



Solutions  
for human  
progress

# Green Finance Report 2024



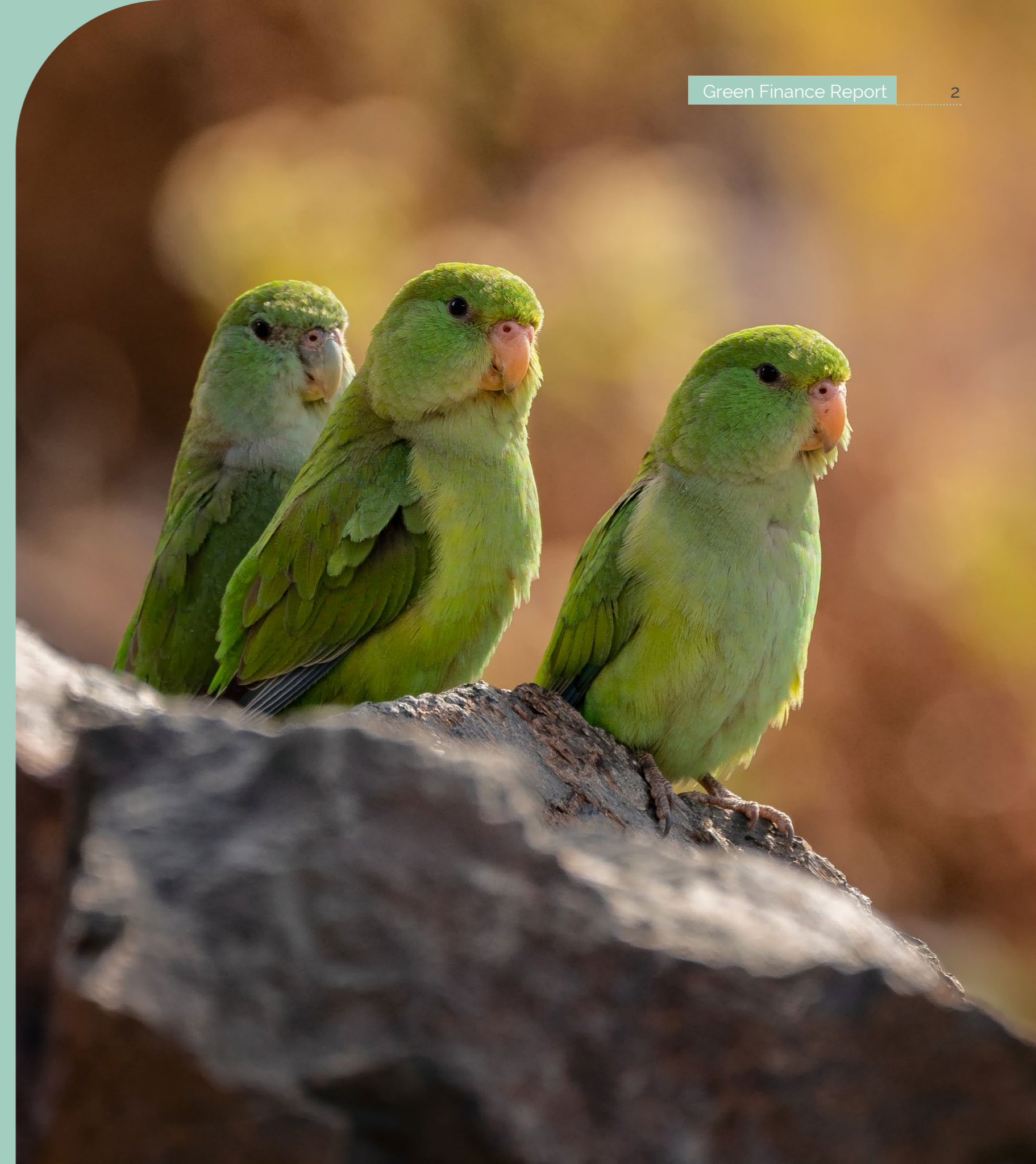
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# Introduction

- Sociedad Química y Minera de Chile S.A. ("SQM", "the Company", "we", "us" or "our") is a global company that is listed on the New York Stock Exchange and the Santiago Stock Exchange (NYSE: SQM; Santiago Stock Exchange: SQM-B, SQM-A). SQM develops and produces diverse products for several industries essential for human progress, such as health, nutrition, renewable energy and technology through innovation and technological development. We aim to maintain our leading world position in the lithium, potassium nitrate, iodine and thermo-solar salts markets by:

- We are a company built and managed by a culture based on excellence, safety, sustainability and integrity. We foster and value internal meritocracy as the main path to professional growth. We favor equality of opportunity, inclusion and diversity. We seek to create opportunities for professional development so that people achieve their maximum potential. We are responsible for creating conditions under which each job can be performed safely and for promoting conduct that favors the physical safety and psychological well-being of everyone who works at SQM. Caring for people's safety is a priority commitment at the Company that motivates us daily to strive for safe and accident-free operations

1. **Ensuring access to the best assets** related to our current business lines by expanding our global presence.
2. **Actively searching for attractive minerals** that provide us diversification opportunities to replicate and expand our existing mining capacities.
3. **Strengthening our operational, logistical and commercial excellence process** from beginning to end, while looking to be a cost leader; and
4. **Maintaining a conservative financial policy** that allows us to successfully impact the market in which we sell.

- SQM has moved decisively toward innovation and technological development, adapting its production, commercial, logistics, and management processes to the different conditions of the global market, ensuring operational continuity under high sustainability parameters. As a result, we obtain better results and create more value for our customers, shareholders and the environment where we operate. SQM is committed to sustainable development in harmony with its surroundings, business ethics, and the promotion of human rights in conformity with applicable national and international standards. Additionally, the respect for the autonomy of the communities through a process of ongoing participation and dialogue aims to reach mutually beneficial agreements and to enact community benefits plans and programs in priority areas such as education, social inclusion, entrepreneurship, rescue of historical heritage and sustainable development. We will continue to create value for all our stakeholders through responsible management of natural resources, sustainable expansion projects and improvement of our existing operations, with a focus on minimizing our environmental impacts by reducing our carbon, energy and water footprints and working together with our shareholders, employees, customers, suppliers and communities





- Our products are mainly derived from mineral deposits found in northern Chile from which we mine and process caliche ore and brine deposits. The caliche ore in northern Chile contains nitrate and iodine deposits and is the world's only commercially exploited source of natural nitrates. The brine deposits of the Salar de Atacama, a salt-encrusted depression in the Atacama Desert in northern Chile, contain high concentrations of lithium and potassium, as well as significant concentrations of sulfate and boron. From caliche ore deposits, SQM produces a wide range of nitrate-based products used for specialty plant nutrients and industrial applications, as well as iodine and iodine derivatives. At the Salar de Atacama, we extract brines rich in potassium, lithium, sulfate, and boron in order to produce potassium chloride, potassium sulfate, lithium solutions and bischofite (magnesium chloride). We produce lithium carbonate and lithium hydroxide at our Carmen Lithium Facility plant near the city of Antofagasta, Chile, from the solutions brought from the Salar de Atacama.
- In 2023, we had sales to over 110 countries through our worldwide distribution network, with 98% of our sales during 2023 coming from export. We are a global leader in each of our five business lines: Specialty Plant Nutrition; Iodine and Derivatives; Lithium and Derivatives; Potassium; and Industrial Chemicals.
- Over the past 27 years, we have taken steps to optimize our production processes. We transparently express our far-reaching and unwavering commitment to the sustainability of our business, which we have projected for the coming years in our Sustainability Plan, which includes a series of environmental, social and productive goals and commitments. Accordingly, in 2023 the principal initiatives considered in our Sustainable Development Plan are:
  - REDUCTION OF CONTINENTAL WATER:**

.....>

We have committed to reducing our surface water consumption by 40% by 2030 and 65% by 2040. Water consumption at Salar de Atacama dropped by 50% starting in 2021, and we estimate that it will remain at half of the environmentally approved amount until 2030.

**40%** —————> **65%**  
by 2030                      by 2040
  - REDUCTION IN BRINE EXTRACTION:**

.....>

We reduced our brine extraction by 25% in November 2020 and are moving towards decreasing brine extraction by 50% by 2028 in accordance with the commitments made in the "Salar de Atacama Extraction Reduction Plan Environmental Impact Study" which was submitted in early 2022.

**25%** —————> **50%**  
in 2020                      by 2028
  - REDUCTION IN EMISSIONS:**

.....>

We have set greenhouse gas emissions reduction goals, such as being...

**carbon neutral for lithium and potassium chloride products** by 2030                      **and for all of our products** by 2040.
  - REDUCTION IN WASTE**

.....>

At SQM, we understand that one way to mitigate impacts on our environment is efficient waste management. We manage waste in accordance with Chilean legislation, the environmental commitments that have been made, and industry best practices.



Our commitment to sustainability is part of our business strategy. Three years ago, we undertook an exhaustive process to overhaul our strategy with a focus on sustainability for the next 20 years while allowing for adjustments based on current conditions, and in 2023 we achieved:



SQM received **IRMA 75**, the highest rating to date, for its lithium mining operation in the Salar de Atacama.



**SQM joined the Business Leaders for Climate Action Group (CLG-Chile).**



**ISO 50001:2018.** This standard is designed to ensure that organizations continually improve efficiency, energy-related costs and GHG emissions. The Coya Sur and Nueva Victoria sites of the Iodine Nitrates Division earned ISO 50001:2018 certification. The Salar de Atacama and Lithium Chemical Plant operations completed their auditing processes at the end of 2023 and were recommended for ISO 50001:2018 Energy Management System certification.

**ecovadis**

We are one of the **600 multinational corporations that work with EcoVadis to contribute to sustainability**, managing risks, reducing costs and promoting innovation in our processes. This certification allows us to commit to better sustainability performance through 21 indicators in four areas: environment, labor practices and human rights, ethics and sustainable purchasing. We currently have a silver medal, which is awarded to the entities in the top 25% based on their scores.

**We signed a statement committing to reduce carbon emissions in Chile** as part of the Red de Directores por la Acción Climática. This is an unprecedented initiative in Chile's business and environmental sector that is designed to encourage guidelines and actions at the corporate governance level that favor a proactive attitude towards the climate change crisis



**ISO 14001:2015** Environmental Management System (EMA) regulation that establishes that companies can show that they are responsible and committed to protecting the environment through environmental risk management that can emerge from the development of the business activity. In 2023, the Salar de Atacama and Lithium Chemical Plant sites earned ISO 14001: 2015 certification. These operations join the Port of Tocopilla, which earned that certification in 2022 and successfully completed the 2023 audit for maintaining certification through 2025. Furthermore, Coya Sur successfully completed its first internal audit under ISO 14001:2015 in late 2023.



Member of  
**Dow Jones Sustainability Indices**  
Powered by the S&P Global CSA

As part of our sustainability commitments, SQM reports to the CDP (Climate Disclosure Project), Dow Jones Sustainability Index, SASB and the "Huella Chile" Program. We report the emissions inventory, product carbon footprint, corporate carbon footprint, consumption and energy, along with other indicators.

In the context of our Company's commitment to clean energies, the environment and a more sustainable industry, we unveiled the first

.....  
**100%**

electric complex in Chile and the Americas in 2023 at the Huanchaca Ruins esplanade.  
.....

This milestone was achieved in partnership with Randon, Volvo, Epyza, Nazar and Andes Motor. It comes in addition to the most diverse electric fleet in Chilean mining, which we launched in the same region in 2022.

The equipment presented in Antofagasta includes cutting-edge technology that allows the energy generated during descent and braking to be recovered. This milestone is part of the corporate value of Sustainability.

Regarding Safety, our lost-time injury frequency rate (LTIFR) in 2023 was

**0.73**



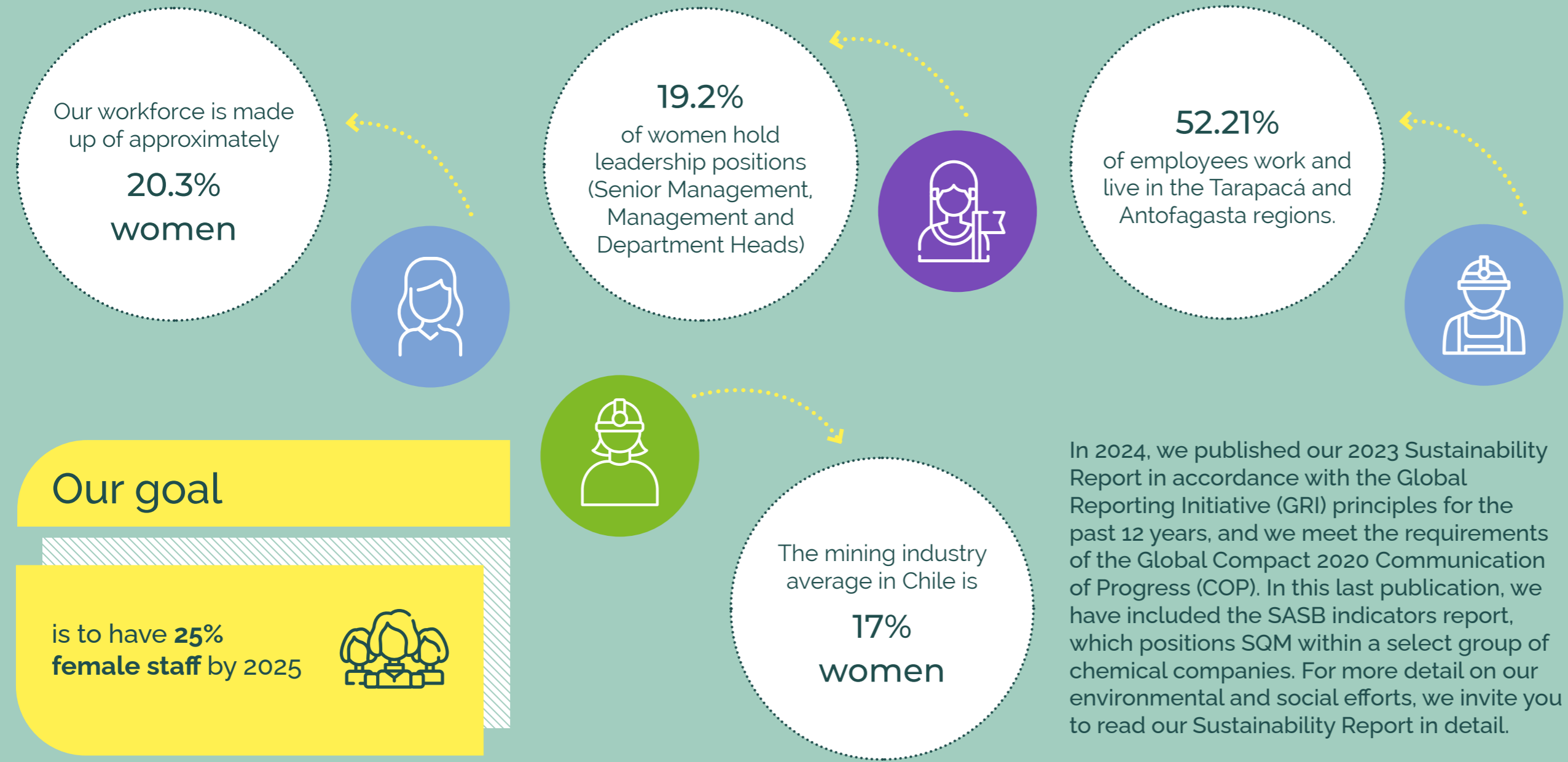
which includes our own workers and contractors. We continue to work towards zero accidents and to reinforce self-care measures. This result has remained stable.







Each challenge is a lesson for moving forward in our commitment to applying the principles of respect and inclusion:



In 2024, we published our 2023 Sustainability Report in accordance with the Global Reporting Initiative (GRI) principles for the past 12 years, and we meet the requirements of the Global Compact 2020 Communication of Progress (COP). In this last publication, we have included the SASB indicators report, which positions SQM within a select group of chemical companies. For more detail on our environmental and social efforts, we invite you to read our Sustainability Report in detail.



# SQM Completes allocation of its second Green Bond

On November 7, 2023,  
we issued and sold

## US\$750 million

Principal amount of senior secured notes to qualified institutional buyers in the United States under Rule 144A under the U.S Securities Act of 1933 to investors outside the United States under Regulation S under the Securities Act. This bond was sold as a green bond and the notes have an annual interest rate of 6.500% and mature in 2033.

As of September 2024, SQM had fully allocated the net proceeds of the green bond (US\$ 750 million) to Eligible Green Projects. ✓

## Projects that meet our eligibility standards

Investments in (millions USD)  
Increase of Capacity

### AUSTRALIA

Mt Holland Construction (Concentrator and refinery to produce lithium hydroxide)

Azure Minerals acquisition (Lithium project)

### CHILE Salar de Atacama

Lithium solution (to produce lithium carbonate and hydroxide in Chile)

Lithium sulfate (to produce lithium carbonate and hydroxide in China)

### Carmen Chemical Plant

Lithium carbonate

Lithium hydroxide

### TOTAL

	2022	2023	2024	TOTAL
	Oct - Dec	Jan - Dic	Jan-Sep	
Mt Holland Construction (Concentrator and refinery to produce lithium hydroxide)	67	230	87	384
Azure Minerals acquisition (Lithium project)	-	32	357	389
Lithium solution (to produce lithium carbonate and hydroxide in Chile)	2	27	20	49
Lithium sulfate (to produce lithium carbonate and hydroxide in China)	-	4	30	34
Lithium carbonate	97	287	97	481
Lithium hydroxide	12	87	52	151
<b>TOTAL</b>	<b>178</b>	<b>667</b>	<b>643</b>	<b>1.488</b>

➤ The following subset of the above mentioned investments have been subjected to an independent assurance report (see page 12). Remaining investments will be subjected to similar reports in due course.

Use of proceeds (millions USD)

### AUSTRALIA

Azure Minerals acquisition (Lithium project)

### CHILE Carmen Chemical Plant

Lithium carbonate

Lithium hydroxide

### TOTAL

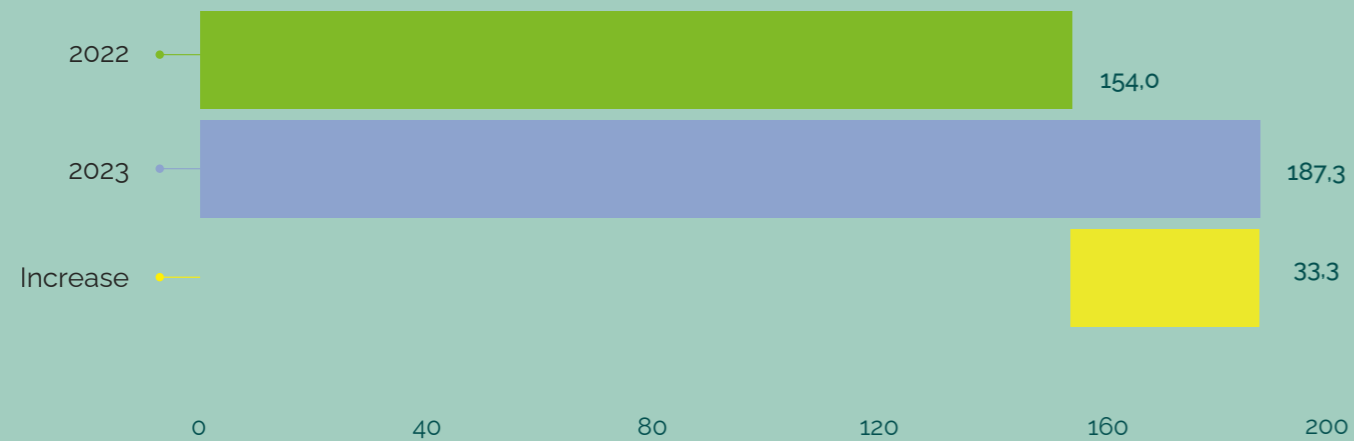
	2022	2023	2024	TOTAL
	Oct - Dec	Jan - Dic	Jan-Sep	
Azure Minerals acquisition (Lithium project)	-	32	357	389
Lithium carbonate	88	258	58	404
Lithium hydroxide	10	78	45	133
<b>TOTAL</b>	<b>98</b>	<b>368</b>	<b>460</b>	<b>926 ✓</b>

The disbursements shown in the chart above were prepared in accordance with SQM's Green Bond Financing Framework ([See Framework](#)).



## The Increase in capacity of Lithium was:

Li<sub>2</sub>CO<sub>3</sub> Production Th.MT



Li OH Production Th.MT



### Results (1):

1. The increase on capacity of Li<sub>2</sub>CO<sub>3</sub> & LiOH is equivalent to an increase of 56 Th. MT LCE
2. The resulting LCE could create energy storage capacity of 74.5 GWh
3. That capacity could power 1.2 million EVs
4. Those EVs could replace the same number of internal combustion vehicles reducing carbon emissions in 3.8 Million tons of CO<sub>2</sub> a year.

### Results considering the following assumptions:

- 1 Kg Li<sub>2</sub>CO<sub>3</sub> = 1 Kg LCE
- 1 Kg LiOH = 0.88 Kg LCE
- 1 KWh = 0.75Kg LCE
- The full BEV average battery capacity is 62 kWh (<https://ev-volumes.com/>)
- Gasoline internal combustion vehicle produce on average 157.4gr of CO<sub>2</sub> /Km (<https://www.iea.org/data-and-statistics/data-tools/ev-life-cycle-assessment-calculator>)
- A vehicle travels on average 20.000 Km a year



# Report of Independent Accountants



## INDEPENDENT PRACTITIONER'S LIMITED ASSURANCE REPORT

Santiago, October 31, 2024

To the Board of Directors and Shareholders  
Sociedad Química y Minera de Chile S.A.

We have undertaken a limited assurance engagement in respect of the disclosures related to the Use of Proceeds in accordance with the SQM Green Bond Financing Framework (the "Use of Proceeds") and identified with "✓" in the section "SQM Completes allocation of its second Green Bond" of the SQM Green Finance Report 2024 (the "SQM Green Finance Report 2024") of Sociedad Química y Minera de Chile S.A. (the "Company"), for the period from October 1, 2022 to September 30, 2024. Our engagement in this context relates solely to the disclosures related to the Use of Proceeds identified with the symbol "✓" (also referred to as the "Identified Information").

### *Criteria*

The criteria used by the Company to prepare the disclosures related to the Use of Proceeds is set out in the section 5.1 Use of Proceeds – Eligible Green Projects of the SQM Green Bond Financing Framework (the "Criteria").

### *Sociedad Química y Minera de Chile S.A.'s responsibility for the Identified Information*

Sociedad Química y Minera de Chile S.A. is responsible for the preparation of the Use of Proceeds in the section "SQM Completes allocation of its second Green Bond", in accordance with the Criteria. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of Identified Information that is free from material misstatement, whether due to fraud or error.

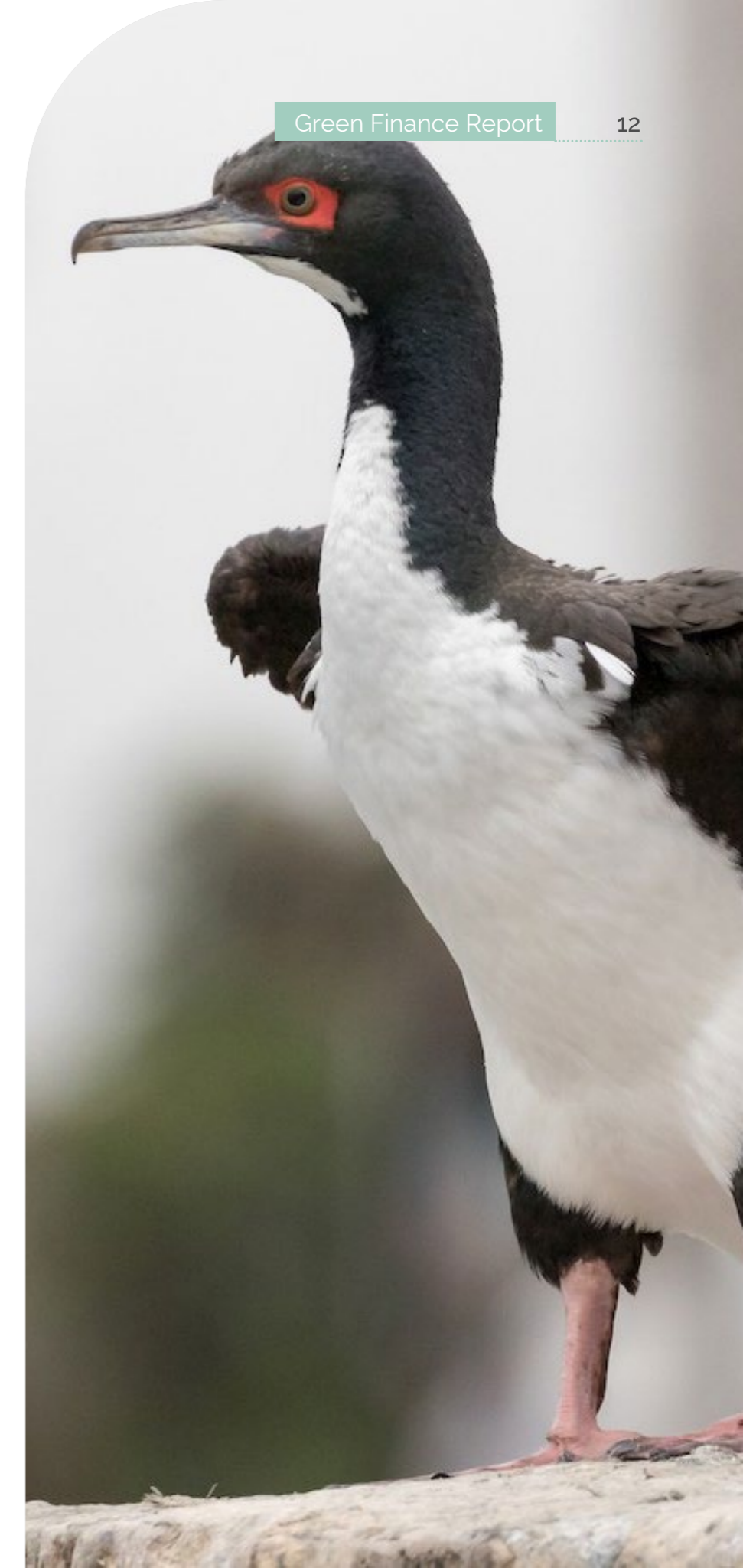
### *Our independence and quality management*

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### *Our responsibility*

Our responsibility is to express a limited assurance conclusion on the disclosures related to the Use of Proceeds identified with "✓" in the section "SQM Completes allocation of its second Green Bond" based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), "Assurance Engagements other than Audits or Reviews of Historical Financial Information", issued by the International Auditing and Assurance Standards Board. This standard requires that we plan and perform this engagement to obtain limited assurance about whether the disclosures related to the Use of Proceeds identified with "✓" in the section "SQM Completes allocation of its second Green Bond" is free from material misstatement.



# Report of Independent Accountants



Santiago, October 31, 2024  
Sociedad Química y Minera de Chile S.A.  
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A limited assurance engagement involves assessing the suitability in the circumstances of Sociedad Química y Minera de Chile S.A.'s use of the Criteria as the basis for the preparation of the disclosures related to the Use of Proceeds presented in section "SQM Completes allocation of its second Green Bond" in the SQM Green Finance Report 2024, assessing the risks of material misstatement of the Identified Information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the Identified Information. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling to underlying records. Given the circumstances of the engagement, in performing the procedures listed above:

- We have obtained an understanding of Eligible Green Projects and the projects for which the proceeds of the Green Bond have been used, according with the SQM Green Bond Financing Framework.
- We have made inquiries of the Company's management responsible for the preparation of the disclosures related to the Use of Proceeds.
- We obtained an understanding of the process for collecting and reporting the Use of Proceeds.
- We obtained a listing prepared by the management of investments, according to the eligible Green Projects, including expenditures for the developments and expansion projects from October 1, 2022, to September 30, 2024.

- We have inspected minutes of the Board of Directors regarding the consideration and approval of investments in developments and expansion incurred in connection with the Eligible Green Projects.
- We have, on a sample basis:
  - Agreed the disclosures related to the Use of Proceeds according to the SQM Green Bond Financing Framework in section 5.1 Use of Proceeds – Eligible Green Projects.
  - Evaluated whether the investments in expenditures incurred in connection with the Eligible Green Projects were used in accordance with the Eligibility Criteria.
  - We have considered the disclosure and presentation of the Use of Proceeds disclosed in the "SQM Completes allocation of its second Green Bond" of the SQM Green Finance Report 2024.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in scope than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether Sociedad Química y Minera de Chile S.A.'s Use of Proceeds information contained in the section "SQM Completes allocation of its second Green Bond" of the SQM Green Finance Report 2024 has been prepared, in all material respects, in accordance with the Criteria.



# Report of Independent Accountants



Santiago, October 31, 2024  
Sociedad Química y Minera de Chile S.A.  
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## *Limited assurance conclusion*

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that Sociedad Química y Minera de Chile S.A.'s disclosures related to the Use of Proceeds identified with "✓" in the section "SQM Completes allocation of its second Green Bond" of the SQM Green Finance Report 2024, are not prepared, in all material respects, in accordance with the Criteria.

## *Use and distribution*

This report, including the conclusion, has been prepared solely for the Directors of Sociedad Química y Minera de Chile S.A.'s as a body, to assist them in reporting on Sociedad Química y Minera de Chile S.A.'s Use of Proceeds in Eligible Green Projects, according to the SQM Green Bond Financing Framework.

We permit the disclosure of this report only within the SQM Green Finance Report 2024; to enable the directors to demonstrate they have discharged their governance responsibilities by commissioning an independent assurance report, in connection with the Use of Proceeds for Eligible Green Projects according to SQM Green Bond Financing Framework. To the fullest extent as permitted by law, we do not accept or assume responsibility to anyone other than the directors as a body and Sociedad Química y Minera de Chile S.A. for our work or this report, save where terms are expressly agreed and with our prior consent in writing.

DocuSigned by:

A handwritten signature in black ink, appearing to read "H. Cabrera M.", enclosed within a blue DocuSigned signature box.

The logo for PricewaterhouseCoopers, featuring the company name in a cursive, handwritten-style font.

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Héctor Cabrera M.





Solutions  
for human  
progress

