXCELLENT GROUND TRANSPORT**

Reducing the number of traffic accidents by 50%, moving from 0.54 accidents per one million kilometers traveled with cargo to 0.27 was one of the most significant goals achieved by the Ground Transport Department.

This achievement was possible thanks to collaboration between SQM and our contractor companies, which generated significant changes. They also executed several technological innovation projects

along with training programs and campaigns designed to make drivers aware of risks.

We highlight the installation of DSS Guardian, a device located in the cabins of every truck that SQM operates. It identifies fatigue and sleepiness in drivers and vibrates and makes noise to alert them. It also generates a telephone and email alert to the transportation company supervision lines.

The risk of accidents related to speeding was reduced by 55% using Migtra RAEV.

We also implemented the tool Gauss Control, which allows us to monitor drivers' shifts, ensuring that they comply with the rules and meet the minimum requirements for rest, which is at least 8 hours between each shift.

All of this is in addition to speed controls, 24/7 GPS monitoring, specific controls in communities and video analytics in tarped trucks. This is rounded out by a strong driver recognition program.





#### **PROTECTING WORKERS' HEARING**

As part of our efforts to prevent disease and injury and care for workers' health at the Coya Sur operations, we provided training on the Occupational Noise Exposure Protocol (Prexor), presenting the minimum rules for the development of hearing loss surveillance programs due to exposure to noise in the workplace.

These talks, which are promoted by the Joint Committee on Hygiene and Safety and the Pampa Safety Department, were also replicated at all of the plants that make up the Coya Sur operations.

Excessive noise levels damage some nerve endings in the ear and, over time, can cause acoustic trauma, bilateral hearing loss and even deafness.

We frequently tell workers to protect their ears, but they may not fully understand why. Now there is greater awareness of the importance of this practice and the minimum requirements, such as the personal protective equipment that workers use each day.

Each Prexor training is recorded through minutes that are subsequently submitted to the Regional Health Board and corresponding Labor Inspection Board.

#### **OPERATIONS IMPLEMENT 6S**

As a result of the pandemic, SQM's operational excellence M1 methodology was updated to incorporate the concept of "Shodoku," which means 'sanitize' in Spanish.

The topics included in the Lean methodology, M1, include the 6S premise, which states that there is a place for everything and everything in its place. It is named for the Japanese words Seiri, Seiton, Seiso, Seiketsu and Shitsuke, which mean separate, organize, clean, standardize and sustain, respectively. The concept of "Shodoku," or sanitizing, was added to this list.

It is important to note that 6S is not limited to cleaning. It involves creating habits to create more organized, clean, disinfected, sanitized, safe and productive spaces, forming a virtuous circle based on excellence and safety.

This system is implemented in the hopes that workers anticipate accidents by identifying hazards and risks, making preventative decisions and improving each day.

#### **ONLINE SAFETY**

SQM APRENDE ("SQM LEARN") is the name of a virtual space where SQM employees can access training activities whenever, wherever and using whichever device they prefer. The site seeks to facilitate professional development, helping our people to acquire new professional and personal skills.

This project began in 2018 when the Support and Technology Area helped to create this platform. Towards the end of 2019, we created the first generic courses, such as New Employee, Defensive Driving and M1 Tools for Safety.

SQM APRENDE currently has various training activities linked to corporate matters, risk prevention, technology and regulatory and technical matters. These include the courses Lithium Ion Batteries, the Nueva Victoria Iodine and Iodide Plant, Refrigeration Processes and the Coya Sur NPT IV Plant.

The platform has a special section entitled "Caza Conocimientos" ("Knowledge Hunting") that helps connect participants to one another and share their knowledge with the entire SQM community.

#### **SALAR ATACAMA JCHS RECEIVES CERTIFICATION**

The Salar de Atacama Joint Committee on Hygiene and Safety received Intermediate Certification through the audit conducted by the Chilean Safety Association (ACHS). This comes in addition to a series of recognitions received by this work team.

The certification reflects the control and solid percentage of completion of the measures, training activities, inspections and dissemination efforts developed daily by this agency. The next challenge is to stay the course and pursue advanced certification.

It is important to note that this committee was recognized by the Antofagasta Regional Mining Safety Committee in the owner-operator category, positioning itself as a leader in the protection of the health and safety of all workers in the region.





10.  
COMMITTED TO  
THE ENVIRONMENT





# Our Environmental Performance

DISCLOSURE 103-1 / 103-2 / 103-3

At SQM we carry out our operations conscientiously, in harmony with the environment and in compliance with environmental legislation in effect. It is essential that we work to ensure that natural resources and production inputs are used sustainably and to minimize the possible impacts of our production processes on the environment and neighboring communities. We have incorporated early and preventative monitoring of various environmental variables into the design, construction and operation of our production sites in order to prevent and implement the necessary control and mitigation measures.

Our actions are guided by our values, the Sustainable Development Strategy and our Human Rights Policy, through which we commit to protecting the environment and responsibly managing the natural resources we use, complying with our commitments, focusing and planning all of our work to prevent and minimize impact on the surroundings, the ecosystem and future generations. We constantly strive to reduce the use of raw materials, control our air emissions, particularly greenhouse gases, and avoid generating waste or ensure it is properly managed. We work continuously on environmental management in order to achieve optimal performance.

In regard to the environment, our team mainly focuses on the Tarapacá and Antofagasta regions of northern Chile, where our production sites and the minerals that give life to SQM products are located.

In 2020, we reinforced our commitment to the environment, setting medium- and long-term goals that we have set out in the Sustainability Plan that respond to the new requirements and expectations in the areas of the environment, society and corporate governance.

Over the past few years, we have acquired vast knowledge of the ecosystems surrounding our operations, which has enabled us to draft and implement effective prevention, mitigation and monitoring plans.

All of this was supported by prestigious Chilean and international universities and research centers such as: Universidad Católica del Norte, Universidad Católica de Chile and DICTUC, the University of Miami and SMI ICE Chile (specifically a study on the effect of pumping and injecting water on water quality in the piquios lagoons (“Estudio del efecto del bombeo y de la inyección de agua en la calidad del agua en las lagunas de los piquios” J. Wiertz, I. Godoy & Arumi J.L. SMI ICE Chile, 2018).

Each of our projects is submitted to the Environmental Impact Assessment System. As of December 2020, we have environmental authorization for a total of 63 projects. Of these, 13 were approved with an Environmental Impact Study (EIA in Spanish) and 50 with an Environmental Impact Statement (DIA in Spanish).



Through our Sustainable Development Plan, we commit to the new requirements and expectations in environmental, social and governance areas. We developed a plan based on the UN Sustainable Development Goals that is complemented by a series of initiatives designed to ensure our harmonious coexistence with the environment, the communities located near our operations and our own workers.

This plan has three pillars of work, based on which we have set medium- and long-term goals regarding: water, carbon neutrality, waste management, protecting ecosystems, making a contribution to sustainable industries and co-creating value with communities and workers.





WE DEVELOP OUR OPERATIONS WHILE BEING CONSCIENTIOUS OF THE ENVIRONMENTAL IMPACTS THEY MAY GENERATE

Salar de Llamara



We work to have clean production through the prevention and mitigation of impacts that our operations may generate.

We promote efficient use of water, energy and CO<sub>2</sub> emissions through a series of targets that we identify in our sustainability plan.

All SQM production facilities have closure plans that have been approved by the respective authorities. These plans are based on criteria and measures that meet current regulations.

In 2020, authorities conducted inspections at our operations in Nueva Victoria, Salar de Atacama, Salar del Carmen, Coya Sur, Pedro de Valdivia, María Elena and Tocopilla. The inspections involved the Regional Health Agency (Seremi de Salud), the Superintendency of the Environment (SMA), the National Geological and Mining Service (SERNAGEOMIN) and the General Water Bureau (DGA).

**DISCLOSURE 307-1**

As of the publication of this report, SQM has not received any significant fines and/or penalties for violations of environmental laws or regulations.

In February 2019, the Superintendency of the Environment approved a compliance program for our Nueva Victoria operations. The currently operational plan resulted in the suspension of the penalty process initiated in 2016. This decision was confirmed by the Antofagasta Environmental Court in October 2020. As promised, in July 2020 we submitted an Environmental Impact Study for the project “Partial modification of re-injection system for Puquios de Llamara,” which is being processed.

As for our Salar de Atacama operations, a compliance program previously approved by the Superintendency of the Environment was rendered null and void by the Environmental Court in December 2019. In November 2020 SQM filed a new version of the compliance program that addressed the observations made by the Superintendency. The approval or rejection of the proposed program is pending to date. Meanwhile, the penalty process has been suspended.



63

PROJECTS WITH ENVIRONMENTAL AUTHORIZATIONS



## Biodiversity

DISCLOSURE 102-4 / 304-4

SQM operations are located in desert areas with scarce biodiversity. However, there are some areas near our operations with significant ecological value. In these areas we have implemented ongoing protection, monitoring and control plans with ongoing early alerts to help protect the environment.

Our Nueva Victoria site is located in the district of Pozo Almonte in the Tarapacá Region, and is subject to a very extensive environmental monitoring plan given its proximity to the Pampa Tamarugal National Reserve, Bellavista sector, Pintados sector and Salar de Llamara.

In sectors near Nueva Victoria, we identified ecosystem services such as the Salar de Llamara, a site of interest for the Huatacondo and Quillagua communities that is linked to the “Puquios de Llamara” sector, an area where transhumance, or annual displacement of flocks from highlands for summer grazing in the lowlands, is practiced. The community of Tamentica also hopes to develop this site as a tourism spot.

The Quillagua community has indicated that there is a relationship between the mouth of the Loa River, the Quebrada Amarga area and the water in the Puquios de Llamara sector. This would be useful because they gather medicinal herbs at the mouth of the Loa River. We have a working group with the Quillagua community and are encouraging the development of joint monitoring.

We have also created a working group with the Quechua Indigenous Community

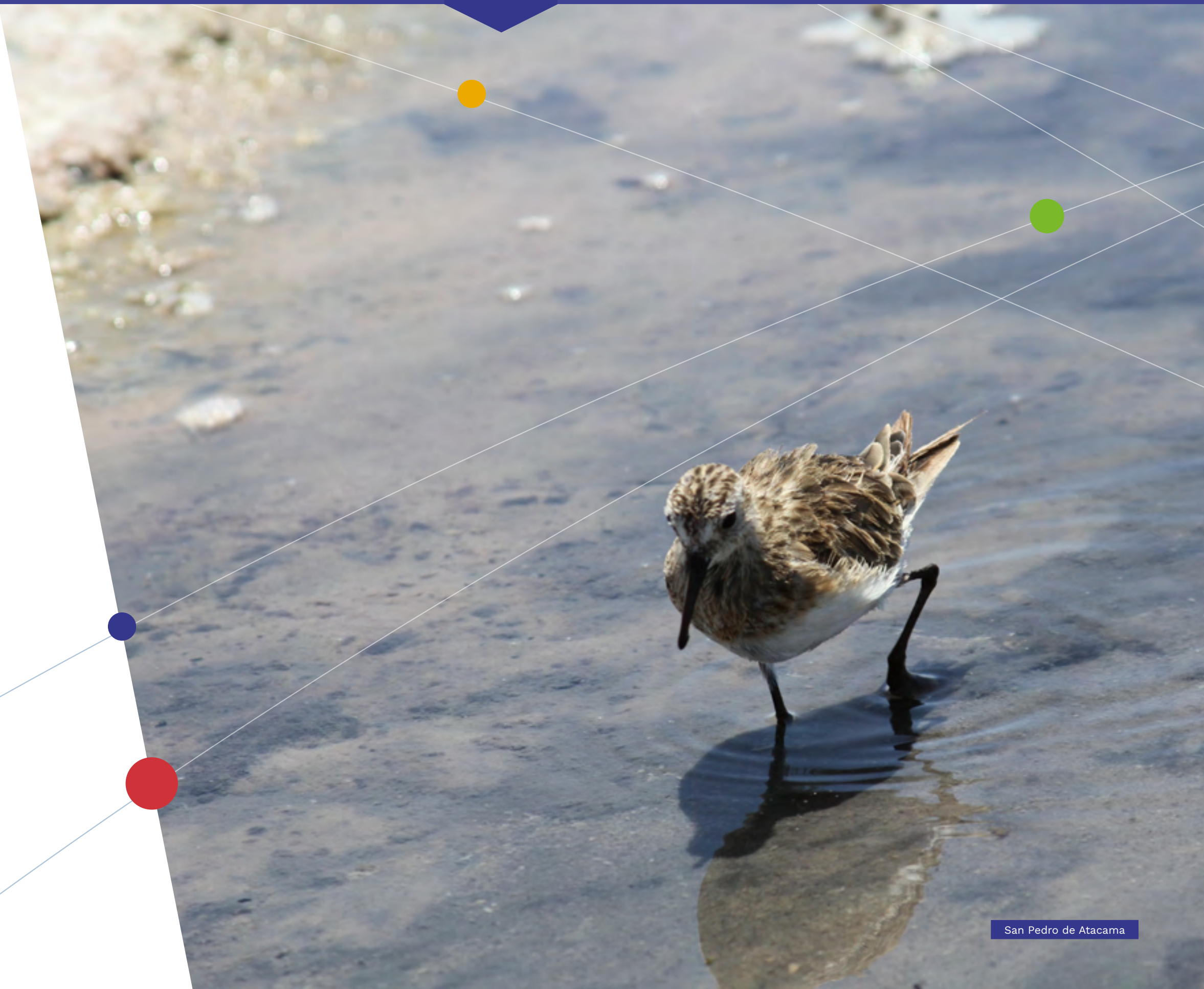
of Huatacondo, where we have presented the monitoring that SQM has conducted. We hope to engage in joint monitoring with the community in the short-term and to establish a methodology that we can then replicate in the Tamentica and Quillagua communities.

Our Salar de Atacama operations are located in the Antofagasta Region's district of San Pedro de Atacama, which is also home to the National Flamingo Reserve, Soncor Sector and Agua de Quelana Sector.

We found ecosystem services on the eastern border of Salar de Atacama in the Vega de Carvajal and Agua de Quelana sectors, where communities report that they use water, which is currently being sanitized. These Salar de Atacama communities are also interested in using the land.

In 2020, we signed agreements with the Atacameña Indigenous Community of Camar, with whom we created an Environmental Working Group. The Camar Environmental Unit is represented by three water monitors trained in hydrogeology and biota along with two external consultants, Enlace Agua and Más Ambiente, which conduct biotic monitoring.

We are working with the Atacameña Indigenous Community of Toconao on Participatory Monitoring. This allows the communities and the Company to conduct parallel measurements that can be compared.





# Protected Areas and Areas of High Biodiversity Value in the Tarapacá and Antofagasta Regions. Location of SQM Production Sites and Offices in the Regions.

DISCLOSURE 304-1 / 304-2 / 304-3 / 304-4



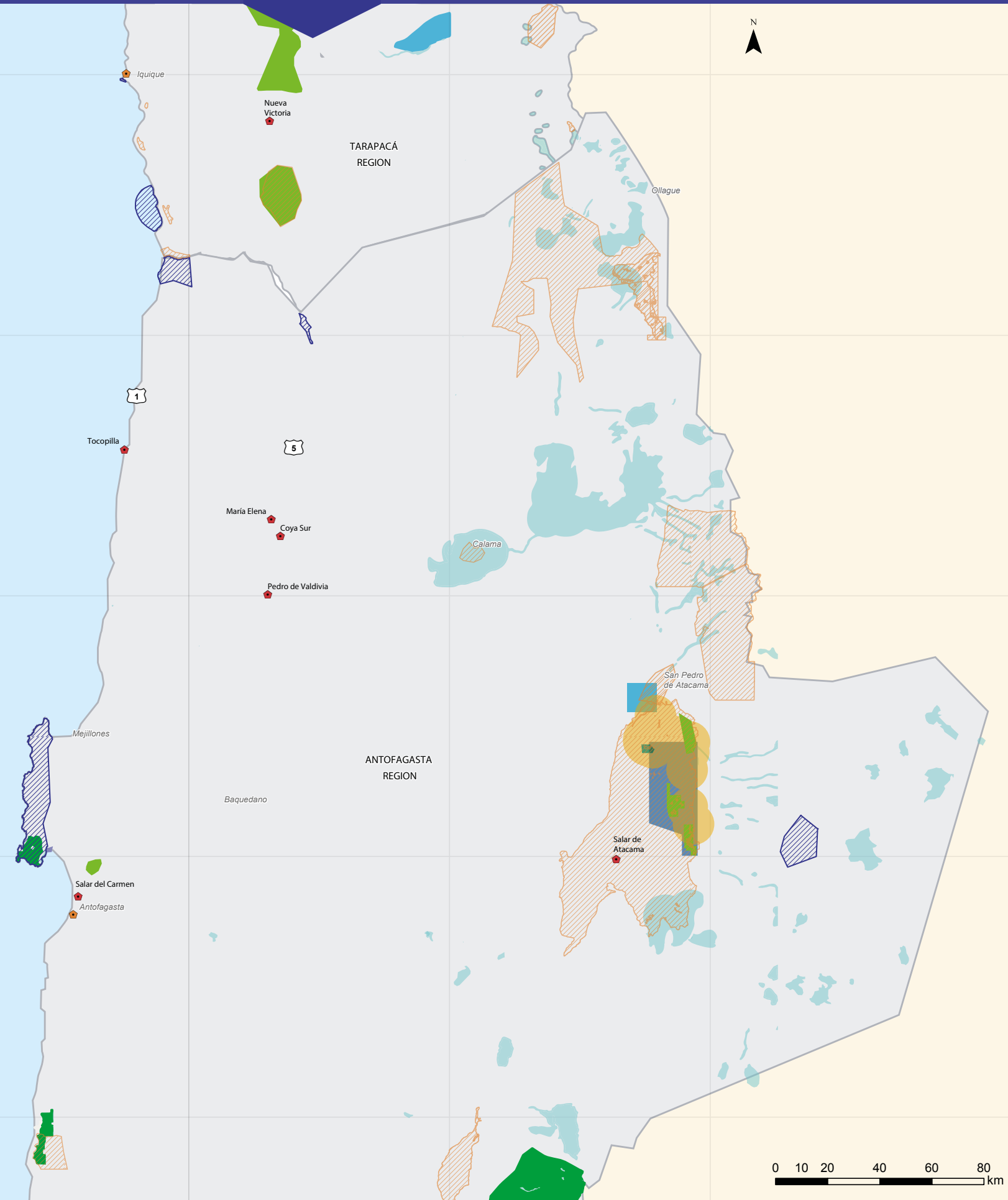
- Offices
- SQM production site
- Priority sites
- Sites covered by regional strategies
- Lagoons

## PROTECTED AREAS

- Nature sanctuary
- National reserve
- National park
- Ramsar Site, Wetland of International Importance
- Marine reserve
- Areas protected by bans and DGA wetlands



We track the conservation status of the species that inhabit areas near our operations as part of our monitoring plans.





## Associated Fauna, Species with Conservation Status Identified at Nueva Victoria Operations

DISCLOSURE 304-4

- Least concern
- Rare
- Data deficient
- Almost threatened
- Vulnerable
- Endangered



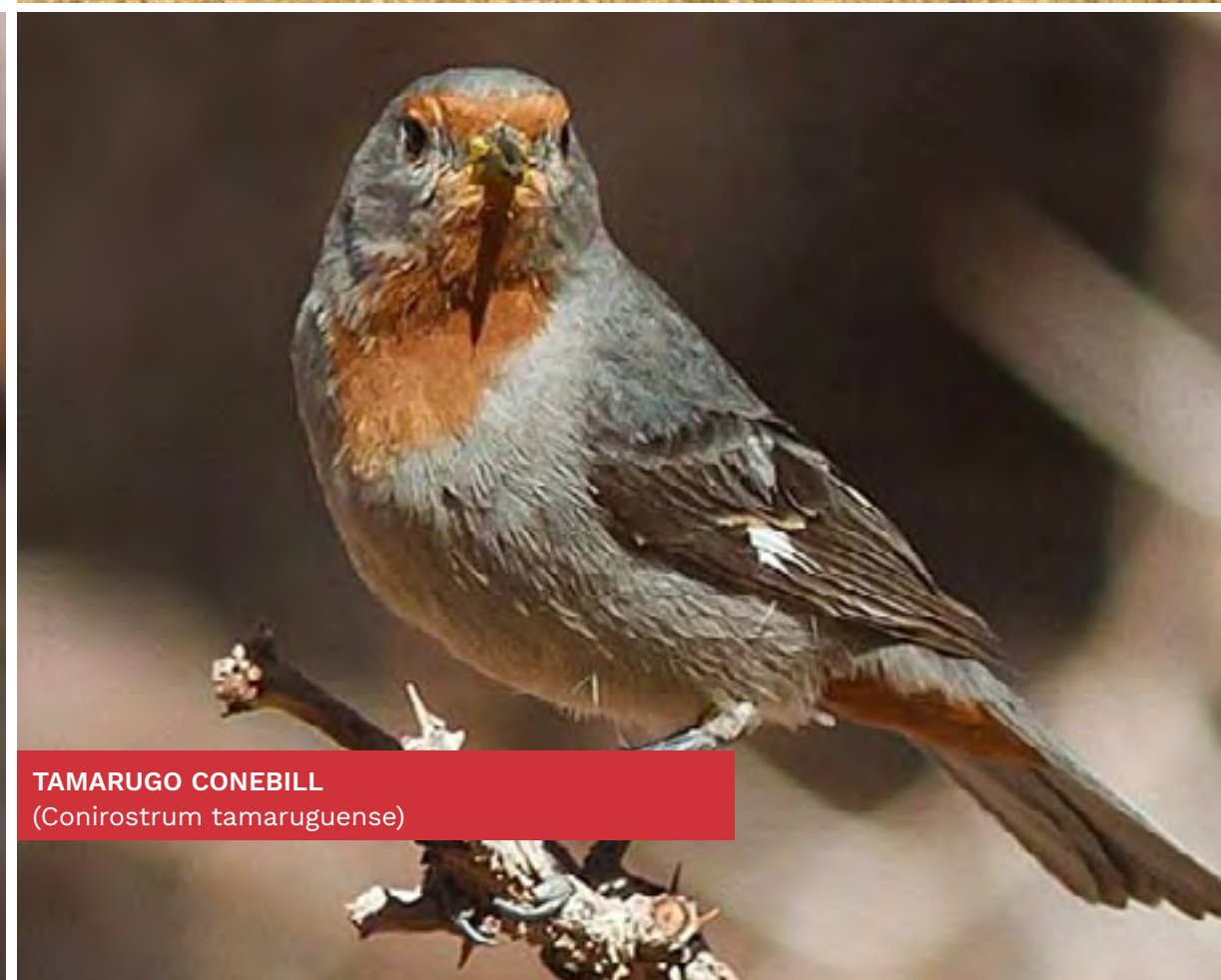
**ZORRO CULPEO**  
(*Pseudalopex culpaeus*)



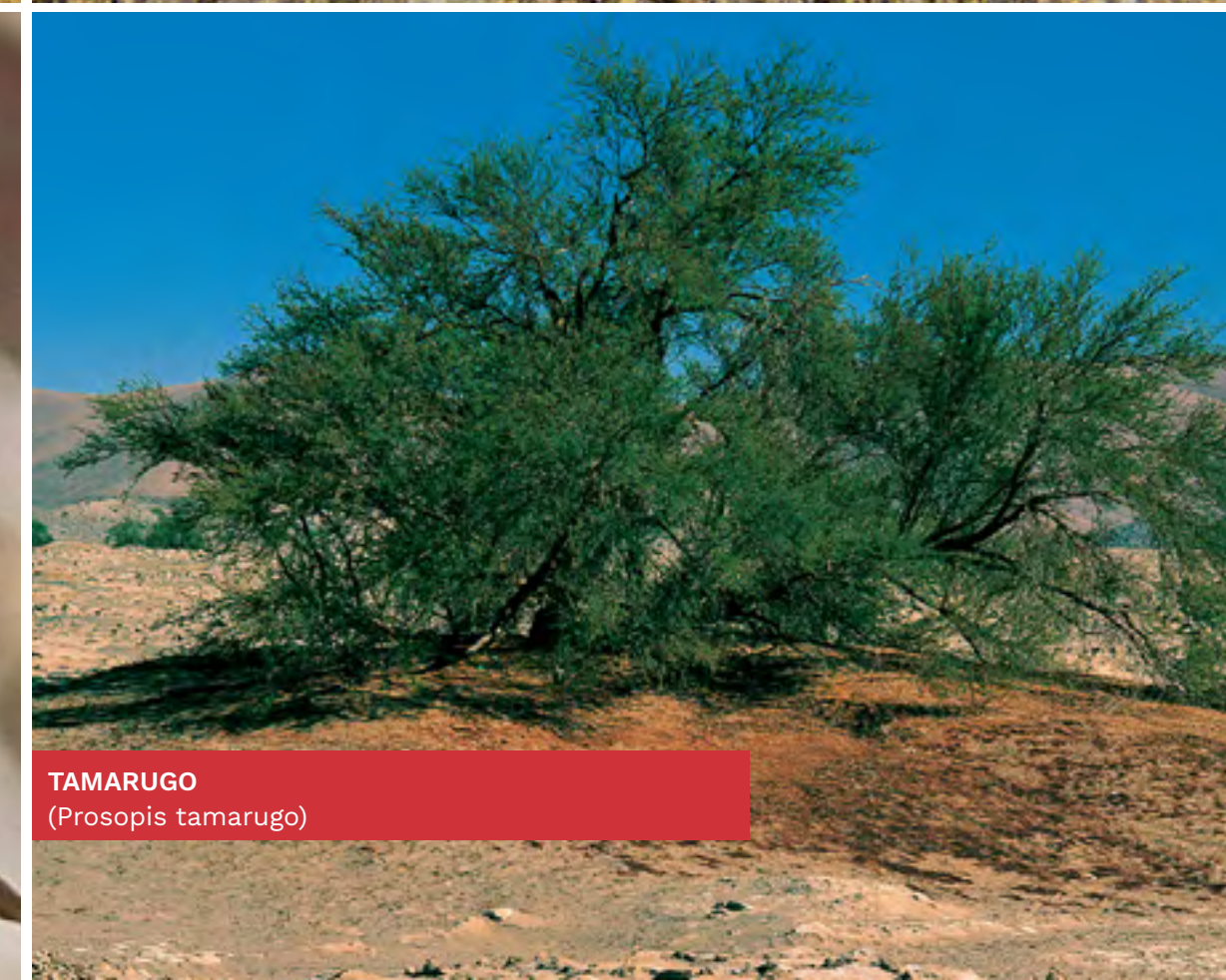
**GECKO**  
(*Phyllodactylus gerrhopygus*)



**LAVA LIZARD**  
(*Microlophus theresioides*)



**TAMARUGO CONEBILL**  
(*Conirostrum tamarugense*)



**TAMARUGO**  
(*Prosopis tamarugo*)



# Associated Fauna, Species with Conservation Status Identified at Salar de Atacama Operations

DISCLOSURE 304-4

- Least concern
- Rare
- Data deficient
- Almost threatened
- Vulnerable
- Endangered



**CONSTANZA LIZARD**  
(*Liolaemus constanzae*)



**SMALL BIG-EARED BROWN BAT**  
(*Histiotus montanus*)



**CHILEAN FLAMINGO**  
(*Phoenicopterus chilensis*)



**CHULULO**  
(*Ctenomys fulvus*)



**PUNA LIZARD**  
(*Liolaemus puna*)



**ANDEAN LIZARD (LARGE DRAGON)**  
(*Liolaemus erraneus*)



**ANDEAN SEAGULL**  
(*Chroicocephalus serranus*)



**CULPEO FOX**  
(*Pseudalopex culpaeus*)



**WARTY TOAD**  
(*Rhinella spinulosa*)



**FABIANI LIZARD**  
(*Liolaemus fabiani*)



**MOUSE-TAILED BAT**  
(*Tadarida brasiliensis*)



**ANDEAN FLAMINGO**  
(*Phoenicoparrus andinus*)



**GREY FOX**  
(*Pseudalopex griseus*)



**ANDEAN GERBIL MOUSE**  
(*Eligmodontia puerulus*)



**PAULINA LIZARD**  
(*Liolaemus paulinae*)



**GRAY BAT OR ATACAMA BAT**  
(*Myotis atacamensis*)



**JAMES FLAMINGO**  
(*Phoenicoparrus jamesi*)



**DARWIN'S RHEA**  
(*Rhea pennata tarapacensis*)



**PEREGRINE FALCON**  
(*Falco peregrinus*)



## Environmental Monitoring Plan in the Salar de Llamara

DISCLOSURE 304-2

As part of our commitment to sustainability in the Salar de Llamara, we developed a complete environmental monitoring plan that dates back to the first environmental approvals for our operations in Nueva Victoria and was expanded and fortified when we implemented the Pampa Hermosa project in 2010. Salar de Llamara was incorporated into the Pampa del Tamarugal National Reserve in 2013, classified as a priority site under the regional biodiversity strategy because of the native tamarugo forest and “puquios” with bacterial formations located there. Our environmental monitoring plan includes the following activities:

### MONITORING TAMARUGO TREES AND VEGETATION IN LLAMARA

The Company monitors tamarugo tree vitality each year in November, when vegetation is most abundant. This monitoring is conducted using high-resolution satellite images (Quickbird, WorldView 2, WorldView 3 or Geoeye).

The periodic field monitoring records a series of measurements of physiological variables of a representative group of tamarugos in the forest.

The main variables measured include:

- foliar hydric potential of branches.
- stomatal resistance.
- isotopic discrimination of carbon 13.
- enrichment with oxygen 18.

These measurements are determining factors in analyzing the hydric status of tamarugos. Experts also monitor retama thickets and hydromorphic meadows in the area around the lagoons known as Puquios de Llamara in order to evaluate the status of these plants. Measurements include the percentage of green growth, vigor and phenology.

### MONITORING AQUATIC BIOTA AND SURFACE WATER IN LLAMARA

We also conduct semi-annual monitoring of aquatic biota and surface water in Puquios de Llamara in order to verify that there are no unforeseen effects. The variables controlled by monitoring of aquatic biota include:

- Composition of phytoplankton and phytobentos.
- Diversity of zooplankton and bentos.
- Development and status of macrophytes.

### MITIGATION MEASURES FOR HYDRIC SYSTEM IN PUQUIOS DE LLAMARA

In order to mitigate the effects of decline of the freatic level in the Llamara aquifer as a result of pumping, there is an “hydraulic barrier” mitigation measure approximately 8 km north of this site that returns water to the ground. Water levels and chemical quality are maintained within normal ranges for adequate development of biotic systems in the Puquios.

In addition, in 2020 SQM conducted studies on the “puquios” and their biotic systems, which were carried out by teams of professionals from leading Chilean and international organizations and institutions, including Universidad Católica del Norte and the University of Miami.

### HYDROGEOLOGICAL ENVIRONMENTAL MONITORING PLAN

This monitoring involves monthly measurements of aquifer levels, chemical quality, water volumes and flows extracted from wells, which enables the Company to verify predicted impacts during project operation and, if necessary, activate its Early Warning Plan.

TO GUARANTEE THE ADEQUATE STATE OF CONSERVATION OF ECOSYSTEMS, WE CARRY OUT ENVIRONMENTAL MONITORING PLANS TO MONITOR EACH OF THE VARIABLES THAT WE HAVE INCLUDED IN OUR ENVIRONMENTAL IMPACT STUDIES





## TAMARUGO ENVIRONMENTAL MANAGEMENT PLAN

We continue to develop the Tamarugo Environmental Management Plan that was launched five years ago with the tamarugo tree planting program in the district of Pozo Almonte, in the Tarapacá Region. This program involved planting 5,522 tamarugos in the Bellavista Sector and 247 in the Llamara Sector for a total of 5,769 trees of this endemic species. Throughout the reporting period, these trees continued to be monitored, supervised and watered, which has yielded a good level of vitality despite the difficulties faced by this species in its early stages of development.

In December 2020, we completed our project to plant an additional 1,000 tamarugo trees in 2020 as part of this program.

The data and knowledge generated through these activities and complementary studies are used in the environmental education program carried out in conjunction with the National Forestry Corporation (CONAF) in the Pampa del Tamarugal National Reserve.

## EARLY WARNING PLAN

We have an Early Warning Plan (EWP), an environmental safeguard in the event of anomalies during our operations.

Items protected by the EWP in Nueva Victoria include:

- Tamarugo tree plantation in the Bellavista sector.
- Tamarugo tree forests in Salar de Llamara.
- Puquíos in Salar de Llamara.

The EWP was designed as a decision-making system that activates preventative measures.

To date, it has not been activated.





# Environmental Monitoring Plan in the Salar de Atacama

DISCLOSURE 304-2

One of the commitments established in the Environmental Qualification Resolution (EQR) for the Environmental Impact Study for the project “Changes and improvements to the Salar de Atacama mining operation” is the implementation of an environmental monitoring plan. The purpose of this plan is to evaluate the status of Salar de Atacama systems over time.

The monitoring plan entails:

- Measuring the levels and physical and chemical qualities of water distributed among shallow and deep wells, metric rods at lagoon level and gauging stations.
- Measuring meteorological variables at two stations known as “Chaxa” and “KCL.”

Our operations are located near ecosystems that are highly valuable in certain sectors. We have implemented an Environmental Biotic Monitoring Plan to closely monitor key variables for determining the status of the vegetation, flora, fauna and aquatic life in the ecosystems under protection.

This monitoring controls a set of variables using direct, on-site measurements and high-resolution satellite images (QuickBird or WorldView 2).

The variables observed as part of this biotic monitoring in the Salar de Atacama include:

- Vegetation with 99 monitoring points along the eastern edge of the Salar de Atacama.
- 75 plots recording flora, distributed in 7 transects along the eastern edge of the Salar de Atacama
- 18 fauna sampling stations for birds, mammals, reptiles.
- 18 soil moisture and characterization sampling points
- 25 aquatic life sampling stations (Soncor, Aguas de Quelana and Peine lake systems).
- Flamingo census with CONAF.
- Monitoring of flamingo breeding cycle.

## ONGOING HYDROGEOLOGICAL MONITORING PLAN WITH 225 MONITORING POINTS IN THE SALAR DE ATACAMA AQUIFER

We have a Hydrogeological Environmental Monitoring Plan in place to control the hydrogeological variables that are important to environmentally-sensitive areas. The plan includes a wide monitoring network made up of:

- 225 monitoring points.
- 112 shallow wells.
- 84 deep wells.
- 5 fresh water extraction wells.
- 18 metric rods, surface water.
- 4 surface water gauges.
- 2 meteorological stations.
- 48 continuous-measuring points.

## EARLY WARNING PLANS

Protected items in Salar de Atacama have early warning plans that enable contingency measures to be taken quickly, particularly those of reducing brine and/or water pump flow, depending on the sector. These measures help guarantee the national functioning of the system.

THE ONLINE MONITORING SYSTEM IN SALAR DE ATACAMA MAKES INFORMATION AVAILABLE ONLINE TO THE COMMUNITY AND OFFICIALS ON THE EXTRACTION OF WATER AND BRINE AND INFORMATION OF INTEREST RELATED TO THE ENVIRONMENTAL MONITORING THAT WE CONDUCT IN THE AREA





# Water

DISCLOSURE 303-1



**We report water consumption in production processes to officials on an ongoing basis.** We also conduct studies to identify opportunities to use this resource more efficiently.

Since SQM's operations are located in areas with scarce water resources, the use of this resource is very important to our Company and it must be well managed in our production processes.

We hold water rights for surface and underground water supply near our production operations and purchase water from third parties. The main sources of water for our nitrate and iodine facilities at Pedro de Valdivia, María Elena and Coya Sur are the Loa and Salvador Rivers, which run near our production facilities. The water for our Nueva Victoria and Salar de Atacama facilities is obtained from wells near the production facilities. We also purchase water for our production processes from third parties for the lithium carbonate plant and lithium hydroxide plant at Salar del Carmen. We purchase drinking water from local water companies. We have had no significant issues obtaining the water needed for our operations.

We should note that no fresh water is extracted, as classified under GRI.

We report water consumption in production processes to officials on an ongoing basis. Studies are also conducted to identify ways to use water efficiently. We also evaluate each facility's water management indicators on a yearly basis.

Some of our measures for efficient water use are:

- Reincorporating all water treated in SQM sewage treatment plants into its production processes. This water is reutilized in our processes in María Elena, Pedro de Valdivia, Coya Sur, Nueva Victoria and Salar de Atacama.
- Reutilizing process solutions to reduce the consumption of fresh water.
- The industrial water used at the Salar del Carmen facilities comes from waste water treated by the city of Antofagasta. The Company has used these sources to supply almost 86.4% of the industrial water needed for production processes. The rest of the consumption requirements are met with purchased, desalinated seawater.

The extraction of fresh water for production purposes is subject to strict environmental evaluations, which helps prevent damage to important environmental elements (vegetation, flora and fauna) in aquifers and surface water sources where the Company has water extraction rights.

In conjunction with these studies, extensive hydrogeological modeling is designed and validated under the supervision of national and international experts, based on which the Company conducts ongoing monitoring of expected behavior of the systems.

Of the total groundwater resources extracted for Nueva Victoria in 2020, 878,278 m<sup>3</sup> were re-injected as part of the mitigation measures for the Pampa Hermosa project in Salar de Llamara.



## SUSTAINABILITY AND WATER RESOURCE PLAN



We have committed to reducing our continental water consumption by 40% by 2032 and 65% by 2040.



We reduced our brine extraction by 20% in November 2020 and are moving towards decreasing brine extraction by 50% by 2030.

→ We have the portal <https://www.sqmsenlinea.com/> or Online Monitoring, which provides environmental information on our operations in Salar de Atacama to interested communities and 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 authorities and stakeholders wishing to verify our compliance with extraction limits, in keeping with current operating regulations. It also provides historical environmental monitoring data to evaluate and avoid potential effects of our operation, other stakeholders and natural phenomena such as climate change in protected areas.

We hope to launch a similar process that allows us to report on these variables as they relate to our Nueva Victoria operations soon.







Salar de Atacama operations

## WATER CONSUMPTION 2020

DISCLOSURE 303-5 / 303-3

Facility	Groundwater (m <sup>3</sup> )	Surface water (m <sup>3</sup> )	Third-party supply (m <sup>3</sup> )	Total water consumption (m <sup>3</sup> )
	Other water (TSD >1000mg/l)		Fresh water (TSD ≤1000mg/l)	
<b>Zones subject to water stress</b>				
Salar de Atacama	3,672,566		550	3,673,116
Nueva Victoria	20,085,908			20,085,908
María Elena, Coya Sur, Pedro de Valdivia		6,271,058	263,580	6,534,638
<b>Recycled and reused water</b>				
Salar del Carmen			864,559	864,559
<b>All zones</b>				
Other offices			121	121
<b>Total per category (m<sup>3</sup>)</b>	<b>23,758,474</b>	<b>6,271,058</b>	<b>1,128,810</b>	<b>31,158,342</b>

### DISCLOSURE 303-2 (2018)/ 303 -4 (2018)

In order to optimize consumption, we recirculate all waste water and water treated at SQM sewage treatment plants into our production processes, thus reutilizing all water. In 2020 we reused approximately 1,305,299m<sup>3</sup> based on operational estimates.

Domestic liquid waste from our offices in Antofagasta and at the Port of Tocopilla is disposed of in the public sewer system and, therefore, no dumping occurs that could affect biodiversity and protected habitats. No effluent is discharged.

IN ORDER TO OPTIMIZE AVAILABLE RESOURCES, WE RECIRCULATE INTO PRODUCTION PROCESSES ALL WASTE WATER AND WATER TREATED AT SQM WASTE WATER TREATMENT PLANTS.

In the year 2020, no significant spills contaminating the soil or water (surface or groundwater) were reported at the Company's operating facilities and production sites.

Treated reused sewage	2020 [M <sup>3</sup> ]
Salar de Atacama	207,154
Salar del Carmen	747,117
María Elena, Coya Sur, Pedro de Valdivia	351,028
<b>Total per category (m<sup>3</sup>)</b>	<b>1,305,299</b>

 **1,305,299 M<sup>3</sup>**  
OF WASTE WATER WAS REUTILIZED IN 2020

### THE "TAKE ACTION TO PROTECT WATER" CAMPAIGN

The "Take Action to Protect Water" campaign was developed at the SQM Coya Sur and María Elena sites. This initiative is designed to encourage workers and residents in this region to report leaks of this vital element. If such events are not reported, thousands of liters of water can be lost each day. A single broken toilet can waste up to 150,000 liters of water each month. The campaign is ongoing and we plan to expand it to the entire Company and to invite families to take action to protect water.



## Waste

DISCLOSURE 306-3 / 306-4 / 306-5

Waste management is a fundamental responsibility of our Company. We take the measures necessary to ensure that it is done safely. All of the companies that transport waste to final disposal sites have the appropriate authorization.

We have developed plans and procedures to manage both hazardous and non-hazardous waste. We have eight temporary storage sites for hazardous waste authorized by the Regional Health Agency (Seremi de Salud), six authorized temporary storage sites for non-hazardous industrial waste and an area for disposing of domestic waste generated at our operations.

In 2020, 86% of the hazardous industrial waste generated in our production facilities was sent off-site for final disposal using authorized transport, while the remaining 14% was recycled or used to generate energy. Hazardous waste is transported in accordance with regulations in effect in Chile.

SQM manages solid domestic waste at all facilities and accommodation facilities or disposes of this waste in authorized landfills.

In 2020 there was no generation of hazardous waste that was disposed of or treated internationally. Twenty-one percent (21%) of the hazardous waste generated by our operations was recycled by external companies as alternative fuel.

We prioritize recycling or reusing inputs, opting to eliminate waste only as a last resort, and when we do, we work

with authorized waste management companies.

In 2020, we worked at our sites to create initiatives for reusing waste. For example, we have a pallet reuse project that involves chipping the wood so that it can be used as organic compost for crops. We hope to distribute this material free of charge in our communities in 2021.

### WASTE SENT FOR FINAL DISPOSAL AND/OR TREATMENT

DISCLOSURE 306-5

Type of Waste Sent for Final Disposal	2020	2019	2018	2017
Hazardous industrial waste (ton)	2,468	2,299	885	2,167
Non-hazardous industrial waste (ton)	970	837	532	1,038
Domestic waste and other (ton)	4,810	4,688	4,603	3,774
Other (mixed construction waste)	190	1,061	1,724	0
	8,438	8,885	7,744	6,979

### TYPE OF WASTE GENERATED

DISCLOSURE 306-3

Type of Waste Generated	2020	2019	2018	2017
Hazardous industrial waste (ton)	3,141	2,791	1,019	2,167
Non-hazardous industrial waste (ton)	1,682	837	957	1,434
Domestic waste and other (ton)	4,810	4,688	4,603	3,774
Other (mixed construction waste)	190	1,061	1,724	0
	9,823	9,377	8,303	7,375

MOST SQM PRODUCTS ARE SOLD IN BULK, WHICH SIGNIFICANTLY REDUCES PACKAGING AND MINIMIZES THE CREATION OF FUTURE WASTE.



IN 2020,

**+21%**

OF HAZARDOUS INDUSTRIAL WASTE GENERATED WAS

RECYCLED, UP FROM **19% IN 2019**

## SUSTAINABILITY PLAN AND WASTE



Creating a corporate waste management system to promote a cultural shift towards sustainability. The first step is to measure and then determine how to reduce while including our suppliers, employees, contractors and offices in Chile and around the world in the process.

### TOCOPILLA'S FIRST RECYCLING CENTER

The Port of Tocopilla has launched a campaign to recycle all of the domestic waste that is generated there. The program will later be extended to other operations and offices.

The port has been working on recycling and building a waste segregation culture for some time. Six mini-recycling centers were created to segregate waste that can be sent to the first smart recycling center, where aluminum cans, white paper, cardboard, color and transparent PET and HDPE can be recycled.

The short-term goal is to recycle 100% of domestic waste. It is not yet possible to do so with organic waste because a site for this type of waste has not yet been outfitted. This is a future challenge that will allow us to recycle more waste regardless of type.



## Emissions



We work hard to manage and monitor emissions of particulate matter (PM10). For this, we have a vast air quality monitoring network in the town of María Elena and participate in the air quality monitoring efforts in Tocopilla.

We continuously monitor air emissions at all facilities. These efforts include preparing detailed projections of expected environmental effects, installing and implementing emissions abatement equipment and properly monitoring emissions.

We have meteorological stations that are key for monitoring solar evaporation processes at our operations. In addition to these measures, as part of its existing environmental monitoring plans, the Company conducts isokinetic measurements on smokestacks, which form part of the production process along with dryers and boilers.

SQM has worked hard to manage and monitor emissions of particulate matter (PM10). For this, we have a vast air quality monitoring network in the town of María Elena and participate in the air quality monitoring efforts in Tocopilla.

In regard to Air Decontamination Plans, the Company has implemented a wide range of measures to fulfill commitments to control and reduce its PM10 atmospheric emissions in these towns.

- PM10 emissions in María Elena have decreased 98.26% from 2007 to now. This reduction can be attributed to operational changes implemented by SQM and has resulted in significantly improved local air quality and meeting of daily and annual PM10 standards. The stations included in the Air Quality Monitoring Network associated with the María Elena Decontamination Plan met the Annual Air Quality Standard for PM10 ( $50\mu\text{g}/\text{m}^3\text{N}$ ) beginning during the 2010–2012 period at the “hospital station” and during the 2012–2014 period at the “church station”.

The numbers for these stations for 2018–2020 are presented below:

### 2018-2021 ANNUAL AND TRIANNUAL AVERAGES FOR PM10

Monitor	2018 [ $\mu\text{g}/\text{m}^3\text{N}$ ]	2019 [ $\mu\text{g}/\text{m}^3\text{N}$ ]	2020 [ $\mu\text{g}/\text{m}^3\text{N}$ ]	Average 2018- 2020 [ $\mu\text{g}/\text{m}^3\text{N}$ ]
Beta Hospital	40.5	33.6	30.2	34.8
Hi-Vol Hospital	35.0	31.5	26.0	30.8
Hi-Vol Church	35.7	34.0	27.8	32.5

- In the case of Tocopilla, PM10 emissions generated by SQM's port operations are minor as compared to other sources in the city. As part of the Tocopilla Decontamination Plan, commitments have been fulfilled and all measures necessary to mitigate emissions have been taken.

In 2020, SQM's port operations reported PM10 emissions of 3.98 tons, marking a reduction of 45% from 2007. In comparison to 2019 levels, this reduction is 34% below commitments made in the decontamination plan.





Coya Sur operations

## GREENHOUSE GASES (GHG)

SQM estimates the total carbon footprint in aggregate for its entire production chain and separately for several products.

The GHG estimate considers all stages from the mineral extraction processes to the finished product given that the port and Scope 3 include upstream articles and services purchased and transport and distribution (upstream and downstream).

Currently, the rise in emissions is due to capacity expansions made by the Company, but using more efficient processes that have enabled us to reduce emissions intensity.

### GHG SCOPE 1, 2 AND 3 EMISSIONS DISCLOSURE 305-1 / 305-2 / 305-3

GHG Emissions	Unit	Gases Included	2020	2019	2018	2017
Direct GHG emissions (Scope 1)	Tons CO <sub>2</sub> eq	CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O	271,008	244,793	235,268	179,538
Indirect GHG emissions (Scope 2)	Tons CO <sub>2</sub> eq	CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O	476,552	404,499	385,320	301,284
Other indirect GHG emissions (Scope 3)	Tons CO <sub>2</sub> eq	CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O	514,814	428,457	402,751	412,548
<b>Total emissions (Scope 1, 2 and 3)</b>	<b>Tons CO<sub>2</sub> eq</b>	<b>CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O</b>	<b>1,262,373</b>	<b>1,077,748</b>	<b>1,023,339</b>	<b>893,369</b>

GHG emissions for 2017, 2018, 2019 and 2020 are estimated based on these calculations.

In 2020, the total GHG emissions were 1,262,373 CO<sub>2</sub> eq broken down into 271,008 tons CO<sub>2</sub> eq (Scope 1), 476,552 tons CO<sub>2</sub> eq (Scope 2) and 514,814 tons CO<sub>2</sub> eq (Scope 3, including upstream articles and services purchased and transportation and distribution upstream and downstream). Includes CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O emissions. GHG emissions are estimated using the IPCC Guidelines for National Greenhouse Gas Inventories and electric power is calculated using the factors posted on the National Energy Commission's website. These factors are for the power grid from which we contract energy.



## INTENSITY OF GHG EMISSIONS

### DISCLOSURE 305-4

INTENSITY OF GHG EMISSIONS		2020	2019	2018	2017
Emissions (Scope 1)	Tons CO <sub>2</sub> eq/Tons Produced	0.15	0.18	0.13	0.09
	Tons CO <sub>2</sub> eq/MUS\$	148	126	104	83
Emissions (Scope 2)	Tons CO <sub>2</sub> eq/Tons Produced	0.27	0.30	0.22	0.14
	Tons CO <sub>2</sub> eq/MUS\$	261	208	170	140
Emissions (Scope 3)	Tons CO <sub>2</sub> eq/Tons Produced	0.29	0.32	0.23	0.20
	Tons CO <sub>2</sub> eq/MUS\$	282	220	178	191
Total	Tons CO <sub>2</sub> eq/Tons Produced	0.71	0.80	0.57	0.42
	Tons CO <sub>2</sub> eq/MUS\$	691	554	452	414

## OTHER EMISSIONS

### DISCLOSURE 305-7

Calculation of NO<sub>x</sub>, SO<sub>x</sub>, COVs and particulate matter includes combustion, fixed source and mobile source emissions and emissions related to production activities, including the movement of materials and vehicles.

Other Emissions	Unit	2020	2019	2018	2017
NO <sub>x</sub>	Tons	1,259.4	1,220.9	1,011.4	879.8
SO <sub>x</sub>	Tons	1,350.1	1,151.4	1,380.7	1,460.2
COVs	Tons	4,908.2	3,937.7	7,225.2	7,310.1
PM, filterable	Tons	2,546.0	2,469.2	2,401.6	1,978.3
PM10, filterable	Tons	50.3	53.1	47.3	51.8
PM2.5, filterable	Tons	55.7	56.9	45.9	44.2







Salar de Atacama operations

### SUSTAINABILITY PLAN AND EMISSIONS



We aspire to be carbon neutral in all of our products by 2040, and in lithium, potassium chloride and iodine by 2030.

### MORE SUSTAINABLE MONITORING

DISCLOSURE 305-5

Fed by solar energy and photovoltaic systems, five environmental monitoring stations stopped using electric generators, making them more sustainable, reducing CO<sub>2</sub> emissions and saving on fuel consumption.

The Mining Maintenance team developed an innovative solution, providing electricity to five ponds that form part of the monitoring system using photovoltaic panels and leaving behind

the fuel-based generators that the ponds had previously relied on.

The photovoltaic system allows the Company to avoid unnecessary use of generators when the pond is not in operation, decreasing CO<sub>2</sub> emissions and generating savings on fuel and spare parts.

This initiative started with a quest for alternatives to decrease energy costs

and our carbon footprint. Then data on monitoring operations was gathered, and team members identified an opportunity for improvement in the five ponds that are not connected to the electricity grid and thus required generators.

Studies were conducted along with a cost analysis between January and May 2020. They then designed the project, acquired the materials and built the system over a four-month period. This

new system cut CO<sub>2</sub> emissions per year by 2.87 tons and generates 6.85 MW per year, while reducing costs related to generator equipment maintenance, logistics and maintenance.



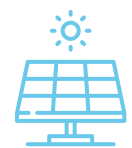
## Energy

We use a high percentage of solar energy, which is an important component of production processes for solar evaporation ponds at the facilities in Salar de Atacama, Nueva Victoria and Coya Sur.

This method gives it an advantage over other processes. It is only possible because the Atacama Desert, where SQM's operations are located, has extremely high levels of solar radiation, resulting in high evaporation rates and facilitating the processes employed to concentrate salts in ponds year-round.

SQM's operations are also powered by electricity obtained from the National Electric System (SEN) and fuels, where cleaner alternatives are prioritized.

SQM has approximately 4,000 hectares of solar evaporation ponds, which allows it to harness significant amounts of solar energy, with solar energy accounting for 93% of all energy consumed in our facilities.



# 93%

OF THE ENERGY USED AT OUR  
OPERATIONS COMES FROM  
SOLAR POWER





**ENERGY CONSUMPTION**  
DISCLOSURE 302-1 / 302-2

Energy	Unit	Consumption	2020	2019	2018	2017
<b>Energy consumption within the organization</b>						
<b>Electricity consumption</b>						
Electricity	GJ	WITHIN	2,082,022	1,853,657	1,765,768	1,380,662
<b>Non-renewable fuel consumption</b>						
Diesel	GJ	WITHIN	1,492,865	1,366,213	1,352,906	1,197,527
Fuel oil	GJ	WITHIN	19,538	30,798	497,462	762,527
Liquefied gas	GJ	WITHIN	72,738	73,110	56,222	76,740
Natural gas	GJ	WITHIN	2,773,724	2,452,256	1,736,748	565,302
<b>Renewable fuel consumption</b>						
Solar power	GJ	WITHIN	87,398,237	84,506,662	98,312,397	116,675,659
<b>Total energy within SQM</b>	<b>GJ</b>	<b>WITHIN</b>	<b>93,839,124</b>	<b>90,282,696</b>	<b>103,721,503</b>	<b>120,658,418</b>
<b>Energy consumption outside of the organization</b>						
Diesel	GJ	OUTSIDE	645,176	533,387	321,216	246,809
Gasoline	GJ	OUTSIDE	298	429	478	140
<b>Total energy outside</b>	<b>GJ</b>	<b>OUTSIDE</b>	<b>645,474</b>	<b>533,816</b>	<b>321,694</b>	<b>246,949</b>
<b>Total energy</b>	<b>GJ</b>	<b>TOTAL</b>	<b>94,484,598</b>	<b>90,816,511</b>	<b>104,043,197</b>	<b>120,905,367</b>

**ENERGY INTENSITY**  
DISCLOSURE 302-3

Energy Intensity		2020	2019	2018	2017
Within the organization	GJ/Tons produced	3.62	4.28	3.04	1.89
	GJ/MUS\$	3,527	2,972	2,387	1,846
Outside of the organization	GJ/Tons produced	0.36	0.40	0.18	0.12
	GJ/MUS\$	353	275	142	114
Total	GJ/Tons produced	3.98	4.68	3.22	2.01
	GJ/MUS\$	3,880	3,246	2,529	1,960



## Raw Materials and Inputs

The main raw material required for the production of nitrate and iodine is caliche, which is obtained at the surface of our mines. The main raw material for potassium chloride, lithium carbonate and potassium sulfate production is brine extracted from our operations in Salar de Atacama.

Other important raw materials are sodium carbonate (used in lithium carbonate production), sulfuric acid, kerosene, anti-caking and anti-dust agents, ammonium nitrate (used to prepare explosives in mining operations), bags for packaging our final products, electricity purchased from power generation companies and natural liquid gas and petroleum to generate heat. Our raw material costs—excluding the caliche ore and brines and including energy—represent approximately 16% of our cost of sales in 2020.

We have been connected to the National Electricity System, which provides electricity to most Chilean cities and industries, since 2017. We have signed several power supply agreements with Chile's most important suppliers, which are in the terms of the contract.

Our electricity needs are mostly covered by the Power Supply Agreement signed with AES Gener S.A. Based on the terms of that agreement, we must purchase more electricity than the amount we estimate we will need for our operations. The excess is sold at marginal cost that could represent a material loss for us.

In order to supply liquid natural gas (LNG), we have a 5-year contract with Engie that began in 2019. In addition, the company Lipigas supplies liquid petroleum gas (LPG) to us at the Salar del Carmen operations and the production plants at Salar de Atacama.

We obtain ammonium nitrate, sulfuric acid, kerosene and sodium carbonate from various leading suppliers, most of them located in Chile and the United States, based on long-term contracts or general agreements. Some of these contain stipulations for annual reviews of prices, quantities and deliveries. Diesel is obtained through contracts that provide fuel at international market prices.







## Environmental Investments

We make important investments to safeguard and preserve the environment around our operations and protect neighboring communities. In view of this, over the last three years, we have made investments of ThUS\$18.961 in 2020, ThUS\$17.063 in 2019 and ThUS\$19.877 in 2018.

The investments in this area are mainly related to compliance with environmental commitments to monitor significant variables and implementation of mitigation and environmental management measures. They also ensured responsible handling of substances and waste from the Company's mining operations and production plants and environmental and sanitary conditions in accordance with regulations.

### ENVIRONMENTAL INVESTMENTS

Environmental Investments	2020	2019	2018	2017
Environmental assessments	1,852	835	512	1,175
Sustainability, environmental monitoring and mitigation measures	7,566	6,757	10,202	6,491
Improvements to environmental/hygiene/sanitary conditions	3,684	5,452	4,403	2,989
Domestic and industrial waste management	5,605	3,836	4,221	4,111
Hazardous waste management	255	183	539	489
<b>Total expenditures (ThUS\$)</b>	<b>18,961</b>	<b>17,063</b>	<b>19,877</b>	<b>15,255</b>

### LECTURES ON SUSTAINABILITY FOR OUR WORKERS

Our lecture series on our new value of sustainability generated high levels of participation. The activities were framed in the context of socializing SQM's new value among our employees. The workshops were the first in a series of events that the Sustainability Area is promoting so that all of our workers understand the commitment that SQM has made based on its commitments and the UN Global Compact Principles.

The lectures "Our Value of Sustainability" and "What footprint do you want to leave?" were each given three times and attended by an average of 60 people.

In the first, we tried to present why we are building the future today at SQM and to describe our main challenges. The second discusses the impacts that our organization must manage. The specific objective was to explain what greenhouse gases are, their effects in the world and Chile and the challenges that we have overcome in order to decrease our footprint size.








11.  
SQM, PRESENT IN  
THE COMMUNITY





# Map of Communities and Operations

SQM PROMOTES A DIRECT, SUSTAINED RELATIONSHIP WITH LOCAL COMMUNITIES, ESTABLISHING COLLABORATION AGREEMENTS AND PROMOTING THE CREATION OF WORKING GROUPS AND OTHER COMMUNITY ENGAGEMENT SPACES.

-  Specialty plant nutrition
-  Iodine and derivatives
-  Lithium and derivatives
-  Potassium
-  Industrial chemicals

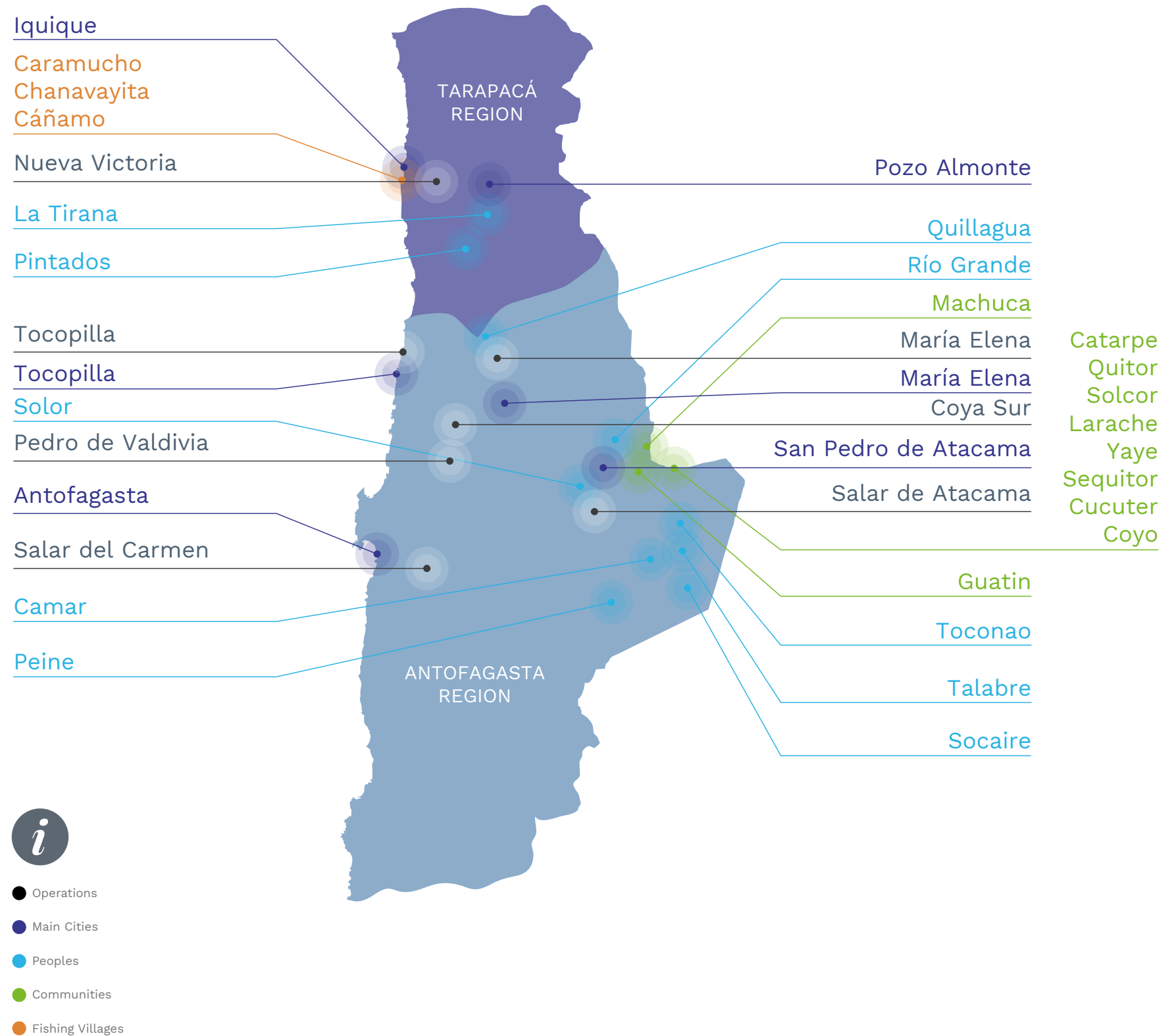
### DISCLOSURE 413-2

Our operations are located in northern Chile in the Tarapacá and Antofagasta regions, which feature a predominately dry desert climate. Human settlements are spread out in this area. The major urban centers are the regional capitals, and they are home to the largest percentage of inhabitants. These cities currently only have ground transport as a major means of transportation between them.

The towns located near SQM operations are small communities that are generally focused on agriculture or tourism. Tocopilla has a port, and María Elena focuses on mining, as it is home to a nitrates office that dates back to 1926. Over the years, it has grown as a mining service provider and has a future as a tourist attraction.

San Pedro de Atacama is home to various Atacameña indigenous communities.

The Tarapacá Region is also home to several Aymara and Quechua communities and associations that are located near our operations.







Pozo Almonte Agriculture Research and Development Center

## OUR APPROACH TO COMMUNITY ENGAGEMENT

DISCLOSURE 103-1 / 103-2 / 103-3

Our community work is developed in accordance with commitments to the community and our neighbors set out in the SQM Human Rights Policy and the SQM Sustainable Development Policy. It contains a commitment to the sustainable development of our business in which we state that we maintain a close relationship with communities located near our production facilities and actively participate in their development. We engage in an open, ongoing and transparent manner with neighbors through programs and initiatives developed with their participation, by mutual agreement, where we are all part of a common goal. We also have acquired the commitments set out in our recently published Human Rights Policy.

Our work with communities is based on four spheres of action that serve as a guide for determining which contributions we will make and which programs we will develop with our neighbors. This has allowed us to enhance our work over time and gain experience that is then focused on long-term initiatives meant to provide communities the tools they need to drive their own development.

In order to measure our programs and impacts, we evaluate current programs, their performance and the level of acceptance through direct conversation with communities prior to making new commitments. We also study the local perception of SQM through tools like the studies conducted in 2020: "Assessment of SQM's Image and Positioning in Public Opinion" and "Assessment of the Image and Positioning," both of which were conducted by CADEM in April, and "Tarapacá Region SQM Image and Perception Survey," conducted by Feedback in December.

In 2020, we measured our community engagement programs using the Social Return on Investment (SROI) methodology. This method helps organizations measure and assess the impact of their initiatives. It uses a mixed methods approach to measure the social, economic, and environmental impacts of the interventions. Its most noteworthy characteristic is the SROI ratio, an index that determines the financially quantified social value for each monetary unit invested in a specific program. The SROI also includes a tool for managing the results of a specific intervention.

In this first approach, we measured one social development program, three agricultural programs, three educational programs and three environmental education programs. This work was completed with the external consultant Estudio 150. We also trained the team on this methodology in order to install this measurement practice in all programs on an ongoing basis.

In addition, for the work conducted with communities in the municipality of San Pedro de Atacama, an assessment of each of the programs developed there was conducted by Montblanc Consulting.

We also implemented the software M-Risk to manage the community engagement program. It allowed us to organize the records and oversee the Company's work with its neighbors, creating uniform records of each interaction. This system will allow us to generate standardized data to comply with GRI and other standards and records for the Dow Jones Sustainability Index as well as other certifications in which the Company participates.

### ACTION AREAS:



EDUCATION AND CULTURE



SOCIAL DEVELOPMENT



HISTORICAL HERITAGE



HEALTHIER LIVING (SPORTS)



In addition, we implemented a community telephone line in María Elena to channel concerns of community members. This created new networks that allow us to maintain contact during the pandemic. We will expand the initiative to include towns in the Tarapacá Region based on the positive results.

All our operations and expansion projects are subject to environmental assessments in accordance with current regulations, and internal controls and commitments. This includes measuring the impact of operations on neighboring communities. In that context, SQM personnel themselves invite citizen participation and conduct consultations and other community outreach initiatives that set our Corporate Social Responsibility program apart as one that does not resort to outsourcing and that creates permanent community ties.

To ensure a greater commitment, all company-driven projects are accompanied by written collaboration agreements that establish the objectives and expected results as well as each party's commitments and responsibilities. In this area, we seek support from institutions, foundations and corporations specializing in the various fields of expertise required by each project.

**DISCLOSURE 411-1**

During the reporting period, we received no complaints or observations of violations of rights of indigenous peoples.



AMOUNT INVESTED BY SQM IN COMMUNITIES IN 2020

**US\$5,512,625**







Alto Jama



Pozo Almonte

**DISCLOSURE 413-1**

**WORKING GROUPS, COMMUNITY ENGAGEMENT PROGRAMS AND MULTI-SECTOR COORDINATION IN 2020**

**IQUIQUE**

- ➔ Chanavayita Fishing Union No. 5 Working Group
- ➔ Chanavayita Fishing Union No. 6 Working Group
- ➔ Caramucho Fishing Union No. 1 Working Group (Coastal Union Association)
- ➔ Caramucho Fishing Union No. 2 Working Group (Coastal Union Association)
- ➔ Cádiz Fishing Union Working Group\*(Coastal Union Association)

**POZO ALMONTE**

- ➔ Tierras de Jehová Multiethnic Association Working Group
- ➔ Juventud del Desierto Aymara Indigenous Association Working Group
- ➔ Victoria Office Neighborhood Council Working Group
- ➔ Quillagua Aymara Indigenous Community Working Group
- ➔ Efraín Choque Family Working Group, Bellavista Sector
- ➔ Sandra Vicentelo Family Working Group, Tamentica
- ➔ Alfalfa Production Center Working Group (with CONAF and the Pampa del Tamarugal Aymara Rural Indigenous Association)
- ➔ Pampa del Tamargual Breeder and Dairy Farmer Cooperative Working Group

**TOCOPILLA**

- ➔ Tocopilla Fishing Union Working Group
- ➔ Ground Transport Safety Consultation Council
- ➔ El Puerto Cowork Board of Directors (with the Municipality of Tocopilla, Governor of Tocopilla and the La Semilla Foundation)

**SANTIAGO**

- ➔ Women in Mining Group (with the Ministry of Mining, Ministry of Women and Gender Equality and Mining Companies)

**SAN PEDRO DE ATACAMA**

- ➔ San Pedro de Atacama Working Group created to coordinate key stakeholders in the area to address the COVID-19 public health crisis
- ➔ Toconao Atacameña Community Working Group Mainly focused on the public health crisis
- ➔ Socaire Atacameña Community Working Group
- ➔ Talabre Atacameña Community Working Group\*
- ➔ Camar Community Working Group\*
- ➔ Rio Grande Community Working Group
- ➔ San Pedro de Atacama Municipality OMIL Working Group, which also includes stakeholders in the field of education to execute the Second-Chance Education Program
- ➔ Lickanantay High-Altitude Winemakers' Cooperative Working Group

**MARÍA ELENA**

- ➔ Ground Transport Safety Consultation Council
- ➔ Quillagua Aymara Indigenous Community Working Group
- ➔ María Elena Public-Private Working Group (with the Municipality of María Elena and mining and renewable energy companies)
- ➔ Community Security Council
- ➔ Quillagua Rural Drinking Water Working Group
- ➔ Quillagua Hydroponics Cooperative Working Group

\* Working groups created through a collaboration agreement beginning in 2020.  
 NOTE: Other community engagement spaces are listed in the "Communities Appendix."





María Elena

## CONTRIBUTIONS COMMITTED TO IN CORFO-SQM LEASE AGREEMENT FOR SALAR DE ATACAMA

As part of the commitments that the Company acquired in the context of the 2020 SQM CORFO Agreement, we contributed US\$23,217,005, which are the 2018 and 2019 contributions for the Antofagasta Regional Government and the 2019 contribution for the municipalities of San Pedro de Atacama, María Elena and Antofagasta.

THIS CONTRIBUTION IS CALCULATED BASED ON SALES OF SQM SALAR USING THE FOLLOWING ANNUAL SALES PERCENTAGES:

- 1.3% ANTOFAGASTA REGIONAL GOVERNMENT
- 0.2% MUNICIPALITY OF SAN PEDRO DE ATACAMA
- 0.1% MUNICIPALITY OF MARÍA ELENA
- 0.1% MUNICIPALITY OF ANTOFAGASTA

In addition to the amounts given to the Antofagasta Regional Government and these municipalities, to date SQM has contributed US\$2,962,080 to CORFO to be used exclusively to finance research and development (R+D) activities.

The agreement also calls for the following contributions, which have not been made as of publication of this report because the Company is awaiting instructions from CORFO regarding the format and distribution.

- US\$25 million for investment projects and to support sustainable development in the communities in Salar de Atacama.
- US\$17 million for the Antofagasta Center for Clean Technology (R+D) for 2019 and 2020.



## Atacama Tierra Fértil Program

DISCLOSURE 413-1

Launched in 2008, SQM's Atacama Tierra Fértil Program has helped launch numerous agricultural initiatives in the driest desert on the planet.

These programs are part of our Company's essence, as the largest fertilizer producer in the world. We regularly advise our customers through a team of expert agronomists working directly with them. For this program, we put all our experience to work to advise communities. The Atacama Tierra Fértil Program operates in the following towns: Pozo Almonte, Quillagua, San Pedro de Atacama, Toconao, Talabre, Camar, Socaire and Rio Grande.

Atacama Tierra Fértil is designed to provide farmers with technical expertise and support for their crops and production through a team of multidisciplinary professionals, providing tools for innovation to improve crops and sales of high-quality, value-added products. All of this is done while respecting the ancestral practices of the Aymara and Atacameño people present in the territory.

Over the years the program has received support from the following organizations: Antofagasta Regional Government (FIC Projects), Regional Public Works Agency of Antofagasta (Hydraulic Works Bureau), Regional Agricultural Agency of Antofagasta and Tarapacá, Foundation for Agricultural Innovation (FIA), SERCOTEC, National Corporation for Indigenous

Development (National Corporation for Indigenous Development CONADI), National Institute for Agricultural Development (INDAP), as well as the municipal governments presiding over territories housing the indigenous associations and communities located near our operations.

### POZO ALMONTE

#### SQM SUPPORTS PAMPA DEL TAMARUGAL RANCHERS

Through an alliance established with CONAF, we will develop a 30-hectare property for alfalfa farming in order to complement feed for local livestock, benefiting ranchers from the Pampa del Tamarugal Aymara Rural Indigenous Association.

The project will take three years to complete, and will be installed in Pampa del Tamarugal National Park in the municipality of Pozo Almonte.

SQM designed the alfalfa production unit and financed equipment, supplies and materials. This unit is expected to serve as a source of forage and feed for small stock owned by participating association members.

In parallel, in order to support ranching activity, local ranchers received 37.5 tons of palletized alfalfa to feed their sheep and goats. These ranchers and farmers traditionally sell their animals during the La Tirana Festival, which was canceled this year because of the COVID-19 public health emergency, thus leaving them with the challenge of feeding their sheep and goats. The donation is designed to ease the effects of the crisis.

In addition to donating fodder, we donated 4 autonomous shredders they can use to prepare feed for their animals. We also provided a veterinary kit with the supplies needed to treat their animals' illnesses. This comes with technical advising from a veterinarian who visits twice each year and trains ranchers how to use the kit to provide first aid.

#### POZO ALMONTE AGRICULTURE RESEARCH AND DEVELOPMENT CENTER

The Agricultural Research and Development Center spans over 1,150 m<sup>2</sup>. It is located in the Los Pinos campground, which is owned by the municipality of Pozo Almonte. It has two buildings: one is used to grow hydroponic crops and the other one houses the cheese factory (duly certified by health authorities) along with a refrigerated delivery truck to ensure the cold chain remains intact.

This is the only initiative of its kind in the Tarapacá Region. It was inaugurated in 2019 and is designed to develop hydroponic crops and to produce cheeses for the local market.

It will train anyone wishing to grow their own hydroponic crops, providing guidance as a pilot program to identify the best business processes and production techniques.



# 29,660

HEADS OF LETTUCE DONATED IN THE COMMUNITIES OF LA TIRANA, POZO ALMONTE AND ALTO HOSPICIO BETWEEN JANUARY AND DECEMBER 2020.

Signing of agreement with CONAF, SQM and the Pampa del Tamarugal Aymara Rural Indigenous Association





Pintados Agricultural Colony

**PROMOTING AGRICULTURE IN PINTADOS – POZO ALMONTE**

We continue to work with farmers in the Pintados Agricultural Colony with the organizations: the Tierras de Jehová Aymara Indigenous Association and the Juventud del Desierto Aymara Indigenous Association.

Our work in this town has focused on fostering good farming practices through advising from SQM professionals in order to enhance soil structures with sand and washing to revitalize the soil. We help with implementation of irrigation

systems designed to save water; providing agricultural equipment for soil preparation, as well as seeds and plants, all of which is supplemented with a supervised plant nutrition program.

Other initiatives have also been carried out such as growing melons and watermelons, planting grape vines and experimenting with coconut fibers as a means to introduce new techniques as alternatives to farmland substitution. These actions have made local associations of farmers and their families more competitive.

The direct contributions for the associates have included: sand and transportation to recover soil, irrigation lines, 40 thousand plants, watermelon and melon seeds, tools and machinery such as a tractor.

We have committed to donating four rainwater collection pools, irrigation lines, fumigation equipment and ongoing technical advising during 2021.



The programs developed in Colonia Agrícola Pintados with the farming associations in 2017, 2018 and 2019 were evaluated using the SROI methodology in 2020. The social return produced is described below:

- Juventud del Desierto Aymara Indigenous Association, **SROI of 33.4 points.**
- Tierras de Jehová Multicultural Indigenous Association, **SROI of 13.4 points.**
- Nuevo Amanecer Cooperative, **SROI of 7.9 points.**







## QUILLAGUA

### WATER COLLECTION RESERVOIR FOR QUILLAGUA

In 2020, we celebrated the inauguration of the 30 million-liter reservoir donated to the community of Quillagua. The project will provide ongoing access to water from the Loa River to the community.

The project dates back to an idea in 2010 when three hectares of alfalfa were planted for fodder in collaboration with the Agrarian Innovation Foundation (FIA in Spanish), and a stable irrigation source was needed. However, irrigation channels fed by the Loa River do not supply enough water in the summer. So, the need for another water supply to irrigate farmland became evident.

Water from the reservoir will be used partially (15%) for human consumption and the rest will go to animals and farming. As such, it is expected to result in strong local economic reactivation.

The project was built by local companies and workers and is ecological because it uses a gravity-based loading and unloading system. It was developed by SQM, the FIA and the local community, with support from the Antofagasta Regional Government and the Municipality of María Elena.

The reservoir involved an investment of nearly Ch\$180 million. Work on the project began in 2013, but its execution was delayed because heritage pieces were found when excavation began. The Company developed, secured approval for and executed an Archaeological Plan that was authorized by the National

Monuments Council in 2019. This was thanks to the role that the Municipality of María Elena and the Quillagua Indigenous Community and other social organizations played in the process.

### HYDROPONICS IN QUILLAGUA

This project was started back in 2013 with the opening of a 1,000m<sup>2</sup> greenhouse built to grow lettuce and the formation of the Quillagua Hydroponics Farming Cooperative, which currently has 17 members.

In an effort to update the infrastructure of this project, a series of improvements were made in 2020, including repairing bathrooms and redecorating administrative offices. We also built a new storage facility and created a dining area.

Other work included refurbishing a second warehouse, realigning an industrial staircase and improving outdoor lighting.

This initiative was completed by our corporate volunteers. Two SQM risk prevention experts volunteered to conduct the safety inspections prior to the work.

Another noteworthy activity completed during this period was the training provided to the Board of the Quillagua Hydroponic Rural Farmers' Cooperative on legal matters such as forming the board, electing its members and setting out their responsibilities. This work was performed by an attorney who specializes in those areas.

THE NEW RESERVOIR IN QUILLAGUA WILL GIVE THE COMMUNITY A PERMANENT FLOW OF WATER, WHICH WILL GIVE A BOOST TO LOCAL FARMING AND RANCHING.

It is important to note that in the context of the public health crisis, the cooperative donated 800 heads of lettuce to the Tocopilla Senior Citizens' Club and the two municipal unions that work directly with the city's neighborhood council. Another 600 heads of lettuce were donated to the community of Quillagua, and 700 went to María Elena.

### ALFALFA AND CORN FOR QUILLAGUA

During the public health crisis, a group of 37 ranchers from the Quillagua Aymara Indigenous Community received two deliveries of feed for their animals due to the fact that their income had been impacted.

The two donations consisted of 8 and 7.25 tons of alfalfa and corn, respectively, to feed their horses, llamas, sheep, geese, doves, hens, ducks and other animals.







THE WINE CATCHIR LATE HARVEST MOSCATEL 2019 WON A GOLD METAL AT THE CATAD'OR WINE AWARDS 2020

## SAN PEDRO DE ATACAMA

### AYLLU WINE

The objective of SQM's Atacama Tierra Fértil Program is to work with Salar de Atacama communities to outline a sustainable, innovative and profitable agricultural development plan. It has worked with 19 farmers from the Zapara, Valle de Puques, Toconao, Quito and Socaire sectors for years. They have formed a cooperative and are responsible for producing the wine Ayllu.

Ayllu represents the characteristics of its terroir: the water, landscape, altitude and minerals of the Atacama Desert—the driest desert in the world—as well as the daily work of the co-op members. These characteristics have resulted in a unique wine with a local identity that has been positioned in various markets. The 2019 Catchir Late Harvest Moscatel won the Gold Medal at the 2020 Cata d'Or Wine Awards, where it competed against the best of the best.

A total of 13,938 kilos of grapes were harvested in 2020, yielding 8,738 liters of wine. This means that the efficiency rate of kilos to liters for this wine is 62.7%. Production was up from the previous year, when 4,436 liters of wine were made from several different varieties of grapes: Sauvignon Gris, Chardonnay, Moscatel de Alejandria, Moscatel Rosada, Pinot Noir, Côt, Syrah, Cabernet Sauvignon, Garnacha, Petit Verdot and the heritage variety País.

SQM's support for 2020 was focused on field processes and wine production. This includes a team led by a winemaker that worked on the project throughout the year. The Company also provided supplies, plant material, marketing and investment funds.

### HYDROPONIC PRODUCTION PROGRAM IN SOCAIRE AND TALABRE

This hydroponic production process began in 2016 in Socaire with the implementation of greenhouses that currently have a production capacity of 6,000 heads of lettuce per month. The project is located at 3,500 meters above sea level and features a system that improves water efficiency in an effort to decrease the water footprint.

The team that develops this business unit is comprised of local women from the town of Socaire.

Due to the public health crisis, production dropped by 50% in 2020. In response, the team distributed the supplies needed to ensure the correct operation of modules, such as seeds, fertilizers and measuring equipment.

In 2016, the program was replicated in the community of Talabre, where they also decided to grow fruit and leafy vegetables in live substrates and involved local personnel in the process. During 2020, we worked with the community to complete the technical and administrative transfer of the project. Previous work included changing the roofs on the two greenhouses, improving the growing tables, improving the water distribution system and distributing supplies. A photovoltaic pump system will soon be implemented.



This process meets two goals of the Atacama Tierra Fertil Program: giving the community the skills necessary to continue to develop the project and creating a business that will be sustainable over time.

In response to the pandemic's effect on the economy of San Pedro de Atacama because of reduced tourism, SQM made several different donations to the town. Thanks to a partnership with the managers of the hydroponic greenhouse in Socaire, the Company coordinated the purchase and delivery of 500 heads of hydroponic lettuce to different community organizations such as the local parish to supply soup kitchens.

We also donated local potatoes from San Juan de Río Grande in order to allow beneficiaries to access this product while supporting local growers.

All of this was accompanied by training for local stakeholders to use disinfectants to prevent the spread of COVID-19.

#### **ALFALFA CROP STARTUP PROGRAM**

Established in 2008, this program began by sowing 0.2 hectares of alfalfa fields with automated irrigation in order to boost water efficiency and crop yield for animal fodder, which is scarce in the region.

The work completed in 2020 was focused on the technical and administrative transfer of the project to the Talabre community. The final maintenance tasks such as the review and repair of leaks in irrigation tubing, installation of distribution valve covers and replacement of the sprinkler system were completed this year.

This is an important step because it aligns with the true meaning of the projects that we wish to implement in the municipality in regard to the transfer of tools to the community, including both investment tools and techniques that will allow the project to become sustainable over time.

The work completed in 2020 was focused on the technical and administrative transfer of the project to the Talabre community. The final maintenance tasks such as the review and repair of leaks in irrigation tubing, installation of distribution valve covers and replacement of the sprinkler system were completed this year.

#### **PROGRAM FOR REVIVING GARLIC PRODUCTION**

We continued to execute the program for reviving garlic production in 2020, monitoring and implementing a management plan focused on decreasing the population of pathogens in the soil and seeds. We used products that have minimal impacts on the local ecosystem that have had positive results over the years.

The program is designed to promote the development of this farming activity and give value to a product that is very important to the community.







#### **ALFALFA PILOT PLOTS IN YERBAS BUENAS**

Hydraulic projects have been executed parallel to this in the Yerbas Buenas area, a town that is part of the Rio Grande community. The goal of this work is to ensure the availability of water and implement an initial stage that involves making twenty 1,000 m<sup>2</sup> alfalfa plots available for grazing. The program will be progressively expanded going forward. The total surface area of this sector is 30 hectares for farming use. The goal is to create a hub of economic development for this area that is profitable, sustainable and benefits local families.

#### **QUEBRADA DE SONCOR CONNECTIVITY**

During the summer of 2019, strong rains and floods caused considerable damage to farmland and irrigation canals in Quebrada de Soncor. This left farmers without water for irrigation, increasing uncertainty as to whether they could maintain their crops and fruit trees. Consequently, the need arose to restore connectivity of the canal matrices in order to channel the water and provide security to the community members. The work involved installing three kilometers of HDPE tubing and valves in the three main areas of the basin: Ckocko and Coyo, the Peña-Chasquir area and the Alaren area.

The goal is to recover and preserve the territory's heritage and farming culture. It is important to note that Soncor is a catchment area that has a natural water stream that flows into Salar de Atacama where local residents grow fruits and vegetables and also work with llamas.





Juntos Impulsamos Tu Negocios (Promoting Business Together), March 2020

## FOSTERING PRODUCTION DEVELOPMENT

DISCLOSURE 413-1

### IQUIQUE

#### EXPO ANDINA 2020

In an effort to add value to the agricultural products, handicrafts, cuisine, dance and culture of the Quechua and Aymara peoples, we support the Multi-cultural Indigenous Business Association of the Tarapacá Region, which held the second version of Expo Andina in January in the city of Iquique. This cultural festival reflects local traditions, cultures and roots, and included over 100 indigenous entrepreneurs and artists from northern Chile.

We also created a Support and Shared Responsibility Workshop for Pozo Almonte residents, in partnership with CREIDE, that involved providing psychological support tools to help them weather the pandemic and its consequences.

### MARÍA ELENA, QUILLAGUA AND TOCOPILLA

#### REVITALIZE YOUR BUSINESS GRANTS

SQM signed a public-private agreement to boost our commitment to entrepreneurs and business owners from María Elena and Tocopilla who contribute to local economic and social development. One of the measures in the initiative was the Revitalize Your Business grant program involving the La Semilla Foundation, Sercotec, the Tocopilla Chamber of Commerce and Tourism, Feria Redonda of María Elena and the municipalities of María Elena and Tocopilla.

A total of 219 applications were received from various areas, and 108 entrepreneurs won grants. Of these, 97 are from Tocopilla, 7 from María Elena and 4 from Quillagua. Each received up to CLP\$2 million to strengthen their businesses, which had been impacted by a significant drop in sales and provision of services.

### POZO ALMONTE

#### PAMPA CULINARY WORKSHOPS

At the beginning of the year, we worked with the Crecer con Identidad Foundation (CREIDE) to hold a culinary workshop that showcased the cuisine of the glory days of the nitrates industry. The initiative is designed to provide the tools and knowledge necessary to allow Pozo Almonte residents to create new businesses and manage culinary services focused on recovering and disseminating traditional dishes prepared by local families. SQM, CORFO and the Municipality of Pozo Almonte supported the initiative.



Expo Andina, February 2020





Juntos Impulsamos Tu Negocios (Promoting Business Together), March 2020

### MARÍA ELENA REACTIVATION PROGRAM

In the context of the María Elena Economic Reactivation Plan, a public-private fund was created to support local entrepreneurs and micro-business owners who were impacted by the public health crisis. A total of 46 people received funds from the “PAR” Reactivating My Pampa Salitrera program from CORFO and the “Promoting Business Together” initiative. Both were co-financed by SQM, Atlas Renewable Energy, Cerro Dominador, Generadora Metropolitana, TSGF and the Municipality of María Elena, the La Semilla Foundation and Puerto Cowork.

Over Ch\$100 million were distributed among project beneficiaries, who

completed a rigorous selection process. The funds will allow them to reactivate or strengthen their businesses through funding allocated based on the category to which they applied. Resources were given to 33 entrepreneurs and micro business owners from María Elena and Quillagua.

In addition, the CORFO Pampa Salitrera PAR Program benefited another 13 entrepreneurs and small business owners from the district, providing public resources and co-funding from partnerships. Many of the recipients of both grants were women, and a total of 31 of the initiatives are led by women.

### PUERTO COWORK

In Tocopilla, we worked with the La Semilla Foundation to support Puerto Cowork, a place where entrepreneurs and business owners develop their capacities and skills and learn to overcome business challenges. This creates communities for the economic and productive strengthening of the Province of Tocopilla.

The third version of the Puerto Cowork initiative “Atrévete y Embárcate” was held in 2020 with a very healthy level of interest. A total of 275 applicants participated in the program for local business owners, taking part in workshops designed to give them

business management skills and advising services to strengthen their initiatives.

The program’s personalized advising and workshops included offerings such as: Know Your Client and Models, Value Proposition and How to Present My Business. These were offered online due to the public health crisis.

It is worth noting that the Atrévete y Embárcate program included a rotating fund with Ch\$30 million to encourage entrepreneurs to relaunch their businesses during the pandemic.



The Puerto Cowork program promoted by the La Semilla Foundation was assessed using the SROI methodology in 2020 for the work done with them in 2017, 2018 and 2019. It yielded an **SROI of 16.0 points.**



## ANTOFAGASTA

### ANTOFAGASTA YOUTH LEADERS

SQM sponsored a new version of Northern Leaders organized by the newspaper El Mercurio of the city of Antofagasta. This initiative involves selecting a group of young people who have developed social innovation projects that contribute to developing the city in various areas.

### SUPPORTING NEIGHBORS AND THEIR EMPLOYABILITY

We continued to offer Employability Workshops in communities located near our operations in the Tarapacá and Antofagasta regions. The workshops are led by SQM psychologists. Each one teaches participants how to have a successful job interview, how to prepare a CV and which elements should be included in it. These workshops seek to increase the number of locals working at SQM's operations.



# 3

YEARS OFFERING  
EMPLOYABILITY  
WORKSHOPS IN LOCAL  
COMMUNITIES





## SAN PEDRO DE ATACAMA

### CAMAR WATER SUPPLY PROJECT

In 2020, we broke ground on a project that will allow the community of Camar to recover its supply line for potable water treatment. The supply was interrupted due to the adverse weather that hit San Pedro de Atacama in 2018 and 2019. As the project begins 11 km into the Andes Mountains, SQM paved 8 km of rural roads to the capture point.

The project will have a high social impact because it will give the community access to water year-round and, consequently, boost development.

In addition, in an effort to protect the health of the community of Camar, the Company created a plan to deliver potable water on an ongoing basis, which involved delivering 20m<sup>3</sup> of water to the community each day, as having water is necessary during lockdown.

### OUTFITTING TOCANAO'S VILTI FIRE BRIGADE FACILITIES

We provided support to outfit a first-rate temporary garrison for the Toconao Fire Brigade. This allowed them to carry out coordination meetings, staff overnight shifts and store their equipment more effectively. The project, which has been long sought by its beneficiaries, improves the quality of work life of the brigade members. The next stage of the project involves furnishing the facility.

### SECOND-CHANCE EDUCATION PROGRAM

Eighty-two (82) San Pedro de Atacama Residents Continued Their Elementary and Secondary Schooling. This initiative is supported by the San Pedro de Atacama Municipality through its Job Placement Office (OMIL in Spanish) along with Capacitaciones Da Vinci. It is sponsored by the La Semilla Foundation and SQM. Eighty-two students from Salar de Atacama were able to continue their elementary and secondary school studies. Thirty-four of them graduated from high school.

Students from Camar, Peine, Río Grande, San Pedro, Talabre and Toconao completed their studies online this year. In order to facilitate access to the program, the teaching methodology was adapted and material was provided to allow students to work from home. Participants were also given a subsidy to ensure that they would have an internet connection. This provided much-needed educational continuity during the pandemic.

### INTERMEDIATE EXCEL TRAINING PROGRAM

We provided support for the Intermediate Excel Training Program, targeted towards individuals who have a formal job in a social organization. This first remote training activity was designed to boost students' technological capacities and skills to improve their professional performance and social development. The program involved 24 classroom hours and was attended by students from Toconao, Talabre, Camar and Río Grande.



# 82

NEIGHBORS FROM SAN PEDRO DE ATACAMA CONTINUED THEIR ELEMENTARY AND SECONDARY STUDIES, WITH SUPPORT FROM SQM AND THE LA SEMILLA FOUNDATION





#### FAMILY GARDENING PROJECT IN SAN PEDRO DE ATACAMA

Due to mobility restrictions and lockdown policies because of the pandemic, SQM launched the Family Gardening program. The goal of the initiative was to contribute to the production of fresh, high-quality vegetables for family members to enjoy using a small amount of space. The program is also meant to encourage all family members to get involved in gardening regardless of age. Online training activities were offered, and infographics and manuals were distributed to achieve this goal.

The initiative, which has been developed over the course of several months in the communities of Peine, San Pedro de Atacama, Socaire and Toconao, has led to the successful planting of dozens of family gardens in the region. The Company plans to add the town of Río Grande in 2021.

Interestingly, the program began in June with online training led by Guillermo Gallardo, a teacher at the Likan Antai Agricultural High School. Mini-greenhouses measuring 2 X 1 meter with plastic covers were distributed to participants as part of the implementation process along with seeds, fertilizer and support from a multidisciplinary team. The greenhouses were used to grow vegetables like chard, radishes, lettuce and tomatoes. Beneficiaries were also welcome to plant local seeds.

Along these same lines, and in order to promote the development of social organizations, we provided support to the Alto Jama Community Group by building a community greenhouse that will encourage the participation of 150 local residents. The goal of this project is to give community group members the tools they need to grow their own food for their families and to have a production alternative that is sustainable over time.





## Supporting Education

SQM SEEKS OUT AND SUPPORTS PROGRAMS THAT PROVIDE TOOLS AND SKILLS TO STUDENTS AND TEACHERS, DIMINISHING THE GAPS PRESENTED BY SCHOOLS LOCATED FAR FROM MAJOR URBAN CENTERS.

### DISCLOSURE 413-1

We support educational initiatives that focus on closing existing gaps in education establishments located near its operations. These initiatives focus on complementing teachers' knowledge, providing teaching resources and creating a bridge between schools and the Company. SQM volunteer employees are involved in some of the training processes, especially technical vocational ones.

This support meets the needs of the regions in which we have a presence with the understanding that students will be part of the Company's labor force in the future.





## MATHEMATICS ASSISTANCE PROGRAM

For the ninth year, SQM's work with Corporación Crea+ has continued to yield good results and is valued by the teachers and administrators of the schools that receive assistance.

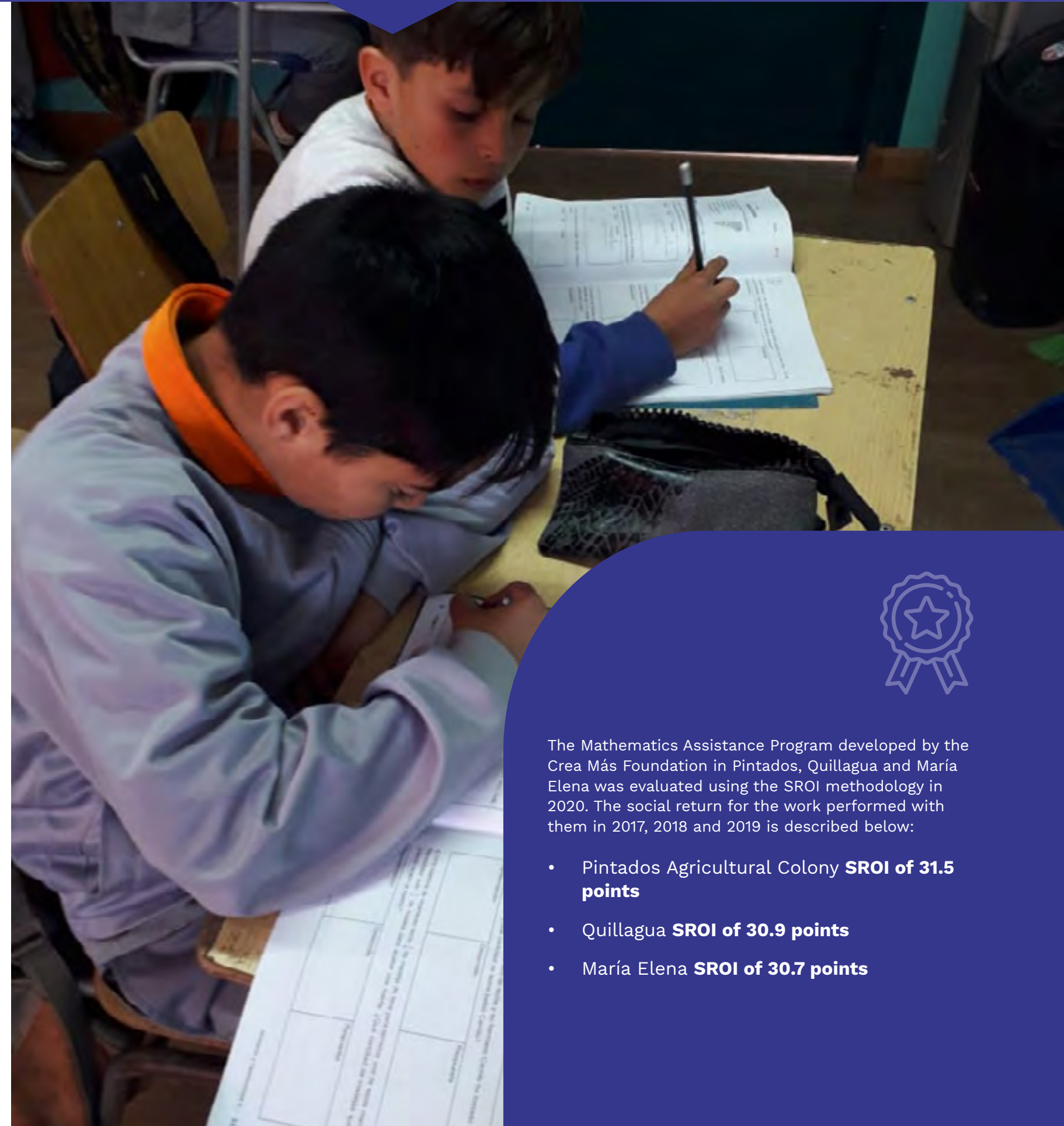
During 2020, the program had a direct impact on 1,642 students and 45 teachers at several different schools.

### MATHEMATICS PROGRAM IN SCHOOLS IN TOWNS NEAR SQM OPERATIONS IN 2020

School	Location	No. Administrative Staff	No. Teachers	No. Levels	No. Students
Oasis en el Desierto School	Pintados Agricultural Colony	2	2	8	70
Ignacio Carrera Pinto Primary School	Quillagua	1	1	6	28
Arturo Pérez Canto School	María Elena	3	13	8	548
E-26 SPA	San Pedro de Atacama	2	14	6	686
Toconao Educational Complex	San Pedro de Atacama	2	6	12	222
San Roque de Peine	San Pedro de Atacama	1	2	6	15
San Bartolomé de Socaire	San Pedro de Atacama	1	3	6	28
Cámar	San Pedro de Atacama	1	1	4	11
Sólor	San Pedro de Atacama	1	2	6	30
Talabre	San Pedro de Atacama	1	1	3	4



Due to the COVID-19 pandemic, Microsoft Teams was implemented at the Arturo Pérez Canto School, benefiting the entire school community from pre-K to grade 8.



The Mathematics Assistance Program developed by the Crea Más Foundation in Pintados, Quillagua and María Elena was evaluated using the SROI methodology in 2020. The social return for the work performed with them in 2017, 2018 and 2019 is described below:

- Pintados Agricultural Colony **SROI of 31.5 points**
- Quillagua **SROI of 30.9 points**
- María Elena **SROI of 30.7 points**





## SAN PEDRO DE ATACAMA

### CREA+ PROGRAM OFFERS TRAINING

In an effort to help teachers adapt to remote learning, Crea+ and SQM developed a series of workshops to strengthen teaching tools. The program was directed at elementary school teachers from Toconao, Camar, Talabre, Solor, Socaire and Peine.

The workshops included: Mathematics Program Workshops for learning about priority learning objectives; training assessment to identify the main characteristics of the training assessment and create a road map for applying this type of evaluation; the use of TEAMS for teaching and for launching online classes; and tips for providing the best feedback to students.

In the context of the language program: Teaching reading fluidity and differentiating between assessing and grading; identifying characteristics of training assessments; establishing ways to record evidence of learning in order to conduct a training assessment; direct teaching strategy for reading comprehension to teach teachers to model reading comprehension strategies in virtual and traditional classrooms; and teaching assessment rubrics step-by-step to help teachers assist their students to develop rubric-type assessment instruments.

### +LANGUAGE ASSISTANCE PROGRAM

In 2020, the +Language assistance program was implemented for the second time in San Pedro de Atacama municipal schools in 2020 following a trial run in late 2018.

Aimed at boys and girls in 1st to 6th grade, this program has been implemented to fill educational gaps and boost test scores. Its primary objective consists of improving the students' reading quality, speed and comprehension by providing technical support to teachers in the area, administering tests and evaluations and fostering activities related to reading comprehension.

The program expects to help new generations improve their literary and reading skills by working hand in hand with language teachers, deploying and strengthening diverse tools to motivate students. The program had to be adapted to a virtual platform this year, much like the +Mathematics Program.

### STAYING HEALTHY AT HOME DURING THE PANDEMIC ART AND CULTURE AT HOME

The Art and Culture at Home initiative was one of the actions taken by the Company to support communities and mitigate the effects of the public health crisis.

The focus was on encouraging families to spend time together, highlighting the psychological and social aspects of adapting to new ways of life, trying to generate a comprehensive perspective on the issue. The program is directed at family groups and allows them to engage with various artistic-recreational, athletics and cultural audiovisual materials designed to entertain, inform, accompany and educate families in Salar de Atacama communities.

### SUPPORTING YOUNG PEOPLE ON CHILDREN'S DAY

As part of our efforts to provide new teaching and student life methodologies, we supported the Toconao Educational Complex to celebrate Children's Day, offering a fun remote activity that featured Chilean actors like Fernando Godoy, members of the local cultural scene and storytellers who presented fun activities to help all of the children enjoy their special day.



## POZO ALMONTE

### EDUCATION IN THE PINTADOS AGRICULTURAL COLONY

We continue supporting the Oasis en el Desierto School in Pintados, near our Nueva Victoria operations, just like we have over the past 14 years. We provided support to children, parents and guardians and teachers through the implementation of online classes in 2020 by providing 60 tablets in an effort to strengthen student learning during the pandemic. The tablets have internet access through their own chip, which boosts connectivity for teachers and students, allowing them to complete their work and participate in virtual classes. The tablets also came with a case and pen.

We also helped this community celebrate holidays such as Christmas, complementing the training provided through the +Mathematics Program for these students,

along with personal protective equipment such as gloves, masks, disposable coveralls and quaternary ammonium.







#### APRENDO CONTIGO PROGRAM

This program is an initiative promoted by SQM and the Choshuenco Educational Foundation that was developed during the pandemic. Its purpose is to create teaching resources to guide families as their children's first teachers, encouraging continuity in the teaching-learning processes of children between the ages of three months and six years.

It was targeted towards preschool children and their families enrolled in 19 schools in the Antofagasta Region in the towns of Quillagua, María Elena and Tocopilla. In the end, it reached 1,618 families, who received 10 educational activities to help their children at home and strengthen the learning objectives proposed in the base preschool curriculum. Support was provided in the areas of: comprehensive communication, integration and understanding of the environment and personal and social development.

The program also facilitated learning processes for teaching teams, creating learning target road maps in order to visualize the expected objectives in greater detail and reach them more quickly.

In the context of the corporate volunteer program in Santiago, SQM employees delivered boxes of food and cleaning supplies to children at the Jardín Ángel de la Guarda de San Ramón, which is managed by the Choshuenco Foundation. We also contributed to the Christmas gift drive.



**1,618**  
FAMILIES BENEFITED



## QUILLAGUA, MARIA ELENA AND TOCOPILLA

### VILT SEMANN PROGRAM: INNOVATIVE TEACHING METHODS AND STRATEGIES FOR THE FUTURE OF TOCOPILLA, MARÍA ELENA AND QUILLAGUA

For the past 5 years, we have supported this program focused on early education and stimulation for children ages 4 to 9 years old in the area of science, technology and robotics, in order to promote settings of interdisciplinary learning where students acquire skills to structure research and resolve concrete problems. This helps shape individuals with the capacity to develop new skills, concepts and respond efficiently to the shifting environments of today's world.

The program is managed by Universidad Católica del Norte, UCN and was developed along with SQM in 2020 in Tocopilla, María Elena and Quillagua to boost children's cognitive development in science and robotics.

Due to the COVID-19 pandemic, the program was adapted in 2020 to support children and teachers in their education process online through its own platform. The changes included a series of talks called "Vilti Live," with interesting guests like Sebastian Ogalde, a young astronaut from Antofagasta who discussed topics related to science and technology.

Some of its objectives include: Closing educational gaps, promoting creative talent and contributing to equal opportunities in education (knowledge). Another one is to bring science and robotics closer to the students through fun and engaging learning techniques.

The graphic is a promotional poster for 'Vilti Live' Capítulo 1. It features a blue background with the 'VILT SEMANN' logo at the top left and the Universidad Católica del Norte logo at the top right. The main text reads 'VILT LIVE' in large white letters, followed by 'Capítulo 1' in a pink box. Below this, it says 'Conduce: Mg. Olga Hernández'. A central circular portrait shows Sebastian Ogalde, a young man with glasses, wearing a dark jacket with 'S. Ogalde' and 'Aspirante Astronauta OBCBI' on it. Below the portrait, his name 'Sebastian Ogalde' and title 'Aspirante Astronauta OBCBI' are written in pink. At the bottom, it says 'Vénon en nuestras plataformas:' followed by icons for Facebook, Instagram, YouTube, and Meet y Zoom. The date and time '29 18:00' are displayed in large white numbers.

The Vilti Semann program managed by Universidad Católica del Norte in Tocopilla and María Elena was assessed using the SROI methodology in 2020 for the work completed in 2017, 2018 and 2019. The social return scores were:

- Vilti Semann Tocopilla **SROI of 14.2 points**
- Vilti Semann María Elena **SROI of 17.2 points**





## Environmental Education for Communities

We have promoted initiatives that transfer knowledge to students and communities regarding environmental care so that they can make decisions about their surroundings and create habits that prevent and resolve environmental issues such as water management, separating waste, sustainable crops, etc.

### TOCOPILLA

#### CARING FOR THE ENVIRONMENT WITH VERDICAL

For the third straight year in Tocopilla, SQM will offer a robust educational program for elementary school children addressing concepts like environmental protection, recycling and water optimization. In response to the public health crisis caused by COVID-19, Verdical adapted its methodology, implementing a “microlearning” system in which students from the Sagrada Familia School, Bernardo O’Higgins School and Arturo Prat School participated in workshops on: Home Gardening, Compost, Discovering Wind Energy, Vertical Gardens with reused material, “Recihuevos” (using egg cartons and egg shells) and making homemade hand sanitizer.

### MARÍA ELENA, QUILLAGUA AND TOCOPILLA

#### UN HUERTO EN MI CASA

In cooperation with the Mr. Barber Foundation, we implemented the “Un Huerto en mi Casa” (“Home Gardening”) activity in the towns of María Elena, Quillagua and Tocopilla. This practical educational program seeks to involve family members in building home vegetable gardens and cultivating healthy foods.

Two versions of the initiative were held that reached over 300 families.

In the case of María Elena and Quillagua, a kit with tools and supplies was distributed to 40 families to create their own home garden during the first version.

We hope to continue this initiative during 2021 based on its success.

### MARÍA ELENA

#### THE “AGUA, TE QUIERO” CAMPAIGN

As part of the Company’s ongoing efforts to preserve water resources, we continue to support for the “Agua, Te Quiero” (“I Love You, Water”) campaign developed with the Mr. Barber Foundation and the municipality of María Elena.

This campaign is designed to raise awareness about the importance of using water efficiently and to showcase various water savings techniques. The initiatives for 2020 included virtual educational bingo games with radio and social media coverage highlighting the importance of optimizing water use in María Elena.

THE “AGUA, TE QUIERO” CAMPAIGN MANAGED BY THE MR. BARBER FOUNDATION IN MARÍA ELENA WAS EVALUATED USING THE SROI METHODOLOGY IN 2020 BASED ON THE WORK COMPLETED IN 2019. THE SOCIAL RETURN WAS FOUND TO BE: SROI OF 15.66 POINTS



María Elena



### SMART RECYCLING CENTER IN THE PORT

In Tocopilla's Villa Prat neighborhood, SQM has joined forces with the Mr. Barber Foundation, the La Semilla Foundation and the local municipality to implement the first Smart Recycling Center, which has solar autonomy, security cameras and wi-fi that allows it to be monitored from any mobile device.

In that context, prior to its inauguration, a series of Effective Recycling workshops was developed for local residents so that they could learn about Chilean recycling rules, environmental impact, waste classification and other topics that will help the participants correctly manage and classify domestic waste. The educational initiative also seeks to generate and promote a cultural change of caring for the environment through concrete, effective actions that benefit the environment.

This initiative is part of the Community Recycling Plan created by our Company. Over the past few years, it has involved local schools through the Environmental Trailblazers program.



THIS IS THE FIRST RECYCLING CENTER WITH COMMUNITY PARTICIPATION IN TOCOPILLA. IT IS FOCUSED ON EDUCATION AND FEATURES CUTTING-EDGE TECHNOLOGY.





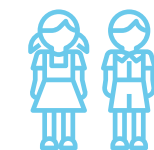


## ANTOFAGASTA

### INNOVATION CARNIVAL

With support from SQM, Verdical has held its second annual Green Innovation Carnival, which featured virtual participation by renowned Chilean speakers who have undertaken outstanding innovation, entrepreneurship, environmental and technology projects. The most important aspect of this virtual meeting, which was viewed over 21,000 times, was the participation of 12 teams of students who presented their projects before a jury. Each project focused on providing solutions that contribute to caring for the environment and our surroundings.

It is worth noting that the winning organizations were: Colegio Santa Teresita from Antofagasta, which won first place for their project: 'Mitigation of Arsenic in Water Through Absorption of Human Hair'. In second place was Colegio Ecológico Montessori from Calama with their project: 'Warmi: Reusable Wipes with Copper and Alpaca Fiber'. Third place went to Escuela Ecológica Humberto González Echegoyen for: 'How to Produce Low-Cost, Biodegradable Plastic'.



**12**  
SCHOOL TEAMS  
PARTICIPATED.



**21**  
thousand  
VIEWS ON SOCIAL MEDIA  
FOR GREEN INNOVATION  
CARNIVAL.





## “Lend a Hand to Your Community” Corporate Volunteer Program

DISCLOSURE 413-1

Created four years ago, SQM’s corporate volunteer program aims to connect workers to the areas in which they live or work, creating connections and commitment. In addition to promoting a spirit of giving, it generates new dynamics in the teams that participate, coming together behind a project. In many cases this connection extends to workers’ families, as their relatives also participate in some of the activities as volunteers.

The projects that the volunteers promote are social or educational in nature. The latter type focuses on support for professional/technical education in the towns where the Company’s operations and offices are located. Each worker contributes based on their own training or life experience through technical and motivational lectures.

In some locations, projects have been developed to preserve cultural and

historical heritage based on needs identified by our employees.

They engage in a wide range of activities that align with the characteristics of each area and its needs. In order to carry out these projects, they generate alliances between our Company and foundations and corporations, including: Hogar de Cristo, Choshuenco Foundation, Miradas Compartidas, La Semilla Foundation, Diego Portales High School in Tocopilla, Óscar Bonilla High School in Antofagasta,

María Elena Humanities and Technical High School, William Taylor Methodist School in Alto Hospicio and Alcalde Sergio González Gutiérrez High School in Pozo Almonte.

During 2020, due to the public health measures that had to be adopted because of the pandemic, we had to adjust most of the initiatives to make them remote. However, we were unable to continue some of them given their nature.



# 338

WORKERS IN CORPORATE  
VOLUNTEER PROGRAM IN  
2020

	Educational Volunteering			Social Volunteering			Total		
	2020	2019	2018	2020	2019	2018	2020	2019	2018
Organizations where we have volunteered	7	8	7	63	14	18	69*	22	25
No. of volunteer events (work days)	8	105	43	66	99	108	74	204	151
Participating volunteers	15	54	61	323	257	114	338	311	175
Volunteer hours	21	5,029	435	283	2,268	1,522	304	7,297	1,957
Direct beneficiaries	1,234	580	1,250	10,487	4,385	4,811	11,721	4,965	6,061

\* We do volunteer work with a total of 69 organizations, as social and education volunteer activities are done with a single institution.

**NOTE:** The high numbers of beneficiaries and volunteers is mainly due to the support provided to local soup kitchens, which involved 226 SQM volunteers and benefited 57 soup kitchens with a high level of social impact.





## Social Volunteering Initiatives

DISCLOSURE 413-1

### FUND TO SUPPORT SOUP KITCHENS THROUGH "LEND A HAND TO YOUR COMMUNITY"

In an effort to help the neediest members of our communities, we created a special fund to support soup kitchens during 2020. These entities spontaneously popped up in various towns due to the economic consequences of the pandemic and prolonged periods of quarantine.

We invited our employees to help us identify opportunities to support these initiatives and to submit proposals so that we could provide merchandise or supplies like pots and pans.

A total of 226 SQM employees submitted requests to benefit 57 local groups, providing food to 13,000 people in various regions of the country.



# 226

EMPLOYEES SUBMITTED APPLICATIONS FOR SOUP KITCHEN PROJECTS



# +13 thousand

PEOPLE BENEFITED



# 57

ASSOCIATIONS OR GROUPS BENEFITED





Tocopilla, January 2020



Antofagasta, March 2020

## ARICA

### SUPPORTING THE CAUNIRE NEIGHBORHOOD COUNCIL

A group of Nueva Victoria site volunteers developed and contributed support to the Caunire Neighborhood Council of Arica through the delivery of two shipping containers to erect a soup kitchen and meeting space for local residents.

## IQUIQUE

### UNITED FOR CHILDHOOD AND MARÍA AYUDA

Over the past three years, SQM and its volunteers have supported the María Ayuda Charitable Fund in Iquique as part of the Confederation of Production and Commerce's "United for Childhood" program under which member companies sponsor an institution. Company volunteers have participated in various activities with the girls, while SQM makes an annual financial contribution that has allowed for improvements to the residence's infrastructure to be planned and built, creating new spaces such as treatment rooms, multi-use spaces, a teaching kitchen and study, all of which will be inaugurated during the first half of 2021.

During this period, the corporate volunteer program supported the girls who live at the María Ayuda residence during quarantine, delivering a box of table games and a foosball table to entertain them. Through our collaboration with United for Childhood, corporate volunteers and girls from María Ayuda learned to cook Christmas cookies through an online workshop led by the winner of the TV program Master Chef, Camila Ruiz. It was a great experience for every participant.

## TOCOPILLA

### TOCOPILLA BEACH FOR ALL

A group of volunteers from the Teletón, the Pedro Aguirre Cerda Special School and SQM's corporate volunteer program built Tocopilla two ramps on Covadonga Beach so people with disabilities could access the shore.

Their latest challenge was to turn Covadonga Beach into an accessible swimming area for individuals with disabilities, older adults and others with reduced mobility.

This initiative will be replicated at El Salitre beach in Tocopilla.

## ANTOFAGASTA

### IMPROVING INFRASTRUCTURE FOR GIRLS

SQM volunteers and Hogar de Cristo Antofagasta completed a series of projects at the Laura Vicuña Home for Girls, which provides a better quality of life for the 15 girls who receive services there. This work was completed between January 25 and February 1.

We should note that due to the pandemic, the residence closed mid-year and the girls had to be placed in other public institutions that provide services to children.

## SAN PEDRO DE ATACAMA

### SOLIDARITY BAKERIES IN SAN PEDRO DE ATACAMA

Among the grants distributed in the town of San Pedro de Atacama, we implemented two solidarity bakeries with the Alto Jama and Lickanantay Neighborhood Councils. The goal is to highlight the work done by local residents to ensure that families will have regular access to bread despite the impacts of the pandemic on their main source of income, tourism.

## SANTIAGO

### PARTNERSHIP WITH GUADALUPE ACOGE FOUNDATION

SQM volunteers supported the Guadalupe Acoge Foundation through a training activity offered on strategic planning, performance evaluations and social media planning.

We also delivered boxes of food and cleaning supplies in the context of the pandemic and supported the foundation's Christmas for Children gift drive during December 2020.

SQM provided financial support for the implementation of an educational program, hiring teachers and implementing two classrooms with the support of the Barnechea Foundation. This comes in addition to hiring shift supervisors to oversee the routines and habits of the foundation's shelter, which is home to children between the ages of three and six.



### MIRADAS COMPARTIDAS FOUNDATION

For the past two years, SQM volunteers have done beautiful work on inclusion with the Miradas Compartida Foundation, which is devoted to social and workplace integration of persons with intellectual disabilities.

During 2020, the volunteers invited the foundation's beneficiaries to take an inclusive cross fit class. The volunteers also went to Tocopilla to accompany soccer academy participants at an entity run by a local foundation for children and adolescents with intellectual disabilities. The soccer classes were held online this year, but the connection established by the volunteers was maintained. We note that in previous years SQM volunteers have been active members of the soccer teams at the Miradas Compartidas championships.

We also participated in the foundation's Miradas Compartidas campaign, which allowed us to bring food to 27 needy families in the Antofagasta Region so that they could better weather the public health emergency.





## ANTOFAGASTA

### PROMOTING INCLUSION: TEAUTISMO

SQM participated in the international ASD conference during the pandemic, an activity that confirms our commitment to a more inclusive and diverse society. The event was attended by approximately 20,000 people.

The ASD conference is designed to provide tools and abilities to different professionals and the community close to children on the autism spectrum so that their needs can be met and their integration encouraged. The goal is to explore ASD topics, which include detection, intervention and inclusion of people on the autism spectrum in today's world.

SQM has been pleased with the conferences' results. They allow families living far from urban centers to access information on these topics. In rural towns, individuals with ASD and education professionals do not have access to specialists or training on these topics. As such, the events meet an important need.

### ANTOFAGASTA EQUINE THERAPY FOUNDATION BETS ON TELEMEDICINE

The pandemic was no obstacle for the 60 Antofagasta Equine Therapy Foundation patients. They used telehealth and SQM's support to maintain spaces for emotional support and care. The adaptation of this program to an online format was key to providing continuity for medical treatments and support to families. The program allowed each family to receive a "funbox" to organize activities at home. It included an online guide, maintaining services for patients who could not otherwise receive them due to the quarantines.



The Party in the Desert program for 2018 and 2019 promoted by Teautismo Foundation and SQM in Tocopilla and María Elena was evaluated using the SROI methodology in 2020. The social return is described below:

- Party in the Desert Tocopilla **SROI of 76.2 points**
- Party in the Desert María Elena **SROI of 74.2 points**





## EDUCATIONAL VOLUNTEERING INITIATIVES

### PROVIDING TOOLS FOR TECHNICAL PROFESSIONAL EDUCATION

We have signed cooperation agreements with several schools to create a formal commitment and build a relationship over time.

The purpose of these partnerships is to enhance student training by providing professional advice, motivational and technical talks, site visits, equipment and internship opportunities for outstanding students. We also offer vocational talks for female students to showcase mining as a viable option for women.

All of these initiatives are developed and directed by volunteer workers, who take breaks during their work days to share their experiences with students who visit our operations or to visit schools.

Due to the suspension of in-person learning and strict public health measures established at our facilities in 2020, we offered virtual talks on key topics such as: Operational health and safety, production processes, computer equipment maintenance and job preparation talks.

Due to the difficult situation that some students with whom we interact are facing, we delivered boxes with essential foods to support needy families identified by the teachers and administration of each school. We also provided computers and tablets for students who did not have access to these essential tools so that they could continue their education online.

### PROGRAMS DEVELOPED AT TECHNICAL PROFESSIONAL SCHOOLS AND HIGHER EDUCATION CENTERS IN NEIGHBORING COMMUNITIES

School	Location	Motivational Talks	Professional/ Technical Talks	Professional Internships	Food Donations
<b>PROFESSIONAL/TECHNICAL TALKS</b>					
Alcalde Sergio González Gutiérrez High School	Pozo Almonte		●		●
William Taylor Methodist School	Alto Hospicio		●		●
Diego Portales Polytechnic High School	Tocopilla		●		●
Oscar Bonilla High School	Antofagasta				●
Humanities and Science Professional Technical High School in María Elena	María Elena		●		●
Don Bosco Industrial Technical High School	Antofagasta	///	●	●	●
Don Bosco Industrial Technical High School	Calama	///			●
<b>HIGHER EDUCATION</b>					
Universidad y Centro de Formación Técnica Santo Tomas	Iquique	///	●	●	
Inacap	Iquique	///	●	●	
Sagrada Familia School - Tocopilla	Tocopilla				●

NOTE: Some of these programs, such as site visits, were not conducted in 2020 due to the regulations implemented at schools and by our Company due to COVID-19.





This year 178 students completed professional internships with us. This number was lower than 2019 due to the public health measures and protocols established to avoid the spread of COVID-19.

Employees with professional training in the technical careers taught at the high schools are in charge of providing this support to students through the corporate volunteer program “Lend a Hand to your Community.”

January - December 2020	No. Students	SQM Production Centers	No. Students
Female	70	ANTOFAGASTA	14
Male	108	COYA SUR	24
<b>Total</b>	<b>178</b>	MARÍA ELENA	6
		NUEVA VICTORIA	23
		PEDRO DE VALDIVIA	20
		SALAR DE ATACAMA	28
		SALAR DEL CARMEN	21
		SANTIAGO	16
		TOCOPILLA	1
		REMOTE INTERNSHIPS	25







Tocopilla

**WILLIAM TAYLOR METHODIST SCHOOL IN ALTO HOSPICIO**

We participated in the Business Advisory Counsel to help align student training with the demands of the working world. During 2020, we submitted a training video developed by SQM workers for computer science students with modules on computer repair and maintenance.

We also delivered 200 boxes of food to needy families from the school that had not received assistance through state-run initiatives.

**ALCALDE SERGIO GONZÁLEZ GUTIÉRREZ HIGH SCHOOL IN POZO ALMONTE**

We joined the school's newly formed Business Advisory Council to identify opportunities to improve students' training in order to enhance their employability.

We also delivered 250 boxes of food to more at-risk needy families.

**DIEGO PORTALES HIGH SCHOOL IN TOCOPILLA**

Volunteers supported training for students in the Extractive Metallurgy program at Diego Portales High School in the municipality of Tocopilla. They offered lectures on iodine production processes in two stages. The material was evaluated by the teachers and then shared with their students.

During the second stage of the initiative, the workers received questions from the students, which they organized and then answered using an online system set up for students and volunteers to interact.

**HUMANITIES AND SCIENCE PROFESSIONAL TECHNICAL HIGH SCHOOL IN MARÍA ELENA**

We continue to support training for students with online workshops on employability for eleventh and twelfth grade students from the Chemical Laboratory program. The workshops, conducted by psychologists from the Company's selection area, address issues like the selection process for professional internships and how to best perform in the workplace.

**EULOGIO GORDO MONEO INDUSTRIAL HIGH SCHOOL IN ANTOFAGASTA**

In addition to the customary assistance provided for student learning, SQM volunteers distributed 8 tons of food to benefit 500 families in this school community.

**OSCAR BONILLA HIGH SCHOOL IN ANTOFAGASTA**

Five 5 tons of basic food items were donated to 300 families in that school community.

**DON BOSCO HIGH SCHOOL IN CALAMA**

The Company donated 450 boxes of basic food items for at-risk families, with whom we have worked for the past three years, in addition to 72 boxes distributed to students at Don Bosco High School in Antofagasta.





## HEALTHIER LIVING, SQM IN THE COMMUNITY

### DISCLOSURE 413-1

We continue to highlight and support sports in neighboring communities, as we know that this is a topic of interest for local residents. Every year we receive requests from institutions and associations asking us to donate to or host activities to promote and fund sports events in their communities. During 2020, we had to limit several sporting activities due to public health regulations, but we continued to support those that were redesigned or that took the necessary public safety measures.

We understand how valuable sports are to people and to providing young people with the tools they need to learn about teamwork, consistency, healthy competition, respect and other skills.

### MARÍA ELENA AND TOCOPILLA

#### SPORTS MONITOR TRAINING

During December, we worked with the La Semilla Foundation and Inacap Antofagasta to develop a Sports Monitor Training course that was offered online by physical education teachers who hold undergraduate or master's degrees. Over the course of four weeks, 20 people from Tocopilla and María Elena participated in the initiative, receiving classes on: Children's Physical Education, Recreational Dance, Older Adults and Aging, Basic Training for Students and Introduction to Athletics. Various assessments were applied during the course, and those who passed them received a certificate from Inacap as Sports Monitors.



## SUPPORT FOR REGIONAL WOMEN'S SOCCER

The SQM Salar Sports Club signed an agreement to sponsor the Club de Deportes Antofagasta (CDA) under-17 and adult women's soccer teams for the full year 2020.

During the tournament, the Antofagasta Pumas played exceptionally while showing off the SQM logo.

The contribution to the team financed a multidisciplinary technical team comprised of a coach, technical assistant, physical therapist, trainer, equipment assistant and even a "video reviewer"—a person that specializes in analyzing plays using video images— as well as all needed equipment and several uniforms.

The team is made up of 60 women, all originally from the Antofagasta Region. Most are university students that combine their studies with soccer.

Practices are held Monday through Friday for two hours every day, plus games during weekend tournaments held either locally or in cities like Concepción, Santiago and La Serena.

In 2020 the athletes came in fourth place in Group A, which is made up of all the teams in the country.

This support is very meaningful to SQM, as it creates spaces for including women in a sport like soccer, in which women have begun to have more of a presence in a professional circuit that had previously been exclusive to men.

 **60**  
FEMALE SOCCER PLAYERS  
COACHED IN 2020







San Pedro de Atacama



### HEALTH AND PREVENTION

We reinforced our support for community health and safety during 2020.

Over the past few years we have stood alongside our neighbors during the emergencies produced by the Altiplano Winter, including flooding, canal overflows and mudslides in coastal areas and earthquakes.

During this period, we have reinforced the response capacity of hospitals and healthcare units, providing medical supplies, personal protection equipment, rapid COVID-19 tests and mechanical respirators. We also created teams of health professionals including doctors, nurses and technicians and provided ambulances. We sanitized public spaces and distributed home cleaning kits.

In addition, we provided equipment for the establishment of cordons sanitaires and food distribution sites.

### COMPREHENSIVE HEALTH SUPPORT TO CONTRIBUTE TO COMMUNITY DEVELOPMENT

In response to the pandemic and the conditions that San Pedro de Atacama and its towns had to face, SQM promoted a series of actions defined by local residents. This included hiring three medical teams for Toconao, Talabre and Camar; distributing medical

supplies and personal protection equipment; distributing boxes of food; creating opportunities for advising and telemedicine for communities with services provided by our in-house doctor; coordination of local residents' transportation; outfitting sanitary residences for quarantining and cordons sanitaires; special disinfection events for Toconao; and support for efforts to create temporary jobs for the people who work in the sanitary check-point in the town of Peine.

We also were invited to participate in the working group organized by the San Pedro de Atacama parish. Representatives of local organizations, municipalities, companies, Atacameño Peoples Councils and civil society organizations came together to coordinate actions designed to protect the population.

The municipal-level coordination led to the distribution of medical supplies for the Family Health Center (CEFAM) and ongoing nutritional support for police, Health Ministry and municipal officials who were responsible for operating the sanitary check-point installed at the entrance to San Pedro de Atacama.

We also actively participated in the soup kitchen created in San Pedro de Atacama by the local parish to distribute food to older people, the homeless and families facing unemployment due to the pandemic.

### SANITARY RESIDENCES AND CHECK-POINTS

The specific actions taken by the communities that we supported as a company include the creation of sanitary check-points in Toconao, Talabre, Camar, Peine and Socaire. Once the sanitary check-point was installed at the northern entrance to San Pedro de Atacama, we provided food to the police, Health Ministry and municipal employees who were responsible for staffing the entrance to the area.

### ADVISING AND TELEMEDICINE

In the context of the actions that the Company undertook to collaborate with communities during the public health crisis and in an effort to strengthen the work conducted by the Salar de Atacama on-site medical team with some communities via video conference, we added a telemedicine line staffed by health professionals. Services are available by phone or video conference through this initiative that allows community members to receive services, information and advice about COVID-19 and any basic health need.



## Reviving Our Past and Culture

DISCLOSURE 413-1

For over a decade, we have been part of initiatives that aim to add value to the history of the nitrate industry in the Tarapacá and Antofagasta regions, given our long-standing commitment to this line of historic work as natural heirs to the former nitrates empire.

Examples of these efforts include: donations to operations at the Santiago Humberstone and Santa Laura nitrates offices, the Chacabuco Nitrates Museum Foundation and the Huanchaca Ruins Foundation in Antofagasta, as well as additional works that help to keep these sites and museums up to date.

SQM sits on the board of the Humberstone and Santa Laura Nitrates Museum Foundation and has supported a variety of projects since its founding. During 2020, we supported a design to display the iodine production system, a new exhibit that will be installed at the former Humberstone Santiago nitrate office. SQM has a great deal of interest in this initiative, as our Nueva Victoria iodine plant in the municipality of Pozo Almonte is the largest in the world.

We also have supported other activities, such as the restoration of the church at the former Victoria offices. The roof, which was impacted by the passage of time, was repaired and repainted so it could continue to be used as a meeting center for the pampa community in Iquique.

In an effort to attract more visitors to the Humberstone Office, which is a Heritage Site, we gave the Corporation 15 UV lights to disinfect the space. This equipment will allow the museum to comply with public health regulations so that the site can be reopened. We also encouraged work with 3D images of documents from various parts of Humberstone and Santa Laura so that virtual visits preserve the magic and details of each part of this heritage site.

Efforts to recover heritage are also carried out in communities located near our operations where teams of archaeologists continue to document and keep thorough records on the pre-Hispanic and historical ruins found near SQM operations and implement preventative and mitigation measures to protect them, especially around the Nueva Victoria operations.

WE HAVE WORKED WITH THE HUMBERSTONE AND SANTA LAURA NITRATES MUSEUM FOUNDATION, THE CHACABUCO NITRATES MUSEUM FOUNDATION, THE PEDRO DE VALDIVIA NITRATES MUSEUM FOUNDATION AND THE HUANCHACA RUINS FOUNDATION, PROVIDING RESOURCES AND OUR EXPERIENCE WITH PAMPA ISSUES AND PLAYING AN ACTIVE ROLE ON EACH OF THEIR BOARDS.

### QUILLAGUA

#### REDISCOVERING PAMPA WEAVING

Over the course of two months, 17 women from María Elena and Quillagua formed the first cohort of the Pampa Weaving Workshop, which is designed to identify elements that comprise pampa identity. Participants learned to use and weave on looms. Each one of them received a kit with all of the tools they needed to complete the workshop from their homes.

The students' work reflects elements of pampa identity and heritage.

### TOCOPILLA

#### TOCOSTORIES

We participated in the 13th edition of Tocostories (Tococuentos), a book published as part of the competition with the same name. The volume contains 28 stories told by local residents who highlight the port city's identity, heritage and popular culture. The book was financed by SQM and the Nitrates Museum Foundation.



### THE NORTHERN COLORS FESTIVAL

We were part of the Northern Colors Festival, which was held online with the support of the radio station Extasis de Tocopilla. The festival is designed to discover and highlight new local talents and to generate cultural activities that encourage residents to stay at home during the pandemic. To enjoy this entertaining festival, residents could simply tune in to 99.3 or visit [www.radioextasistocopilla.cl](http://www.radioextasistocopilla.cl) or [www.extasistocopilla.cl](http://www.extasistocopilla.cl).

### THEATER BETWEEN THE SEA AND THE MOUNTAIN

Tocopilla residents participated in the II version of the International Theater Festival "Between the Mountain and the Sea" (Entre Cerro y Mar), a cultural event financed by FNDP Culture (2%) and supported by SQM. This year, residents had the opportunity to see plays like "La Pinchanga," which was presented by Ocaso Teatro, among other performances. This second version of the festival was offered online this year. It allowed over 60 artists including actors, technical staff, playwrights and directors to continue to give life to this initiative.





San Pedro de Atacama

## SAN PEDRO DE ATACAMA

### FIRST CAMAR FOLK FESTIVAL

On Saturday, March 7, a crowd attended the 2020 Camar Folk Festival, which offers participants a chance to enjoy the best of local agriculture, heritage and traditions.

The initiative was created by Camar and its Farming and Ranching Committee with support from SQM. It is the realization of a dream of presenting to the region, the country and the world the fruits of this land and its residents' efforts to continue to contribute to the

growth of this Atacameño community.

The goal of the first version of the event was to position the town as an example of sustainable development and showcase its heritage and rich ancestral culture.

We plan to continue to hold the activity and for it to be recognized as one of the traditional festivals in Salar de Atacama that highlights Camar tomato production.

### +CULTURE PROGRAM

We worked with the Crea+ Foundation in San Pedro de Atacama to develop a program aimed at protecting local heritage and art, which is part of its ancestral and cultural legacy.

The +Culture program entails various initiatives that are carried out in partnership with organizations from this municipality. The objective is to integrate and implement a series of activities

aimed at recovering local culture while reinforcing the work carried out in this area.

The Lickan Ckausama TV project was developed over the course of 2020 as part of this program.

### LICKAN CKAUSAMA TV

This program is focused on the common good and strengthening local media. It became a unique project in its category because it opened up spaces for searching content online during the pandemic given that most people have some sort of internet connection, which creates a growing demand for information that requires interaction between audio and image.

This is important because San Pedro de Atacama does not have any audiovisual media that provides objective coverage from a neutral political position.





12.  
SQM PARTNER  
ASSOCIATIONS,  
INSTITUTIONS AND  
FOUNDATIONS





**DISCLOSURE 102-12 / 102-13**

**SQM IS A MEMBER OF THE FOLLOWING ASSOCIATIONS:**

Chilean Associations, Organizations and Institutions	Associate / Member	Board Member
Acción Empresa Foundation	●	
Association of Concentrated Solar Power Companies	●	
Antofagasta Industrial Association (AIA)	●	///
Iquique Industrial Association (AII)	●	///
Chilean Chemical Industries Association (Asiquim)	●	
American-Chilean Chamber of Commerce (AMCHAM)	●	
Argentine-Chilean Chamber of Commerce	●	
Belgian-Luxembourg Chamber of Commerce	●	
Chinese-Chilean Chamber of Commerce, Industry and Tourism	●	
Santiago Chamber of Commerce	●	
Regional Council on Mining Safety (CORESEMIN) - Antofagasta	●	
Regional Council on Mining Safety (CORESEMIN) - Tarapacá	●	
Generación Empresarial Foundation (FGE)	●	
Chilean Institute for Rational Business Management (ICARE)	●	
Chilean Engineering Institute	●	
Global Compact Network Chile	●	
Chilean Federation of Industry (SOFOFA)	●	
National Mining Society (SONAMI)	●	
International Associations, Organizations and Institutions	Associate / Member	Board Member
Spanish Commercial Fertilizers Association (ACEFER)	●	
Spanish Packaging Recovery Association (AEVAE)	●	
International Fertilizer Industry Association (IFA)	●	
World Iodine Association (WIA)	●	///
National Fertilizer Sales and Production Association A.C. (ANACOFER)	●	
European Solar Thermal Electricity Association (ESTELA)	●	///
Far West Agribusiness Association (FWAA)	●	
Georgia Citrus Association	●	
Independent Lubricant Manufacturers Association (ILMA)	●	
The Trade Fertilizer Institute (TFI)	●	

NOTE: Data in this table updated as of December 2020.

Organizations and institutions to which the Company belongs and is an active member. This may include payment of membership fees or dues.	Associate / Member
Organizations and institutions to which the Company belongs and holds a position on the executive board.	Board Member



**SQM PARTNER INSTITUTIONS, FOUNDATIONS AND CORPORATIONS**

Chilean Institutions, Foundations and Corporations	Associate / Member	Partner	Board Member	Agreement
Los Terralitos Cultural Folk Group		///		
Los Chañares de Quillagua Youth Group		///		
Association of Industrial Mining Suppliers (ARPIMIN)				●
Tierra de Jehová Multicultural Indigenous Association		///		●
Aguas Blancas Indigenous Association		///		
Juventud del Desierto Rural Aymara Indigenous Association		///		●
Pampa del Tamarugal Rural Indigenous Association		///		●
Celeste Indigenous Association		///		
VILTI Toconao Fire and Rescue Brigade		///		
Brisas de Chile Social Dance Club and Cultural Center		///		●
Pedro de Valdivia Women's Center		///		●
Center for Public Studies				●
Hijos de Pedro de Valdivia Center		///		
General Parent Association from Socaire School		///		
General Parent Association from Toconao Educational Complex		///		●
General Parent Association from Oscar Bonilla High School A-26 Antofagasta		///		
Simón Benítez Senior Center in San Pedro de Atacama		///		
Tocopilla Sports Club		///		●
Best Ball Sports Club		///		●
Ckapatur Sports Club				●
La Tortuga Sports Club		///		●
Maranata Cristo Viene Sports Club		///		
Sporting Tocopilla Sports Club		///		●
Villa Prat Sports Club		///		
Sagrada Familia School - Tocopilla		///		●

Chilean Institutions, Foundations and Corporations	Associate / Member	Partner	Board Member	Agreement
Don Bosco Industrial Technical High School in Calama		///		●
Don Bosco Industrial Technical High School in Antofagasta		///		●
María Elena District Civic Prevention and Emergency Committee	●			
San Pedro de Atacama District Civic Prevention and Emergency Committee		///		
Tocopilla District Civic Prevention and Emergency Committee	●			
Camar Atacameña Community		///		●
Catarpe Atacameña Community				●
Rio Grande Atacameña Community		///		●
Socaire Atacameña Community		///		●
Talabre Atacameña Community		///		●
Toconao Atacameña Community		///		●
Brotos de Mi Tierra Folk Group - María Elena		///		●
Quillagua Hydroponic Rural Farmers' Cooperative		///		●
Pampa del Tamargal Breeder and Dairy Farmer Cooperative		///		
Altura Lickanantay Winemakers' Cooperative		///		
Crea Más Foundation		///		●
El Loa Province Development Corporation (PROLOA)		///		●
Hijos del Salitre Foundation		///		
Antofagasta Municipal Foundation for Social Development		///		●
Nitrates Museum Foundation	●	///	●	●
Chacabuco Nitrates Museum Foundation	●	///	●	●
Pedro de Valdivia Nitrates Museum Foundation	●	///	●	●
National Forestry Corporation (CONAF) Antofagasta				●
National Forestry Corporation (CONAF) Tarapacá				●
Antofagasta Fire Department		///		●



Chilean Institutions, Foundations and Corporations	Associate / Member	Partner	Board Member	Agreement
Iquique Fire Department		///		●
San Pedro de Atacama Fire Department		///		●
Tocopilla Fire Department		///		●
San Pedro de Atacama Municipal Education Office (DAEM)		///		
Arturo Prat Chacón School in Tocopilla		///		
Ignacio Carrera Pinto Primary School in Quillagua		///		
Bernardo O'Higgins School in Tocopilla		///		
Carlos Condell School in Tocopilla		///		
Arturo Perez Canto School D-133 in María Elena		///		
School E-21 in the Toconao Education Complex		///		
School E-26 in San Pedro de Atacama		///		
School G-15 in Solor		///		
School G-22 in Camar		///		
School G-27 in Peine		///		
School G-29 in Talabre		///		
School G-30 in Socaire		///		
Gabriela Mistral School in Tocopilla		///		
Oasis en el Desierto School in Pintados		///		
Pablo Neruda School in Tocopilla		///		
Río Grande School		///		
La Semilla Inspirada en la Obra de Don Bosco Foundation		///		●
99 Uno Foundation				●
Creando Valor y Apoyo Foundation		///		●
Crecer con Identidad Foundation				●
Tocopilla Municipal Cultural Foundation				●
Choshuenco Educational Foundation		///		●
Mining Region Educational Foundation		///		●
Hogar de Cristo Foundation		///		●

Chilean Institutions, Foundations and Corporations	Associate / Member	Partner	Board Member	Agreement
Libertad y Desarrollo Foundation				●
Mar de Chile Foundation				●
Miradas Compartidas Foundation		///		●
Foundation for Farming Innovation				●
Recrea Foundation				●
Recyclapolis Foundation		///		●
Revital Foundation				●
Huanchaca Ruins Foundation	●	///	●	●
Teautismo Foundation Antofagasta		///		●
Un Techo Para Chile Foundation		///		●
Chilean Engineering Institute	●			
National Institute for Agricultural Development (INDAP)		///		
National Institute for Agricultural Research (INIA)		///		
Río Grande Preschool		///		
Estrellita del Pacifico Preschool		///		
Hogar de Cristo Preschool		///		
Javiera Carrera Preschool		///		
Lickanantay Preschool in San Pedro de Atacama		///		
Lickanantay Preschool in Toconao		///		
Miscanti Preschool in Socaire		///		
Paunna Lickan Preschool in San Pedro de Atacama		///		
Sol del Norte Preschool in Camar		///		
Chañarcito Preschool in San Pedro de Atacama		///		
Alto Jama Neighborhood Council in San Pedro de Atacama		///		
Altos del Mar Neighborhood Council		///		
Quillagua Neighborhood Council No. 1		///		
Toconao Neighborhood Council		///		
Villa Prat Neighborhood Council		///		
Peine Neighborhood Council		///		



Chilean Institutions, Foundations and Corporations	Associate / Member	Partner	Board Member	Agreement
Lickan C-30 Agricultural High School in San Pedro de Atacama		///		●
Alcalde Sergio González Gutiérrez High School in Pozo Almonte		///		●
Domingo Latrille High School in Tocopilla		///		
William Taylor Methodist School in Alto Hospicio		///		●
Oscar Bonilla High School in Antofagasta		///		●
Diego Portales Polytechnic High School in Tocopilla		///		●
Humanities and Science Professional Technical High School in María Elena		///		●
María Ayuda Charity Foundation		///		●
Municipality of María Elena		///		●
Municipality of Pozo Almonte		///		●
Municipality of San Pedro de Atacama		///		
Municipality of Tocopilla		///		●
San Pedro de Atacama Municipal Labor Information Office (OMIL)		///		
Papin Pahir in Talabre		///		
San Pedro de Atacama Parish		///		
Tocopilla Fishermen's Union		///		●
Osada del Carmen Religious Society		///		
Universidad Austral		///		●
Universidad Católica del Norte		///		●
Universidad de Antofagasta		///		●
Universidad de Chile		///		●
Universidad de Concepción		///		●
Universidad de la Frontera (Ufro)		///		●
Universidad del Desarrollo				●
Universidad Santa Tomás		///		●
Universidad Tecnológica de Chile, Professional Institute, Technical Training Center (INACAP)		///		●
Corporación Acción Solidaria Tocopilla		///		
Corporación URAC Tocopilla		///		

Note: Data in this table updated as of December 2020.

Organizations and institutions to which the Company belongs and is an active member. This may include payment of membership fees or dues.	Associate / Member
Organizations and institutions for which the Company provides support for initiatives of common interest.	Partner
Organizations and institutions to which the Company belongs and holds a position on the executive board.	Board Member
Organizations and institutions with which the Company has signed collaboration agreements to develop projects of common interest.	Agreement





13.  
APPENDIX OF 2020  
TABLES





## Appendix to this Report



We understand that Environmental, Social and Governance (ESG) factors are related to SQM's business management and integrated into its risks.



### RESPONSIBLE WATER MANAGEMENT

#### WHY IS IT IMPORTANT TO SQM?

This resource is necessary for our products. Our operations are located in areas that experience hydric stress, so it is fundamental to care for this resource and manage it responsibly. It is a resource of interest to our communities.

#### RELATIONSHIP WITH RISKS

- It is considered a strategic risk in the context of climate change risk. SQM has a monitoring plan and controls for mitigation and reduction.
- Water is necessary for our operations, and it is considered to be shared with nearby communities in hydric stress areas.
- Consumption goals

#### OUR RESPONSE AND ACTIONS – RELATIONSHIP TO THE BUSINESS STRATEGY

- A report is submitted to authorities on consumption and use compliance, and monitoring processes and indicator monitoring are conducted. We have implemented municipal waste water and seawater supply use in some plants.
- We innovate in our operations in order to optimize water use, recycling or reusing this resource.

#### GOALS (MEDIUM- AND LONG-TERM)

- To decrease our consumption of fresh water by 65% by 2040 (on a BAU basis) and by 40% for all operations by 2030. This is on a projected basis in 2020.
- To have responsible and sustainable operations, minimizing the use of water and contributing to care of the environment.
- To use seawater in new projects associated with our operations in the Tarapacá Region.

#### GRI INDICATORS

303-2 / 303-3 / 303-4 / 303-5



### ENERGY MANAGEMENT

#### WHY IS IT IMPORTANT TO SQM?

Energy management allows us to design sustainable processes that include clean energies, are innovative and decrease costs in the long-term.

#### RELATIONSHIP WITH RISKS

- Our customers have increasingly demanding energy efficiency goals. Furthermore, consumers prefer sustainable and organic products.
- The industries in which SQM participates have long-term zero emissions expectations.
- There is a commitment on the part of the Company, and we have earned certifications in order to ensure sustainable production of our products. We are working to decrease our socio-environmental footprint by preventing and mitigating our impacts on emissions.

#### OUR RESPONSE AND ACTIONS – RELATIONSHIP TO THE BUSINESS STRATEGY

- We promote initiatives that consider energy savings in all operations and the status of reduction initiatives, which are reviewed by the Sustainability Committee every six months.
- Ongoing measurements of products' carbon footprints. For internal management, to which the carbon price is added for implementing projects.

#### GOALS (MEDIUM- AND LONG-TERM)

- SQM is committed to being carbon neutral in all of its products by 2040 and in lithium, potassium chloride and iodine by 2030 from the source to the customer.
- SQM is committed to operating responsibly and sustainably, minimizing its emissions and water use and helping care for the environment.

#### GRI INDICATORS

305-1 / 305-2 / 305-3 / 305-4 / 305-5 / 305-7



## AIR EMISSIONS



### WHY IS IT IMPORTANT TO SQM?

The health and wellbeing of Company employees and the community is fundamental to SQM, as is creating jobs in a safe environment.

### RELATIONSHIP WITH RISKS

- The health and safety of our employees and community are one of the Company's core values. We carry out exhaustive controls of health impacts on individuals. The generation of high levels of PM10 places the health of employees and neighbors at risk.

### OUR RESPONSE AND ACTIONS – RELATIONSHIP TO THE BUSINESS STRATEGY

- We constantly monitor air quality in María Elena and Tocopilla to maintain and improve our current emissions.
- We conduct monitoring with community representatives, reporting air quality levels for PM10 particulate matter in María Elena to the authorities and publishing data in the sustainability report.

### GOALS (MEDIUM- AND LONG-TERM)

- To minimize and measure PM10 emissions related to Company operations in María Elena and Tocopilla.
- In the context of the Tocopilla Air Decontamination Plan, we continue to fulfill our commitments and take all measures necessary to mitigate emissions in the Port of Tocopilla.

### GRI INDICATORS

305-7

## BIODIVERSITY



### WHY IS IT IMPORTANT TO SQM?

We are located in areas that are considered to be important in terms of biodiversity. Salar de Atacama and Pampa del Tamarugal are part of an important ecosystem for birds and other animals, and are considered part of the cultural heritage of the indigenous groups that are our neighbors.

### RELATIONSHIP WITH RISKS

- Our operations are located in desert areas near ecosystems with significant ecological value that should be preserved and that we should not impact through our operations. Furthermore, several of these ecosystems are part of the heritage of local indigenous communities which interact with the flora, fauna and resources located there.
- Our operations uphold regulatory compliance commitments related to this area through environmental permits that may change or become more restrictive.

### OUR RESPONSE AND ACTIONS – RELATIONSHIP TO THE BUSINESS STRATEGY

- We incorporate environmental variables early on in the design of our projects in order to avoid, prevent and implement necessary control and mitigation measures while appropriately managing waste and emissions.
- We have installed systems for monitoring variables such as the extraction of water and brine in Salar de Atacama. This information is public and is available online.
- Online information is also available for Nueva Victoria and Coya Sur and is reported directly to supervisory authorities.
- We promote participatory community monitoring for variables in ecosystems that are considered to be of interest.

### GOALS (MEDIUM- AND LONG-TERM)

- To strengthen the understanding of ecosystems, enhancing internal measurements and allocating funds to third-party research.
- To operate in a harmonious manner and control impacts that could result from our actions and affect the environment and neighboring communities.
- To safeguard the use and sustainability of natural resources and production inputs.

### GRI INDICATORS

304-1 / 304-2 / 304-3 / 304-4

## CLIMATE CHANGE



### WHY IS IT IMPORTANT TO SQM?

Climate change is one of our strategic risks and opportunities. Our Company extracts raw materials and its operations are located in areas that are sensitive to climate change. Chile is highly vulnerable to climate change as stated in the United Nations Framework Agreement on Climate Change, which sets out nine related vulnerability criteria. Chile meets seven of these: low altitude coastal areas; arid and semi-arid areas with forest cover that are exposed to forest deterioration; territory susceptible to natural disasters; urban areas with air pollution issues; mountainous ecosystems; and areas sensitive to drought and desertification.

### RELATIONSHIP WITH RISKS

- Climate change is a strategic risk related to the availability of resources, the adaptation of our business and mitigation through corporate commitments.

### OUR RESPONSE AND ACTIONS – RELATIONSHIP TO THE BUSINESS STRATEGY

- We began to identify climate change risks.
- Ongoing measurement of our products' carbon footprint in compliance with the goals that we have set.
- Waste management, recognizing, accounting for and implementing various initiatives to reduce and reuse industrial and domestic waste in our production sites.
- Implementation of recycling programs for communities located near our operations.

### GOALS (MEDIUM- AND LONG-TERM)

- To continue to participate in the SDG13 working group for the Global Compact Network Chile.
- To decrease emissions by 60% by 2030 and reach carbon neutrality of our products by 2040.
- To manage and reduce waste at SQM operations, conduct education campaigns for recycling for employees and expand these initiatives to neighboring communities.
- To evaluate ourselves based on international standards that consider risks derived from climate change.

### GRI INDICATORS

201-2 / 305-1 / 305-2 / 305-3 / 305-4 / 305-5 / 305-7





## ENVIRONMENTAL COMPLIANCE

### WHY IS IT IMPORTANT TO SQM?

Environmental compliance is paramount to guaranteeing operational continuity and is based on our commitment to our community and other stakeholders.

### RELATIONSHIP WITH RISKS

- Failing to meet the commitments set out in environmental permits (RCAs) may have a negative impact on the environment or ecosystems and could result in fines or penalties, which would in turn impact our results and operational continuity.

### OUR RESPONSE AND ACTIONS – RELATIONSHIP TO THE BUSINESS STRATEGY

- Ongoing monitoring of applicable legislation and compliance with it through each technical area.
- The Company has a system of lines of defense to control and ensure that regulatory compliance controls are applied.
- Environmental management system certification audits, internal and external sustainability audits and responsible product standard certifications.
- Reporting to officials on RCA commitments such as water extraction and the status of nearby ecosystems.

### GOALS (MEDIUM- AND LONG-TERM)

- To ensure compliance with environmental commitments.
- To maintain its extensive environmental monitoring network and prevent deviations derived from the established systems approved in the RCAs.
- To submit all projects or expansions for environmental impact assessment or impact statements, complying with community consultations and current regulations.
- To conduct external audits of environmental audits for all operations for the year 2021.

### GRI INDICATORS

307- 1/ 413-1



## FAIR LABOR PRACTICES

### WHY IS IT IMPORTANT TO SQM?

It is important that SQM be a good employer and provide the necessary conditions for its employees' work and development, while respecting human rights.

### RELATIONSHIP WITH RISKS

- This is a strategic risk for SQM. Intellectual capital is the basis for our business based on development, innovation and product quality targets. Experience and competency are highly valuable for executing the business plan.

### OUR RESPONSE AND ACTIONS – RELATIONSHIP TO THE BUSINESS STRATEGY

- Highly specialized areas.
- Development of human resources management.
- Employee development and retention plan and caring for our staff in regard to gender equity and equality.

### GOALS (MEDIUM- AND LONG-TERM)

- To reach the goal of having 20% female staff by 2021.
- To implement NCh3262.
- To conduct "Due Diligence in Human Rights" in 2021 and reinforce our Human Rights Policy.
- To maintain accident-free operations and generate conditions that provide daily safety for all workers. Furthermore, to promote a culture of self-care and responsible behavior with other people who work at SQM.
- To promote local work, offering an inclusive work environment and guaranteeing safe labor conditions for everyone.

### GRI INDICATORS

102-7 / 102-8 / 102-41 / 201-3 / 401-1 / 401-2 / 402-1 / 403-1 / 403-2 / 403-3 / 403-4 / 403-5 / 403-6 / 403-8 / 403-9 / 403-10 / 404-1 / 404-2 / 404-3 / 405-1 / 405-2 / 407-1



## COMMUNITY ENGAGEMENT

### WHY IS IT IMPORTANT TO SQM?

SQM operations are located near towns with an indigenous presence as well as farming, port and mining service communities. Due to the magnitude of its operations, SQM has interactions with neighboring communities. This generates expectations that it should manage through its community commitments and management plans.

### RELATIONSHIP WITH RISKS

- A poor relationship with local communities could place the operational continuity of SQM's operations at risk.

### OUR RESPONSE AND ACTIONS – RELATIONSHIP TO THE BUSINESS STRATEGY

- SQM has community engagement programs as well as agreements and memoranda of understanding with most local communities. We engage with them through direct contact, working groups and other spaces.
- SQM makes commitments to the community through environmental permits (RCAs), which it must report on regularly.

### GOALS (MEDIUM- AND LONG-TERM)

- To maintain and strengthen our relationship with neighboring communities on an ongoing basis.
- To support the development of communities through programs that give them tools based on four pillars: Education and Culture, Social Development, Historical Heritage and Healthy Living.
- To participate in development programs for local economies and sustainable development initiatives for neighboring communities.
- To be recognized as contributing to the creation of shared social value, building sustainable development and a good quality of life in partnership with the communities.

### GRI INDICATORS

Performance indicator (zero social conflicts)  
411-1 / 413-1 / 413-2



## THE CHALLENGE OF COVID-19



### WHY IS IT IMPORTANT TO SQM?

The global pandemic has affected the health of the population and our employees and contractors. Taking the safeguards necessary to care for our workers' health as well as that of their families and our communities is of paramount importance to our way of operating.

### RELATIONSHIP WITH RISKS

- Direct impact on employee and contractor health and that of neighboring communities, as well as operational continuity.
- COVID-19 could have a significant negative impact on our revenue, profit and business if it affects the markets in which we operate, our customers or our suppliers.

### OUR RESPONSE AND ACTIONS – RELATIONSHIP TO THE BUSINESS STRATEGY

- Prevention campaigns and identifying positive cases early in order to minimize the spread of the disease within the Company and to workers' families and the community. Implementation and reorganization of shifts, capacity limits and telecommuting.
- Assistance for communities based on their level of need by providing medical equipment, cleaning supplies, food and other items.

### GOALS (MEDIUM- AND LONG-TERM)

- To care for the health of our workers, contractors and communities.
- To support communities near our operations so that they can overcome the consequences of the pandemic in the areas of health, economic reactivation and direct support to the neediest families.

### GRI INDICATORS

Number of cases in the company

Support for affected families and communities

## RESPONSIBLE BUSINESS MANAGEMENT



### WHY IS IT IMPORTANT TO SQM?

Efficiency in processes and operations is fundamental to SQM because some of its production processes are developed internally in order to stay on the cutting edge of the industry. We also strive to be perceived as an organization that is responsible for its surroundings and transparent in its actions, particularly after the crisis related to our reputation that occurred in 2009.

### RELATIONSHIP WITH RISKS

- Being perceived of as an inefficient and unreliable company increases distrust among investors and places SQM's operations at risk, weakening its leadership position in the various industries in which it has a presence.

### OUR RESPONSE AND ACTIONS – RELATIONSHIP TO THE BUSINESS STRATEGY

- Strict corporate governance rules.
- A Compliance Department with a program that includes audits, controls and training for employees and directors on matters of ethics.
- Self-assessment for certifications like IRMA and CDP as well as ongoing work with Responsible Care and Ecovadis.
- Developing and conducting surveys for suppliers in order to introduce labor standards related to safety and human rights in the medium term.

### GOALS (MEDIUM- AND LONG-TERM)

- To be considered a sustainable company supplying industries that are strategic for human development.
- To be recognized as a transparent company that is not linked to controversies.
- To conduct evaluations and certifications such as IRMA, CDP, Responsible Care and Ecovadis that speak to the responsible management of the business in all areas.
- To create protocols and practices for supplier companies to ensure a responsible supply chain.

### GRI INDICATORS

102-5 / 102-18 / 102-19 / 102-20 / 102-22 / 102-23 / 102-24 / 102-16 / 102-29 / 102-30

## LITHIUM



### WHY IS IT IMPORTANT TO SQM?

SQM is the world's largest, lowest-cost producer in this market. We are committed to delivering high-quality products on time and making considerable investments in order to guarantee product availability.

### RELATIONSHIP WITH RISKS

- Sustainable production and its relationship to the environment and communities is a priority issue for the customers that purchase lithium from SQM because they are part of cutting-edge industries like clean energies, car batteries, technology and the pharmaceutical industry.

### OUR RESPONSE AND ACTIONS – RELATIONSHIP TO THE BUSINESS STRATEGY

- We constantly innovate in lithium production so that it is increasingly green, setting important goals such as reducing the extraction of water and brine in its production process.
- Important efforts were also made to measure the life cycle of lithium during 2020.









### GOALS (MEDIUM- AND LONG-TERM)

- SQM is committed to being carbon neutral in all of its products by 2040 and in lithium, potassium chloride and iodine by 2030.
- To reduce the use of brine by 50% by 2030.
- To gain a reputation of trust and credibility among our main stakeholders over the next few years.
- To have a brand that is publicly associated with green industries around the world.

### GRI INDICATORS

102-2 / 102-6



STAKEHOLDERS	WHO THEY ARE	INTERESTS AND EXPECTATIONS	HOW WE ENGAGE AND COMMUNICATE
	Employees	Workers directly employed by SQM with open and fixed-term contracts.	Salaries, benefits, quality of life, professional development, information about the Company.
	Shareholders or Investors	The Company's main series A and B shareholders.	Capitalization of their investment and financial performance that allows for the sustainability of the Company over time.
	Contractors and Suppliers	"Contractors and suppliers of goods and services (both general and sales.)"	Transparent bidding processes, payments within agreed deadlines and conditions, efforts to establish lasting commercial relations, supplier development.
	Customers	Farmers, pharmaceutical companies, car manufacturers and technology companies, among others.	Fulfillment of commitments made regarding product supply and quality in accordance with agreed-upon deadlines, production processes that meet product safety and sustainability standards and regulations, operations, product safety, products that meet required standards.
	Community	"Residents of communities located near operations, indigenous communities and community."	"Creation of direct and indirect jobs, long-term support for the social and economic development of the community and care and appreciation for the environment and community at large. Pertinent, fluid communication."
	Organizations and Institutions	Trade associations, private and public foundations, NGOs, institutions in general	Support to create value for the community, region, country. Commitment to initiatives that are of interest to the organization, where the Company plays an active role. The Company contributes resources for project development.
	Authorities	Local, regional and national authorities, regional, national offices and public agencies.	Creation of value for the community, region, country. Fulfillment of legal obligations and commitments under environmental permits (RCAs) and valid contracts.
	Media	Journalists, newspapers, radio, TV, digital media.	Pertinent and relevant information regarding the Company's activities, in its various fields of action.

"Daily interactions in the workplace/ Direct communication between supervisors and area managers and the workers reporting to them/ Regular union meetings, meetings between workers, management, senior vice-presidents and managers.  
Internal communication channels, such as data screens in common areas, a newsletter published three times per year, bulletin boards, intranet and mailings/ Key information delivered on digital platforms such as: Website, email, Facebook, Instagram, Youtube channel and the new app "Mi SQM" (My SQM).

Board meetings, regularly issued information, direct contact with Investor Relations, financial reports, web page, site visits, shareholder meetings, meetings like SQM Day, provision of key information about the Company through digital platforms such as: the website, e-mail, Facebook, Instagram and our Youtube channel.

Meetings with personnel from the supply and contracting departments, as well as operational managers and supervisors where services are provided/ Visits by supply department to supplier facilities or offices/ Orientation courses, safety training/ Follow up and ongoing contacts with service providers selling our products in order to guarantee deliveries/ Special programs for supplier training attended by SQM in the regions/ Meetings with trade associations attended by SQM/ Delivery of important information on digital platforms such as: the website, e-mail, Facebook, Instagram and our Youtube channel.

Periodic, direct communication and visits with customers/ Site visits and surveys on products and operating standards/ Delivery of important information about the Company through digital platforms such as: the website, e-mail, Facebook, Instagram and our Youtube channel.

"Communication and regular meetings with SQM representatives, community leaders and members/ Site visits/ Involvement in local working groups and operational inspections alongside public agencies/ Community activities and festivities/ Daily interaction with programs developed in conjunction with the community or organizations."

Meetings with participation by our representatives/ Meetings to support initiatives/ Technical meetings/ Visits to sites or areas of interest/ Participation in seminars, training, etc./ Provision of key information for the Company through digital platforms: the website, e-mail, Facebook, Instagram and our Youtube channel.

Official or formal meetings/ Technical meetings/ Work meetings related to public and private initiatives/ Inspections / Provision of information using official platforms, documents or e-mail:

Contact with media through communications area/ Press releases, interviews or meetings/ Delivery of important information about the Company through digital platforms such as: the website, e-mail, Facebook, Instagram and our Youtube channel.



## Appendix on Our Values

### EMERGING RISKS

Emerging Risk	Category	Description	Impact	Mitigation Actions
Climate Change	Environmental	Climate change can exacerbate physical and other risks that could adversely affect our business and operations; and adverse climate conditions or significant changes in climate patterns could have a material adverse impact on our results of operations.	<p>Climate change could have an adverse effect on our costs, production or sales, especially with respect to our solar operations in Salar de Atacama, which require hot, arid summery climate conditions. Prolonged periods of precipitation or a cooler climate during the evaporation period could reduce evaporation rates, which would lead to a decrease in our production levels. Similarly, changes in hydrology could affect brine levels, which would affect our mineral collection process. The occurrence of these climate events at our solar-powered operations could reduce production levels, increase operating costs and force us to make significant additional capital expenses.</p> <p>In addition, climate conditions could negatively affect farmers' crop yields and nutrient absorption by plants, thus reducing the need to apply plant nutrients for the next growing season, which could result in lower demand for our plant nutrition products, thus generating a negative impact on the prices of our products.</p>	<p>In our Sustainable Development Plan announced in October 2020, we have considered diverse measures to adapt to and mitigate climate change, including the following goals: Becoming carbon neutral, reducing fresh water extraction by 65% and cutting brine extraction by 50%.</p> <p>In an effort to reach these goals, we have currently implemented measures such as optimizing water use for irrigation at our operations, increasing recycling of industrial, hazardous and domestic waste at our operations, fostering electromobility at our operations by replacing conventional buses with electric buses, installing a solar-powered electrical vehicle charging station in 2019, among others. These initiatives are periodically monitored at an executive level by sustainability committees. In addition, we have standard industry insurance policies that cover assets in the event of flood or earthquake, among other phenomena.</p> <p>Some of the initiatives implemented include establishing a carbon price to promote projects that help reduce greenhouse gases, reducing fresh water use by, for example, replacing water with brine for transport. We are also developing a project to integrate climate change into our operations in order to analyze and quantify the risk factors derived from climate change on our operations and the business, aiming to increase the Company's resilience in these matters.</p> <p>These measures, on one hand, contribute to the objective of preventing average global temperatures from rising by reducing our greenhouse gas emissions and, on the other hand, prepare us and help us adapt in the event that climate change affects our operations.</p>
International Trade Tensions	Geopolitical	Economic conditions in China, an important market for the Company, are sensitive to global economic conditions. The global financial markets have experienced significant disruptions in the past, including the recent international trade disputes and tariff actions announced by the United States, China and certain other countries. The U.S. government has imposed significant tariffs on Chinese goods, and Chinese government has, in turn, imposed tariffs on certain goods manufactured in the United States. There is no assurance that the list of goods impacted by additional tariffs will not be expanded or the tariffs will not be increased materially. We are unable to predict how China or U.S. government policy, in particular, the outbreak of a trade war between China and the United States and additional tariffs on bilateral imports, may continue to impact global economic conditions.	The recent trade tensions could have a negative effect on our financial performance. If the list of goods is further expanded or the tariff is further increased, global economic conditions of both countries could be impacted, and growth in demand for lithium or other commodities could decrease, which may have a material adverse effect on our business, financial condition and results of operations.	As mitigation measures, our commercial teams perform ongoing analysis of demand forecasts, strengthening tracking and monitoring of international markets and the potential impact on the Company. We also constantly seek new alternative products through diverse initiatives that use innovation to diversify products and, on the other hand, we look for new uses for our existing products in order to enter new business markets.



## Appendix on Workforce and Labor Relations

### AVERAGE TRAINING HOURS PER EMPLOYEE AND CATEGORY 2019 AND 2018 DISCLOSURE 404-1

Employee Category	Total Training Hours, All Employees, 2019	No. of Employees 2019	Indicator
Operators	40,357	2,067	19.5
Administrative staff	965	119	8.1
Executives	2,367	106	22.3
Professionals	26,109	1,623	16.1
Technicians	21,806	1,650	13.2
	91,604	5,565	16.5

Employee Category	Total Training Hours, All Employees, 2018	No. of Employees 2018	Indicator
Operators	33,619	1,926	17.5
Administrative staff	1,708	109	15.7
Executives	1,771	113	15.7
Professionals	21,631	1,498	14.4
Technicians	24,727	1,522	16.2
	83,456	5,168	16.1

### AVERAGE TRAINING HOURS PER FEMALE 2019 AND 2018

Employee Category	Total Training Hours, Female Employees, 2019	No. of Female Employees 2019	Indicator
Operators	6,325	102	62.0
Administrative staff	500	72	6.9
Executives	476	21	22.7
Professionals	6,295	475	13.3
Technicians	2,361	240	9.8
	15,957	910	17.5

Employee Category	Total Training Hours, Female Employees, 2018	No. of Female Employees 2018	Indicator
Operators	1,688	82	20.6
Administrative staff	998	66	15.1
Executives	242	21	11.5
Professionals	5,418	430	12.6
Technicians	1,663	220	7.6
	10,009	819	12.2

### AVERAGE TRAINING HOURS PER MALE 2019 AND 2018

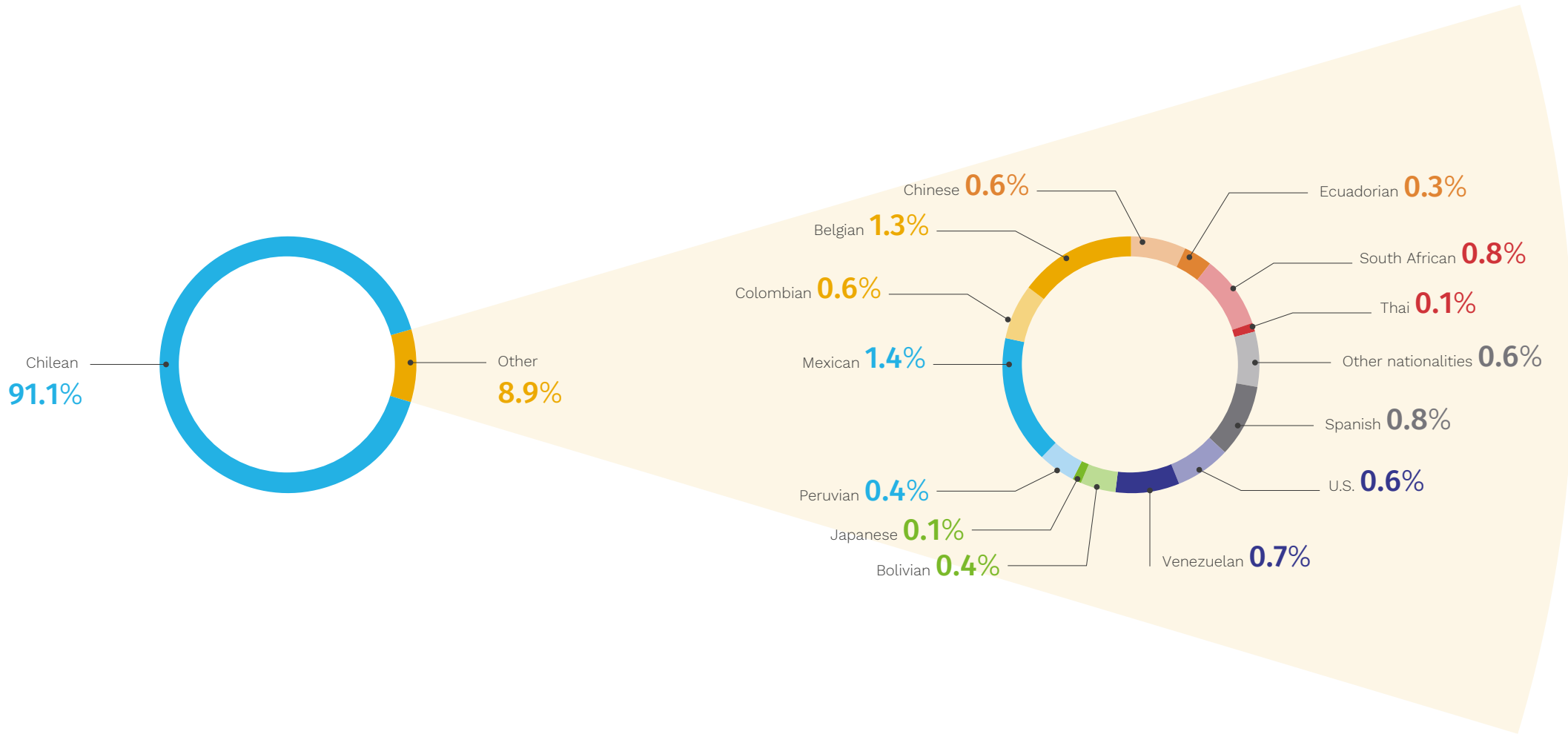
Employee Category	Total Training Hours, Male Employees, 2019	No. of Male Employees, 2019	Indicator
Operators	34,032	1,965	17.3
Administrative staff	465	47	9.9
Executives	1,891	85	22.2
Professionals	19,814	1,148	17.3
Technicians	19,445	1,410	13.8
	75,647	4,655	16.3

Employee Category	Total Training Hours, Male Employees, 2018	No. of Male Employees, 2018	Indicator
Operators	31,931	1,844	17.3
Administrative staff	710	43	16.5
Executives	1,529	92	16.6
Professionals	16,213	1,068	15.2
Technicians	23,064	1,302	17.7
	73,447	4,349	16.9



**SQM WORKERS IN CHILE AND THE WORLD BY NATIONALITY**

Nationality	Total
Chilean	4,914
Spanish	45
Dutch	4
United States	34
Venezuela	40
Bolivian	22
Brazilian	3
Japanese	6
Peruvian	24
Mexican	77
Colombian	30
Belgian	68
Chinese	33
Ecuadorian	15
Italian	4
South African	44
Australian	3
Argentinean	4
German	2
Paraguayan	1
Moroccan	1
Thai	8
Korean	4
Indian	1
Uruguayan	1
French	3
Cuban	1
<b>Total</b>	<b>5,392</b>





**GENDER SALARY GAP AS OF DECEMBER 31, 2020**

**DISCLOSURE 405-2**

Proportion of the average gross base salary by position, responsibility and role of female executives and workers compared to male executives and workers:

POSITION TYPE	Level based on Hay methodology (1)	Executives and Workers %
Administrative staff	12	103%
	13 (2)	
Managers	18 (3)	
	19	109%
Chief Executive Officer	26 (3)	
Chief Operating Officer	19 (3)	
	20 (3)	
Supervisors	13	95%
	14	106%
	15	102%
	16	101%
Department Heads	15	92%
		107%
Operators	11	95%
	12	92%
	13	111%

POSITION TYPE	Level based on Hay methodology (1)	Executives and Workers %
Professionals	12 (2)	
	13	100%
	14	92%
	15	120%
	16 (3)	
Senior professionals	14	94%
	15	96%
	16	132%
Superintendents/Deputy managers	16	101%
	17	80%
	18	103%
	19 (3)	
Supervisors	13	91%

POSITION TYPE	Level based on Hay methodology (1)	Executives and Workers %
Technicians	12	104%
	13	96%
Vice-Presidents	20 (3)	
	21	79%
	22 (3)	
	23 (3)	

(1) The “Hay method or system” is used globally to evaluate jobs to make them comparable between companies of different sizes and from different industries. Hay levels are determined based on multiple variables, including company size and the responsibility level of the position (defined mainly based on knowledge, autonomy and accountability for results).

(2) Indicates position/level in which there are only female employees.

(3) Indicates position/level in which there are only male employees.



# Appendix on the Value of Safety

DISCLOSURE 403-9 (2018)

## FATALITY RATE

			2017	2018	2019	2020
Company personnel	Hours worked	Female	1,035,733	1,179,341	1,421,964	1,579,028
		Male	8,047,470	8,615,031	9,092,275	9,459,392
	Total hours worked		9,083,203	9,794,372	10,514,238	11,038,420
	No. of fatalities	Female	0	0	0	0
		Male	0	0	0	0
	Total fatalities		0	0	0	0
Fatality rate			0	0	0	0
Contractors	Hours worked	Female	1,035,951	1,033,533	1,123,127	1,484,277
		Male	7,060,515	9,575,788	10,112,316	10,468,424
	Total hours worked		8,096,466	10,609,321	11,235,443	11,952,701
	No. of fatalities	Female	0	0	0	0
		Male	1	0	0	0
	Total fatalities		1	0	0	0
Fatality rate			0.12	0	0	0
Total	Hours worked	Female	2,071,684	2,212,875	2,545,090	3,063,305
		Male	15,107,985	18,190,819	19,204,591	19,927,816
	Total hours worked		17,179,669	20,403,694	21,749,681	22,991,121
	No. of fatalities	Female	0	0	0	0
		Male	1	0	0	0
	Total fatalities		1	0	0	0
Fatality rate			0.06	0	0	0

Factor: 1,000,000

## LOST-TIME INJURY FREQUENCY RATE

			2017	2018	2019	2020
Company personnel	Hours worked	Female	1,035,733	1,179,341	1,421,964	1,579,028
		Male	8,047,470	8,615,031	9,092,275	9,459,392
	Total hours worked		9,083,203	9,794,372	10,514,238	11,038,420
	No. of lost-time accidents (WLT)	Female	1	2	1	2
		Male	15	5	16	11
	Total accidents WLT		16	7	17	13
Lost-time Injury Frequency Rate			1.76	0.71	1.62	1.18
Contractors	Hours worked	Female	1,035,951	1,033,533	1,123,127	1,484,277
		Male	7,060,515	9,575,788	10,112,316	10,468,424
	Total hours worked		8,096,466	10,609,321	11,235,443	11,952,701
	No. of lost-time accidents (WLT)	Female	1	0	1	2
		Male	9	7	8	3
	Total accidents WLT		10	7	9	5
Lost-time Injury Frequency Rate			1.24	0.66	0.80	0.42
Total	Hours worked	Female	2,071,684	2,212,875	2,545,090	3,063,305
		Male	15,107,985	18,190,819	19,204,591	19,927,816
	Total hours worked		17,179,669	20,403,694	21,749,681	22,991,121
	No. of lost-time accidents (WLT)	Female	2	2	2	4
		Male	24	12	24	14
	Total accidents WLT		26	14	26	18
Lost-time Injury Frequency Rate			1.51	0.69	1.20	0.78

Factor: 1,000,000



**SEVERITY INDEX**

			2017	2018	2019	2020
Company personnel	Hours worked	Female	1,035,733	1,179,341	1,421,964	1,579,028
		Male	8,047,470	8,615,031	9,092,275	9,459,392
	Total hours worked		9,083,203	9,794,372	10,514,238	11,038,420
	No. of days lost	Female	6	3	5	30
		Male	1,107	526	1,177	361
	Total days lost		1,113	529	1,182	391
Severity index			123	54	112	35
Contractors	Hours worked	Female	1,035,951.4	1,033,533	1,123,127	1,484,277
		Male	7,060,515	9,575,788	10,112,316	10,468,424
	Total hours worked		8,096,466	10,609,321	11,235,443	11,952,701
	No. of days lost	Female	9	0	3	7
		Male	6,807	430	195	174
	Total days lost		6,816	430	198	181
Severity index			842	41	18	15
Total	Hours worked	Female	2,071,684	2,212,875	2,545,090	3,063,305
		Male	15,107,985	18,190,819	19,204,591	19,927,816
	Total hours worked		17,179,669	20,403,694	21,749,681	22,991,121
	No. of days lost	Female	16	3	8	37
		Male	7,913	956	1,372	535
	Total days lost		7,929	959	1,380	572
Severity index			462	47	63	25

**Factor: 1,000,000**
**RATE OF PROCESS SAFETY EVENTS BY CHEMICAL INDUSTRY CRITERIA**

Year	No. of Incidents	Hours Worked Year	Tier1 Events (No. Events/ million hours worked)
2020	1	22,991,121	0.04
2019	5	21,749,681	0.23
2018	2	20,403,694	0.10
2017	4	17,179,669	0.23

**NOTE:** This indicator measures performance with respect to incidents involving processes defined in Standard API-754, related to the chemical industry, which are process safety incidents based on the type of process involved, the release of substances over a certain threshold and the resulting harm to people, infrastructure, the environment and communities.



## Appendix: Committed to the Environment

### WATER

#### WATER 2019, 2018 AND 2017

DISCLOSURE 303-3 / 303-5

Water Consumption 2019				
Facility	Groundwater (m <sup>3</sup> )	Surface Water (m <sup>3</sup> )	Third-party Supply (m <sup>3</sup> )	Total Water Consumption (m <sup>3</sup> )
	Other Water (TSD >1000mg/l)		Fresh Water (TSD ≤1000mg/l)	
Zones subject to water stress				
Salar de Atacama	5,286,219			5,286,219
Nueva Victoria	19,896,165			19,896,165
María Elena, Coya Sur, Pedro de Valdivia		6,227,886	426,472	6,654,358
Recycled and reused water				
Salar del Carmen			939,586	939,586
All zones				
Other offices			52,714	52,714
Total per category (m <sup>3</sup> )	25,182,384	6,227,886	1,418,772	32,829,042

Water Consumption 2018				
Facility	Groundwater (m <sup>3</sup> )	Surface Water (m <sup>3</sup> )	Third-party Supply (m <sup>3</sup> )	Total Water Consumption (m <sup>3</sup> )
	Other Water (TSD >1000mg/l)		Fresh Water (TSD ≤1000mg/l)	
Zones subject to water stress				
Salar de Atacama	5,610,768		154	5,610,922
Nueva Victoria	17,263,961			17,263,961
María Elena, Coya Sur, Pedro de Valdivia		5,975,001	647,826	6,622,827
Recycled and reused water				
Salar del Carmen			747,972	747,972
All zones				
Other offices			42,809	42,809
Total per category (m <sup>3</sup> )	22,874,729	5,975,001	1,438,761	30,288,491

Water Consumption 2017				
Facility	Groundwater (m <sup>3</sup> )	Surface Water (m <sup>3</sup> )	Third-party Supply (m <sup>3</sup> )	Total Water Consumption (m <sup>3</sup> )
	Other Water (TSD >1000mg/l)		Fresh Water (TSD ≤1000mg/l)	
Zones subject to water stress				
Salar de Atacama	7,011,665		140	7,011,805
Nueva Victoria	17,880,742			17,880,742
María Elena, Coya Sur, Pedro de Valdivia		5,419,531	684,684	6,104,215
Recycled and reused water				
Salar del Carmen			610,264	610,264
All zones				
Other offices			60,976	60,976
Total per category (m <sup>3</sup> )	24,892,407	5,419,531	1,356,064	31,668,002

Treated reused waste water	2019 (m <sup>3</sup> )
Salar de Atacama	215,212
Salar del Carmen	795,150
María Elena, Coya Sur, Pedro de Valdivia	333,337
Total per category (m <sup>3</sup> )	1,343,699

Treated reused waste water	2018 (m <sup>3</sup> )
Salar de Atacama	207,547
Salar del Carmen	747,972
María Elena, Coya Sur, Pedro de Valdivia	363,653
Total per category (m <sup>3</sup> )	1,319,172

Treated reused waste water	2017 (m <sup>3</sup> )
Salar de Atacama	194,848
Salar del Carmen	610,264
María Elena, Coya Sur, Pedro de Valdivia	442,410
Total per category (m <sup>3</sup> )	1,247,522



## WASTE

### DISCLOSURE 306-2 / 306-4

Waste removed from facilities	Unit	Destination (inside or outside of the facilities)	2020	2019	2018	2017
<b>Non-hazardous industrial waste</b>						
Nueva Victoria	tons	Outside	100		346	349
Pampa	tons	Outside	0			741
Salar de Atacama	tons	Outside	431		590	288
Salar del Carmen	tons	Outside	1,150	837	611	400
Other	tons	Outside				293
<b>Total non-hazardous industrial waste</b>			<b>1,682</b>	<b>837</b>	<b>1,547</b>	<b>2,071</b>
<b>Hazardous industrial waste</b>						
Nueva Victoria	tons	Outside	1,055	838	773	694
Pampa	tons	Outside	853	166	957	83
Salar de Atacama	tons	Outside	822	467	421	685
Salar del Carmen	tons	Outside	411	1,320	611	705
Other	tons	Outside				0
<b>Total non-hazardous industrial waste</b>	<b>tons</b>		<b>3,141</b>	<b>2,791</b>	<b>2,763</b>	<b>2,167</b>

Waste removed from facilities	Unit	Destination (inside or outside of the facilities)	2020	2019	2018	2017
<b>Domestic waste and/or similar</b>						
Nueva Victoria	tons	Both	2,193	931	1,299	146
Pampa*	tons	Outside	2,109	3,055	2,378	3,203
Salar de Atacama	tons	Both	142	524	529	345
Salar del Carmen	tons	Outside	299	179	187	79
<b>Total domestic waste and/or similar</b>			<b>4,743</b>	<b>4,688</b>	<b>4,393</b>	<b>3,774</b>
<b>Total Other (Mixed construction waste)</b>						
Nueva Victoria	tons	Outside				
Pampa	tons	Outside				
Salar de Atacama	tons	Outside				
Salar del Carmen	tons	Outside	190	1,067	1,724	
Other	tons	Outside				
<b>Other (mixed construction waste)</b>			<b>190</b>	<b>1,067</b>	<b>1,724</b>	<b>0</b>

\* Includes district of María Elena



## EMISSIONS

### DISCLOSURE 305-1 / 305-2 / 305-3

GHG Emissions	Unit	Gases Included	2020	2019	2018	2017
<b>Direct GHG emissions (Scope 1)</b>						
Nueva Victoria	Tons CO <sub>2</sub> eq	CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O	58,169	54,402	47,603	26,515
Coya Sur	Tons CO <sub>2</sub> eq	CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O	128,318	113,456	115,720	75,612
Pedro de Valdivia	Tons CO <sub>2</sub> eq	CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O	2,022	2,069	1,439	1,750
Salar de Atacama	Tons CO <sub>2</sub> eq	CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O	43,709	32,756	43,872	53,044
Salar del Carmen	Tons CO <sub>2</sub> eq	CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O	37,256	40,072	25,260	21,722
Tocopilla	Tons CO <sub>2</sub> eq	CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O	212	191	218	167
Logistics	Tons CO <sub>2</sub> eq	CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O	-	-	35	30
Other	Tons CO <sub>2</sub> eq	CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O	1,321	1,847	1,121	698
<b>Emissions (Scope 1)</b>	<b>Tons CO<sub>2</sub> eq</b>	<b>CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O</b>	<b>271,008</b>	<b>244,793</b>	<b>235,268</b>	<b>179,538</b>
<b>Indirect GHG emissions (Scope 2)</b>						
Nueva Victoria	Tons CO <sub>2</sub> eq	CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O	121,054	116,142	86,507	46,542
Coya Sur	Tons CO <sub>2</sub> eq	CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O	143,343	124,501	122,015	71,923
Pedro de Valdivia	Tons CO <sub>2</sub> eq	CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O	17,657	16,717	14,617	8,654
Salar de Atacama	Tons CO <sub>2</sub> eq	CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O	155,235	112,725	135,229	155,471
Salar del Carmen	Tons CO <sub>2</sub> eq	CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O	36,980	32,025	24,333	16,661
Tocopilla	Tons CO <sub>2</sub> eq	CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O	1,821	1,881	2,143	1,500
Logistics	Tons CO <sub>2</sub> eq	CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O	-	-	-	-
Other	Tons CO <sub>2</sub> eq	CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O	462	507	476	534
<b>Emissions (Scope 2)</b>	<b>Tons CO<sub>2</sub> eq</b>	<b>CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O</b>	<b>476,552</b>	<b>404,499</b>	<b>385,320</b>	<b>301,284</b>
<b>Other indirect GHG emissions (Scope 3)</b>						
Nueva Victoria	Tons CO <sub>2</sub> eq	CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O	38,771	39,025	40,697	40,470
Coya Sur	Tons CO <sub>2</sub> eq	CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O	2,761	1,906	3,614	4,578
Pedro de Valdivia	Tons CO <sub>2</sub> eq	CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O	5,830	5,257	4,640	4,471
Salar de Atacama	Tons CO <sub>2</sub> eq	CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O	35	24	33	37
Salar del Carmen	Tons CO <sub>2</sub> eq	CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O	175,961	155,743	127,842	110,508
Tocopilla	Tons CO <sub>2</sub> eq	CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O	-	-	-	-
Logistics	Tons CO <sub>2</sub> eq	CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O	291,455	226,502	225,925	252,485
Other	Tons CO <sub>2</sub> eq	CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O	-	-	-	-
<b>Emissions (Scope 3)</b>	<b>Tons CO<sub>2</sub> eq</b>	<b>CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O</b>	<b>514,814</b>	<b>428,457</b>	<b>402,751</b>	<b>412,548</b>

### DISCLOSURE 305-7

Other Emissions	Unit	2020	2019	2018	2017
<b>Nueva Victoria</b>					
NOx	Tons	512.1	467.8	416.2	232.8
SOx	Tons	1,150.9	976.6	1,132.8	1,226.5
COVs	Tons	4,143.5	3,216.8	6,529.4	6,493.0
PM, filterable	Tons	2,502.6	2,422.7	2,359.4	1,929.4
PM10, filterable	Tons	4.1	2.9	3.4	2.3
PM2.5, filterable	Tons	4.0	2.8	3.3	2.2
<b>Coya Sur</b>					
NOx	Tons	7.9	12.6	79.5	109.9
SOx	Tons	0.9	1.0	1.1	0.8
COVs	Tons	19.2	16.8	12.2	3.4
PM, filterable	Tons	2.4	2.6	10.5	14.0
PM10, filterable	Tons	2.4	2.5	9.2	12.2
PM2.5, filterable	Tons	10.7	9.7	11.9	9.7
<b>Pedro de Valdivia</b>					
NOx	Tons	1.3	1.5	7.2	18.1
SOx	Tons	161.2	133.5	219.6	204.5
COVs	Tons	731.8	693.2	676.5	809.0
PM, filterable	Tons	0.0	0.0	0.5	1.3
PM10, filterable	Tons	0.0	0.0	0.5	1.3
PM2.5, filterable	Tons	0.2	0.1	0.5	1.2
<b>Salar de Atacama</b>					
NOx	Tons	505.0	403.5	382.3	351.3
SOx	Tons	31.8	25.5	23.5	20.8
COVs	Tons	0.0	0.0	0.0	0.0
PM, filterable	Tons	36.2	28.9	27.7	25.8
PM10, filterable	Tons	35.1	28.1	26.4	24.0
PM2.5, filterable	Tons	34.3	27.6	25.4	22.7
<b>Salar del Carmen</b>					
NOx	Tons	24.5	167.3	39.5	96.8
SOx	Tons	1.8	11.2	2.7	6.4
COVs	Tons	4.3	4.0	2.8	1.6
PM, filterable	Tons	2.2	12.3	3.1	7.0
PM10, filterable	Tons	2.2	12.3	3.1	7.0
PM2.5, filterable	Tons	4.1	14.0	4.3	7.7

Other Emissions	Unit	2020	2019	2018	2017
<b>Tocopilla</b>					
NOx	Tons	2.6	0.7	0.8	0.6
SOx	Tons	0.1	0.0	0.0	0.0
COVs	Tons	0.0	0.0	0.0	0.0
PM, filterable	Tons	0.2	0.0	0.0	0.0
PM10, filterable	Tons	4.1	4.6	4.3	4.4
PM2.5, filterable	Tons	0.2	0.0	0.0	0.0
<b>Logistics</b>					
NOx	Tons	172.5	127.3	76.7	58.9
SOx	Tons	1.3	1.0	0.6	0.5
COVs	Tons	9.3	6.9	4.1	3.2
PM, filterable	Tons	-	-	-	-
PM10, filterable	Tons	-	-	-	-
PM2.5, filterable	Tons	-	-	-	-
<b>Other</b>					
NOx	Tons	33.5	40.2	9.2	11.4
SOx	Tons	2.2	2.6	0.4	0.7
COVs	Tons	0.0	0.0	0.1	0.0
PM, filterable	Tons	2.3	2.8	0.5	0.7
PM10, filterable	Tons	2.3	2.8	0.5	0.7
PM2.5, filterable	Tons	2.3	2.8	0.5	0.7
<b>Total</b>					
NOx	Tons	1,259.4	1,220.9	1,011.4	879.8
SOx	Tons	1,350.1	1,151.4	1,380.7	1,460.2
COVs	Tons	4,908.2	3,937.7	7,225.2	7,310.1
PM, filterable	Tons	2,546.0	2,469.2	2,401.6	1,978.3
PM10, filterable	Tons	50.3	53.1	47.3	51.8
PM2.5, filterable	Tons	55.7	56.9	45.9	44.2



## Annex: SQM, Present in the Community

DISCLOSURE 413-2

Geographic location of SQM operations and interaction with neighboring communities and characteristics of the population:

Region	Operation	Districts/Towns	Description	Population	Education
Tarapacá	Nueva Victoria	Iquique	Regional capital, Capital of the Province of Iquique, District: Population: 191,468 No. of households: 66,986 Men: 94,897 Women: 96,571	Population density: 83.70 Masculinity index: 98.3 Average age: 34.3 Indigenous peoples: 18%	Avg. schooling for head of household: 12.3 years Elementary school attendance: 95% Preschool attendance: 53% High school attendance: 75% Begin higher education: 38% Complete higher education: 74% Avg. schooling for indigenous peoples: 10.3 years
		Pozo Almonte -La Tirana -Pintados	Capital of the Province of Tamarugal, District: Population: 15,711 No. of households: 8,926 Men: 8,987 Women: 6,724	Population density: 1.14 Masculinity index: 133.7 Average age: 32.2 Indigenous peoples: 43%	Avg. schooling for head of household: 10.0 years Elementary school attendance: 86% Preschool attendance: 55% High school attendance: 56% Begin higher education: 20% Complete higher education: 78% Avg. schooling for indigenous peoples: 8.6 years
		Alto Hospicio	District: Population: 108,375 No. of households: 33,178 Men: 54,206 Women: 54,169	Population density: 188.86 Masculinity index: 100.1 Average age: 28.8 Indigenous peoples: 31%	Avg. schooling for head of household: 10.4 years Elementary school attendance: 95% Preschool attendance: 56% High school attendance: 71% Begin higher education: 16% Complete higher education: 65% Avg. schooling for indigenous peoples: 8.6 years

Region	Operation	Districts/Towns	Description	Population	Education
Antofagasta	Port of Tocopilla / María Elena / Coya Sur / Salar de Atacama / Salar del Carmen	Antofagasta	Regional capital, Capital of the Province of Antofagasta, District: Population: 361,873 No. of households: 112,451 Men: 181,846 Women: 180,027	Population density: 11.79 Masculinity index: 101.0 Average age: 33.3 Indigenous peoples: 8%	Avg. schooling for head of household: 12.1 years Elementary school attendance: 96% Preschool attendance: 49% High school attendance: 74% Begin higher education: 36% Complete higher education: 73% Avg. schooling for indigenous peoples: 10.6 years
		Tocopilla	Capital of the Province of Tocopilla, District: Population: 25,186 No. of households: 10,670 Men: 12,481 Women: 12,705	Population density: 6.25 Masculinity index: 98.2 Average age: 34.5 Indigenous peoples: 8%	Avg. schooling for head of household: 10.5 years Elementary school attendance: 94% Preschool attendance: 52% High school attendance: 76% Begin higher education: 18% Complete higher education: 74% Avg. schooling for indigenous peoples: 9.1 years
	María Elena / Coya Sur	María Elena -Quillagua	District: Population: 6,457 No. of households: 1,959 Men: 4,092 Women: 2,365	Population density: 0.52 Masculinity index: 173.0 Average age: 35.4 Indigenous peoples: 13%	Avg. schooling for head of household: 11.2 years Elementary school attendance: 95% Preschool attendance: 46% High school attendance: 79% Begin higher education: 27% Complete higher education: 81% Avg. schooling for indigenous peoples: 10.5 years
	Salar de Atacama	San Pedro de Atacama -Rio Grande -Solor -Toconao -Talabre -Camar -Socaire -Peine -Machuca -Catarpe -Quitor -Soncor -Larache -Yaye -Sequitor -Cucuter -Coyo	District: Population: 6,457 No. of households: 1,959 Men: 4,092 Women: 2,365	Population density: 0.52 Masculinity index: 173.0 Average age: 35.4 Indigenous peoples: 13%	Avg. schooling for head of household: 11.2 years Elementary school attendance: 95% Preschool attendance: 46% High school attendance: 79% Begin higher education: 27% Complete higher education: 81% Avg. schooling for indigenous peoples: 10.5 years

\* The demographic data in this table is taken from the results of the 2017 Census, conducted by the National Institute of Statistics, [www.censo2017.cl](http://www.censo2017.cl).



## LOCAL ENGAGEMENT AND COORDINATION

In addition to the formal working groups that we have created, we participated in other formal engagement and coordination spaces such as activities with groups of people or associations in areas located near our operations.

Local Engagement and Coordination	Location
Work with the Municipality of Pozo Almonte - Educational Support	Pozo Almonte
Chanavayita STI No. 1 work space*	Iquique
Chanavayita social group (includes Chanavayita Neighborhood Council, Fire Department, sports clubs, for a total of 11 organizations)*	Iquique
William Taylor Methodist School Technical and Business Advisory Council	Alto Hospicio
Sergio González School Technical, Business Advisory Council - Pozo Almonte	Pozo Almonte
Work with the Quillagua community	Quillagua
Work by SQM Volunteers and María Elena community	María Elena
Work with the María Elena Technical/Humanities High School on Educational Support	María Elena
Work by SQM and María Elena Rural Clinic	María Elena
Work with Diego Portales de Tocopilla High School and SQM for Supporting Education	Tocopilla
Work by SQM and Professional Association of Tocopilla Transportation Companies (Agretoc)	Tocopilla
Work by Professionals from Cowork, the Municipality of Tocopilla, a Provincial Government Delegate and Project Initiatives Assessment Committee	Tocopilla
Space for coordinating volunteer work with the Administration of Estrellitas del Pacífico Daycare Center, Administration of Pedro Aguirre Cerda Special Education School, Administration of the Tocopilla Senior Center, and SQM Volunteers	Tocopilla
Work by the Administration and Technical Teaching Unit at the Sagrada Familia School and SQM	Tocopilla
Work with the Administration of the Domingo Latrille High School for Co-op Accreditation and Conversion into a Humanities and Technical Professional High School	Tocopilla
Work with the Municipality of Tocopilla and SQM to implementing community initiatives	Tocopilla
Work with the two municipal groups	Tocopilla

\*Agreement effective beginning in 2020, within the framework of the SQM Environmental Impact Study (EIA) for "Tente en el Aire," whose areas of influence include coastal communities in the Province of Iquique in the Tarapacá Region: Cafiño, Caramucho and Chanavayita.

## INVESTMENT IN THE COMMUNITY

Philanthropic Activities	(US\$)	%
Donations	2,014,157	37%
Community investment	3,438,802	62%
Commercial initiatives	59,667	1%
<b>Total</b>	<b>5,512,625</b>	

Philanthropic Contributions	
Cash contributions	4,118,731
Contributions in kind	1,334,227
General administrative expenses	1,748,095





14.  
ASSURANCE LETTER





**INDEPENDENT VERIFICATION LETTER OF INDICATORS OF THE 2020 SQM SUSTAINABILITY REPORT**

Sirs  
 President and Directors  
 Sociedad Química y Minera de Chile S.A (SQM)  
 Present

Of our consideration:

We have reviewed the following aspects of the SQM Sustainability Report 2020

**Scope**

Limited assurance engagement of the adherence of the contents and indicators included in the SQM Sustainability Report 2020 to the Global Reporting Initiative (GRI) Standards, regarding the organization's profile and material indicators arising from the materiality process that the Company carried out following said Standards related to the economic, social, and environmental dimensions.

**Standards and verification processes**

We have carried out our task in accordance with the guidelines of the International Standard on Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000) issued by the International Auditing and Assurance Standard Board (IAASB) of the International Federation of Accountants (IFAC).

Our verification work consisted in reviewing the evidence provided by the business units of SQM, which have been involved in the process of making this Report, which supports the information written in the Report, as well as in the application of analytic procedures and verification tests, which are described in the following items:

- ✓ Meetings with key managers, responsible for the information described in the SQM report.
- ✓ Analysis of the adaptation of the contents of the SQM 2020 Sustainability Report to those recommended by the GRI Standard in its Essential compliance option, and verification that the verified indicators included in this Report correspond to the protocols established by said standard and are justified indicators not applicable or not material.
- ✓ Verification that the verified indicators included in this Report correspond to the protocols established by said standard.
- ✓ Verification through revision tests of the quantitative and qualitative information, corresponding to the indicators of the GRI Standard included in the SQM 2020 Sustainability Report, and its adequate compilation from the data provided by the SQM information sources.

**Conclusions**

- ✓ The verification process was carried out based on the GRI indicators included in the 2020 version of the Sustainability Report. The reported and verified indicators are indicated in the following table:

General Contents										
102-1	102-2	102-3	102-4	102-5	102-6	102-7	102-8	102-9	102-10	102-11
102-12	102-13	102-14	102-15	102-16	102-17	102-18	102-19	102-20	102-21	102-22
102-23	102-24	102-25	102-26	102-27	102-28	102-29	102-30	102-31	102-32	102-33
102-35	102-36	102-37	102-40	102-41	102-42	102-43	102-44	102-45	102-46	102-47
102-48	102-49	102-50	102-51	102-52	102-53	102-54	102-55	102-56		
Management Approach										
103-1	103-2	103-3								
Especific Contents										
201-1	201-2	201-3	201-4	202-2	204-1	205-1	205-2	205-3	206-1	302-1
302-2	302-3	303-1	303-2	303-3	303-4	303-5	304-2	304-3	304-4	305-1
305-2	305-3	305-4	305-5	305-7	306-3	306-4	306-5	307-1	401-1	401-2
401-3	402-1	403-1	403-2	403-3	403-4	403-5	403-6	403-8	403-9	403-10
404-1	404-2	404-3	405-1	405-2	407-1	411-1	412-1	412-2	413-1	413-2
415-1	416-1	417-1	417-2	418-1						

- ✓ Regarding the verified indicators, we can affirm that no aspect has been revealed that would make us believe that the SQM 2020 Sustainability Report has not been prepared in accordance with the GRI Standard in the aspects indicated in the scope.

**Responsibilities of the management of SQM and Deloitte**

- The preparation of the SQM 2020 Sustainability Report, as well as its content, is the responsibility of SQM, which is also responsible for defining, adapting and maintaining the management and internal control systems from which the information is obtained.
- Our responsibility is to issue an independent report, based on the procedures applied in our review.
- We have carried out our work in accordance with the independence standards required by the IFAC Code of Ethics.
- The verification conclusions made by Deloitte are valid for the latest version of the chapters sent from the SQM 2020 Sustainability Report in our possession, received on 12/05/2021.
- The scope of a limited security review is substantially less than that of a reasonable security review or audit, therefore we do not provide an audit opinion on the SQM 2020 Sustainability Report.

Fernando Gaziano  
 Partner  
 June 10, 2021





## 15. GRI CONTENT INDEX



GRI Standard	Disclosure No.	Disclosure Name	Page	Chapter	Omissions	Verified by Deloitte	Global Compact Principles
General Disclosures							
GRI 102: General Disclosures (2016)	102-1	Name of the organization	32	SQM, from Chile to the World	–	●	Not applicable
	102-2	Activities, brands, products and/or services	32, 42	SQM, from Chile to the World - Workforce and Labor Relations	–	●	Not applicable
	102-3	Location of headquarters	29, 30	SQM, from Chile to the World	–	●	Not applicable
	102-4	Location of operations	22, 30, 111	SQM, from Chile to the World - Workforce and Labor Relations	–	●	Not applicable
	102-5	Ownership and legal form	64 - 65	Corporate Governance	–	●	Not applicable
	102-6	Markets served	30, 32, 40	SQM, from Chile to the World	–	●	Not applicable
	102-7	Scale of the organization	51, 80	Value Chain	–	●	6
	102-8	Information on employees and other workers	81	SQM and Its Labor Force	–	●	6
	102-9	Supply chain	53 - 56	Value Chain	–	●	1, 2, 4, 5, 6
	102-10	Significant changes to the organization and its supply chain	9	There were no significant changes to the organization.	–	●	Not applicable
	102-11	Precautionary principle or approach	73	Our Values	–	●	7
	102-12	External initiatives	42, 45, 46, 171 - 174	SQM, from Chile to the World - SQM Partner Associations, Institutions and Foundations	–	●	Not applicable
	102-13	Membership in associations	171	SQM Partner Associations, Institutions and Foundations	–	●	Not applicable
	102-14	Statement from senior decision-makers	6, 7	Our Company in 2020	–	●	Not applicable
	102-15	Key impacts, risks and opportunities	73	Our Values	–	●	Not applicable
	102-16	Values, principles, standards, and norms of behavior	67 - 68	Our Values	–	●	1, 2, 4, 5
	102-17	Mechanisms for advice and concerns about ethics	70	Our Values	–	●	Not applicable
	102-18	Governance structure	58	Corporate Governance	–	●	10
	102-19	Delegation of responsibility	59	Corporate Governance	–	●	Not applicable
	102-20	Executive-level positions with responsibility for economic, environmental and social topics	59	Corporate Governance	–	●	Not applicable



GRI Standard	Disclosure No.	Disclosure Name	Page	Chapter	Omissions	Verified by Deloitte	Global Compact Principles
GRI 102: General Disclosures (2016)	102-21	Processes for consultation with stakeholders on economic, environmental and social topics	10, 11	About this Report	–	●	Not applicable
	102-22	Composition of the highest governance body and its committees	58, 61 - 63	Corporate Governance	–	●	10
	102-23	Chair of the highest governance body	58	Corporate Governance	–	●	10
	102-24	Nominating and selecting the highest governance body	58	Corporate Governance	–	●	10
	102-25	Conflicts of interest	58 - 59	Corporate Governance	–	●	10
	102-26	Highest governance body's role in setting purpose, values and strategy	60	Corporate Governance	–	●	Not applicable
	102-27	Collective knowledge of the highest governance body	59	Corporate Governance	–	●	Not applicable
	102-28	Performance evaluation process for highest governance body	59	Corporate Governance	–	●	Not applicable
	102-29	Identification and management of economic, environmental and social impacts	10, 11, 59	About this Report - Corporate Governance	–	●	Not applicable
	102-30	Effectiveness of risk management processes	59, 71, 72	Corporate Governance	–	●	Not applicable
	102-31	Evaluation of economic, environmental and social topics	60	Corporate Governance	–	●	Not applicable
	102-32	Highest governance body's role in sustainability reporting	59	Corporate Governance	–	●	Not applicable
	102-33	Communicating critical concerns	59	Corporate Governance	–	●	Not applicable
	102-35	Remuneration policies	59	Corporate Governance	–	●	Not applicable
	102-36	Process for determining remuneration	89	Workforce and Labor Relations	–	●	Not applicable
	102-37	Stakeholder involvement in determining remuneration	88	Workforce and Labor Relations	–	●	Not applicable
	102-40	List of stakeholder groups	10, 11	About this Report	–	●	Not applicable
	102-41	Collective bargaining agreements	88	Workforce and Labor Relations	–	●	3
	102-42	Identifying and selecting stakeholders	10, 11	About this Report	–	●	Not applicable
	102-43	Approach to stakeholder engagement	10, 11, 41	About this Report - SQM, from Chile to the World	–	●	Not applicable
102-44	Key topics and concerns raised	10, 11, 41	About this Report - SQM, from Chile to the World	–	●	Not applicable	
102-45	Entities included in the consolidated financial statements	9	About this Report	–	●	Not applicable	



GRI Standard	Disclosure No.	Disclosure Name	Page	Chapter	Omissions	Verified by Deloitte	Global Compact Principles
GRI 102: General Disclosures (2016)	102-46	Defining report content and topic boundaries	12	About this Report	–	●	Not applicable
	102-47	List of material topics	13	About this Report	–	●	Not applicable
	102-48	Restatements of information	9	About this Report	–	●	Not applicable
	102-49	Changes in reporting	9	About this Report	–	●	Not applicable
	102-50	Reporting period	9	About this Report	–	●	Not applicable
	102-51	Date of most recent report	9	About this Report	–	●	Not applicable
	102-52	Reporting cycle	9	About this Report	–	●	Not applicable
	102-53	Contact point for questions regarding the report	9	About this Report	–	●	Not applicable
	102-54	Claims of reporting in accordance with the GRI Standards	9	About this Report	–	●	Not applicable
	102-55	GRI Content Index	195 - 203	GRI Index	–	●	Not applicable
	102-56	External assurance	193	Assurance letter	–	●	Not applicable
Material Issue: The Challenge of COVID-19							
GRI 103: Management Approach (2016)	103-1	Explanation of the material topic and its boundary	16 - 21	SQM and the Challenge of 2020	–	●	Not applicable
	103-2	The management approach and its components	16 - 21		–	●	Not applicable
	103-3	Evaluation of the management approach	16 - 21		–	●	Not applicable
Material Issue: Responsible Business Management							
GRI 103: Management Approach (2016)	103-1	Explanation of the material topic and its boundary	58	Corporate Governance	–	●	10
	103-2	The management approach and its components	58		–	●	10
	103-3	Evaluation of the management approach	58		–	●	10
GRI 102: General Disclosures (2016)	102-5	Ownership and legal form	64 - 65	Corporate Governance	–	●	Not applicable
	102-16	Values, principles, standards, and norms of behavior	67 - 68	Our Values	–	●	1, 2, 4, 5
	102-18	Governance structure	58	Corporate Governance	–	●	10
	102-19	Delegation of responsibility	59	Corporate Governance	–	●	Not applicable
	102-20	Executive-level positions with responsibility for economic, environmental and social topics	59	Corporate Governance	–	●	Not applicable



GRI Standard	Disclosure No.	Disclosure Name	Page	Chapter	Omissions	Verified by Deloitte	Global Compact Principles
GRI 102: General Disclosures (2016)	102-22	Composition of the highest governance body and its committees	58, 61 - 63	Corporate Governance	-	●	10
	102-23	Chair of the highest governance body	58	Corporate Governance	-	●	10
	102-24	Nominating and selecting the highest governance body	58	Corporate Governance	-	●	10
GRI 205: Anti-Corruption	205-1	Operations assessed for risks related to corruption	71	Our Values	-	●	10
	205-2	Communication and training about anti-corruption policies and procedures	71	Our Values	-	●	10
	205-3	Confirmed incidents of corruption and actions taken	73	Our Values	-	●	10
GRI 206: Unfair Competitive Practices (2016)	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	73	Our Values	-	●	10
Public Policy (2016)	415-1	Contributions to political parties and/or representatives	73	Our Values	-	●	10
<b>Material Issue: Lithium</b>							
GRI 103: Management Approach (2016)	103-1	Explanation of the material topic and its boundary	32 - 35	SQM, from Chile to the World	-	●	7, 8, 9
	103-2	The management approach and its components	32 - 35		-	●	7, 8, 9
	103-3	Evaluation of the management approach	32 - 35		-	●	7, 8, 9
GRI 102: General Disclosures (2016)	102-2	Activities, brands, products and services	32, 42	SQM, from Chile to the World - Workforce and Labor Relations	-	●	Not applicable
	102-6	Markets served	30, 32, 40	SQM, from Chile to the World	-	●	Not applicable
<b>Material Issue: Fair Labor Practices</b>							
GRI 103: Management Approach (2016)	103-1	Explanation of the material topic and its boundary	80, 97	Workforce and Labor Relations - The Value of Safety	-	●	1, 2, 3, 4, 5, 6
	103-2	The management approach and its components	80, 97		-	●	1, 2, 3, 4, 5, 6
	103-3	Evaluation of the management approach	80, 97		-	●	1, 2, 3, 4, 5, 6
GRI 102: General Disclosures (2016)	102-7	Scale of the organization	51, 80	Value Chain	-	●	Not applicable
	102-8	Information on employees and other workers	81	Workforce and Labor Relations	-	●	Not applicable
	102-41	Collective bargaining agreements	88	Workforce and Labor Relations	-	●	3
GRI 201: Economic Performance (2016)	201-3	Obligations of defined benefit plan and other retirement plans	88	Workforce and Labor Relations	-	●	6



GRI Standard	Disclosure No.	Disclosure Name	Page	Chapter	Omissions	Verified by Deloitte	Global Compact Principles
GRI 401: Employment (2016)	401-1	New employee hires and employee turnover	84	Workforce and Labor Relations	–	●	6
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	89	Workforce and Labor Relations	–	●	6
	401-3	Benefits provided to full-time employees that are not provided to temporary or part-time employees	88	Workforce and Labor Relations	–	●	Not applicable
GRI 402: Labor/Company Relations (2016)	402-1	Minimum notice periods regarding operational changes	88	Workforce and Labor Relations	–	●	6
GRI 403: Occupational Health and Safety (2018)	403-1	Occupational health and safety system	98	The Value of Safety	–	●	Not applicable
	403-2	Hazards Identification, Risk Assessments and Incident Investigations	98	The Value of Safety	–	●	Not applicable
	403-3	Occupational health services	101	The Value of Safety	–	●	Not applicable
	403-4	Employee participation, inquires and communication regarding occupational health and safety	102	The Value of Safety	–	●	Not applicable
	403-5	Employee training in occupational health and safety	103	The Value of Safety	–	●	Not applicable
	403-6	Fostering employees' health	101	The Value of Safety	–	●	Not applicable
	403-8	Coverage of occupational health and safety system	98	The Value of Safety	–	●	Not applicable
	403-9	Injuries from workplace accidents	104	The Value of Safety	–	●	Not applicable
	403-10	Occupational illness and disease	105	The Value of Safety	–	●	Not applicable
	GRI 404: Training and Education (2016)	404-1	Average hours of training per year per employee	92	Workforce and Labor Relations	–	●
404-2		Programs for upgrading employee skills and transition assistance programs	90, 92	Workforce and Labor Relations	–	●	6
404-3		Percentage of employees receiving regular performance and career development reviews	95	Workforce and Labor Relations	–	●	6
GRI 405: Diversity and Equal Opportunity (2016)	405-1	Diversity on governance bodies and among employees	84	Workforce and Labor Relations	–	●	6
	405-2	Ratio of basic salary and remuneration of women to men	184	Appendix on Workforce and Labor Relations	–	●	6
GRI 407: Freedom of Association and Collective Bargaining (2016)	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	88	Workforce and Labor Relations	–	●	1.2.3



GRI Standard	Disclosure No.	Disclosure Name	Page	Chapter	Omissions	Verified by Deloitte	Global Compact Principles
<b>Material Issue: Environmental Compliance</b>							
GRI 103: Management Approach (2016)	103-1	Explanation of the material topic and its boundary	109, 110	Committed to the Environment	-	●	7, 8, 9
	103-2	The management approach and its components	109, 110		-	●	7, 8, 9
	103-3	Evaluation of the management approach	109, 110		-	●	7, 8, 9
GRI 307: Environmental Compliance (2016)	307-1	Non-compliance with environmental laws and regulations	110	Committed to the Environment	-	●	7, 8, 9
GRI 413: Local Communities (2016)	413-1	Operations with local community engagement, impact assessments, and development programs	84 - 169	SQM, Present in the Community	-	●	7, 8, 9
<b>Material Issue: Biodiversity</b>							
GRI 103: Management Approach (2016)	103-1	Explanation of the material topic and its boundary	109 - 111	Committed to the Environment	-	●	7, 8, 9
	103-2	The management approach and its components	109 - 111		-	●	7, 8, 9
	103-3	Evaluation of the management approach	109 - 111		-	●	7, 8, 9
GRI 304: Biodiversity (2016)	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	112	Committed to the Environment	-	●	7, 8, 9
	304-2	Significant impacts of activities, products and services on biodiversity	112, 115, 117	Committed to the Environment	-	●	7, 8, 9
	304-3	Habitats protected or restored	112	Committed to the Environment	-	●	7, 8, 9
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	111 - 114	Committed to the Environment	-	●	7, 8, 9



GRI Standard	Disclosure No.	Disclosure Name	Page	Chapter	Omissions	Verified by Deloitte	Global Compact Principles
<b>Material Issue: Responsible Water Management</b>							
GRI 103: Management Approach (2016)	103-1	Explanation of the material topic and its boundary	109 - 110, 118	Committed to the Environment	-	●	7, 8, 9
	103-2	The management approach and its components	109 - 110, 118		-	●	7, 8, 9
	103-3	Evaluation of the management approach	109 - 110, 118		-	●	7, 8, 9
GRI 303: Water and Effluents (2018)	303-1	Interacting with water as a shared resource	118	Committed to the Environment	-	●	7, 8, 9
	303-2	Managing impact of water discharge	120	Committed to the Environment	-	●	7, 8, 9
	303-3	Water extraction	120	Committed to the Environment	-	●	7, 8, 9
	303-4	Water discharge	120	Committed to the Environment	-	●	7, 8, 9
	303-5	Water consumption	120	Committed to the Environment	-	●	7, 8, 9
<b>Material Issue: Air emissions</b>							
GRI 103: Management Approach (2016)	103-1	Explanation of the material topic and its boundary	109 - 110, 122	Committed to the Environment	-	●	7, 8, 9
	103-2	The management approach and its components	109 - 110, 122		-	●	7, 8, 9
	103-3	Evaluation of the management approach	109 - 110, 122		-	●	7, 8, 9
GRI 305: Emissions (2016)	305-7	Nitrogen oxides (NOX), sulfur oxides (SOX) and other significant OX air emissions	124	Committed to the Environment	-	●	7, 8, 9
<b>Material Issue: Energy Management</b>							
GRI 103: Management Approach (2016)	103-1	Explanation of the material topic and its boundary	109 - 110, 126	Committed to the Environment	-	●	7, 8, 9
	103-2	The management approach and its components	109 - 110, 126		-	●	7, 8, 9
	103-3	Evaluation of the management approach	109 - 110, 126		-	●	7, 8, 9
GRI 305: Emissions (2016)	305-1	Direct (Scope 1) GHG emissions	123	Committed to the Environment	-	●	7, 8, 9
	305-2	Energy indirect (Scope 2) GHG emissions	123	Committed to the Environment	-	●	7, 8, 9
	305-3	Other indirect (Scope 3) GHG emissions	123	Committed to the Environment	-	●	7, 8, 9
	305-4	Intensity of GHG emissions	124	Committed to the Environment	-	●	7, 8, 9
	305-5	Reduction of GHG emissions	125	Committed to the Environment	-	●	7, 8, 9
Energy (2016)	302-1	Energy consumption within the organization	127	Committed to the Environment	-	●	7, 8, 9
	302-2	Energy consumption outside of the organization	127	Committed to the Environment	-	●	7, 8, 9
	302-3	Energy intensity	127	Committed to the Environment	-	●	7, 8, 9



GRI Standard	Disclosure No.	Disclosure Name	Page	Chapter	Omissions	Verified by Deloitte	Global Compact Principles
<b>Material Issue: Climate change</b>							
GRI 103: Management Approach (2016)	103-1	Explanation of the material topic and its boundary	27 - 28, 181	SQM, from Chile to the World - Appendix on Our Values	-	●	7, 8, 9
	103-2	The management approach and its components	27 - 28, 181		-	●	7, 8, 9
	103-3	Evaluation of the management approach	27 - 28, 181		-	●	7, 8, 9
GRI 201: Economic Performance (2016)	201-2	Financial implications and other risks and opportunities for the organization's activities due to climate change	27 - 28	SQM, from Chile to the World	-	●	7, 8, 9
GRI 305: Emissions (2016)	305-1	Direct (Scope 1) GHG emissions	123	Committed to the Environment	-	●	7, 8, 9
	305-2	Energy indirect (Scope 2) GHG emissions	123	Committed to the Environment	-	●	7, 8, 9
	305-3	Other indirect (Scope 3) GHG emissions	123	Committed to the Environment	-	●	7, 8, 9
	305-4	Intensity of GHG emissions	124	Committed to the Environment	-	●	7, 8, 9
	305-5	Reduction of GHG emissions	125	Committed to the Environment	-	●	7, 8, 9
<b>Material Issue: Community Engagement</b>							
GRI 103: Management Approach (2016)	103-1	Explanation of the material topic and its boundary	131 - 132	SQM, Present in the Community	-	●	1.2
	103-2	The management approach and its components	131 - 132		-	●	1.2
	103-3	Evaluation of the management approach	131 - 132		-	●	1.2
GRI 411: Rights of Indigenous Peoples (2016)	411-1	Incidents of violations involving rights of indigenous people	133	SQM, Present in the Community	-	●	1.2
GRI 413: Local Communities (2016)	413-1	Operations with local community engagement, impact assessments, and development programs	84 - 169	SQM, Present in the Community	-	●	Not applicable
	413-2	Operations with real or potential significant negative impacts on local communities	131	SQM, Present in the Community	-	●	1.2



GRI Standard	Disclosure No.	Disclosure Name	Page	Chapter	Omissions	Verified by Deloitte	Global Compact Principles
<b>Other Immaterial Indicators</b>							
GRI 201: Economic Performance (2016)	201-1	Direct economic value generated and distributed	52	Value Chain	–	●	Not applicable
	201-4	Financial assistance received from government	52	Value Chain	–	●	Not applicable
GRI 202: Market Presence (2016)	202-2	Proportion of senior management hired from local community	83	Workforce and Labor Relations	–	●	Not applicable
GRI 204: Procurement Practices (2016)	204-1	Proportion of spending on local suppliers	55	Value Chain	–	●	Not applicable
GRI 306: Waste (2020)	306-3	Waste generated	121	Committed to the Environment	–	●	7, 8, 9
	306-4	Waste not disposed of	121	Committed to the Environment	–	●	7, 8, 9
	306-5	Waste disposed of	121	Committed to the Environment	–	●	7, 8, 9
Human Rights Assessment (2016)	412-1	Operations that have been subject to human rights reviews or impact assessments	76	Our Values	–	●	1.2
	412-2	Employee training on human rights policies or procedures	76	Our Values	–	●	1.2
Customer Health and Safety (2016)	416-1	Assessment of health and safety impact of product or service categories	43, 45, 46	SQM, from Chile to the World	–	●	7, 8, 9
Marketing and Labeling (2016)	417-1	Requirements for product and service information and labeling	43	SQM, from Chile to the World	–	●	7, 8, 9
	417-2	Incidents of non-compliance concerning product and service information and labeling	43	SQM, from Chile to the World	–	●	7, 8, 9
Customer Privacy (2016)	418-1	Substantiated grievances concerning breaches of customer privacy and losses of customer data	43	SQM, from Chile to the World	–	●	Not applicable



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