



Solutions
for human
progress

ESG aspects of lithium production from brine in Latin America – SQM's sustainable development plan case study

DERA Industrieworkshop Lithium – SQM - Stefan Debruyne – June 23rd , 2022

Customary Note Regarding Forward-Looking Statements

SQM (NYSE: SQM, Santiago Stock Exchange: SQM-A, SQM-B) is a global company engaged in strategic industries for human development, such as health, food, clean energy and the technology that moves the world.

This presentation contains “forward-looking statements” within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements can be identified by words such as: “anticipate,” “plan,” “believe,” “estimate,” “expect,” “strategy,” “should,” “will” and similar references to future periods. Examples of forward-looking statements include, among others, statements we make concerning the Company’s Sustainable Development Plan, business outlook, future economic performance, anticipated profitability, revenues, expenses, or other financial items, anticipated cost synergies and product or service line growth.

Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are estimates that reflect the best judgment of SQM management based on currently available information. Because forward-looking statements relate to the future, they involve a number of risks, uncertainties and other factors that are outside of our control and could cause actual results to differ materially from those stated in such statements, including our ability to successfully implement the Sustainable Development Plan. Therefore, you should not rely on any of these forward-looking statements. Readers are referred to the documents filed by SQM with the United States Securities and Exchange Commission, specifically the most recent annual report on Form 20-F, which identifies other important risk factors that could cause actual results to differ from those contained in the forward-looking statements. All forward-looking statements are based on information available to SQM on the date hereof and SQM assumes no obligation to update such statements, whether as a result of new information, future developments or otherwise, except as required by law.



About SQM

Sustainability

Lithium Market

Final Remarks

SQM at a Glance: Business line Overview

KEY FIGURES¹



LITHIUM AND DERIVATIVES

- ~19% Market Share¹
- Volume: 115 kMT
- Revenues: US\$2,247 mm



SPECIALTY PLANTS NUTRITION

- ~51% Market Share¹
- Volume: 1,085 kMT
- Revenues: US\$990 mm



IODINE AND DERIVATIVES

- ~31% Market Share¹
- Volume: 13 kMT
- Revenues: US\$495 mm



POTASSIUM

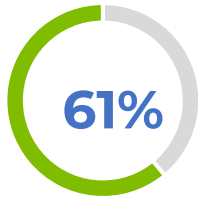
- ~1% Market Share¹
- Volume: 833 kMT
- Revenues: US\$470 mm



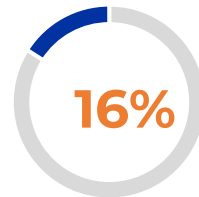
INDUSTRIAL CHEMICALS

- ~71% Market Share^{1,2}
- Volume: 139 kMT
- Revenues: US\$122 mm

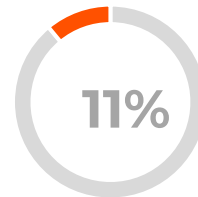
% GROSS PROFIT³



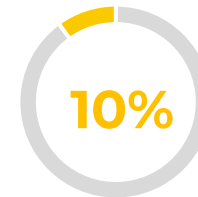
LITHIUM AND DERIVATIVES



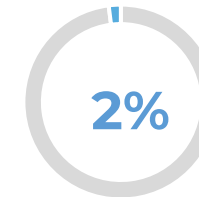
SPECIALTY PLANTS NUTRITION



IODINE AND DERIVATIVES



POTASSIUM



INDUSTRIAL CHEMICALS

2022 LTM⁴ Revenues: US\$4.4 billion | 2022 LTM⁴ Adjusted EBITDA⁵: US\$2.2 billion | 2022 LTM⁴ Adjusted EBITDA Margin⁵ : 51%

NFD/Adjusted EBITDA⁵: 0x | Moody's: Baa1 | Standard and Poor's: BBB+

¹ Market share percentages have been developed by us using internal and external sources and reflect our best current estimates, which have not been confirmed by independent sources.

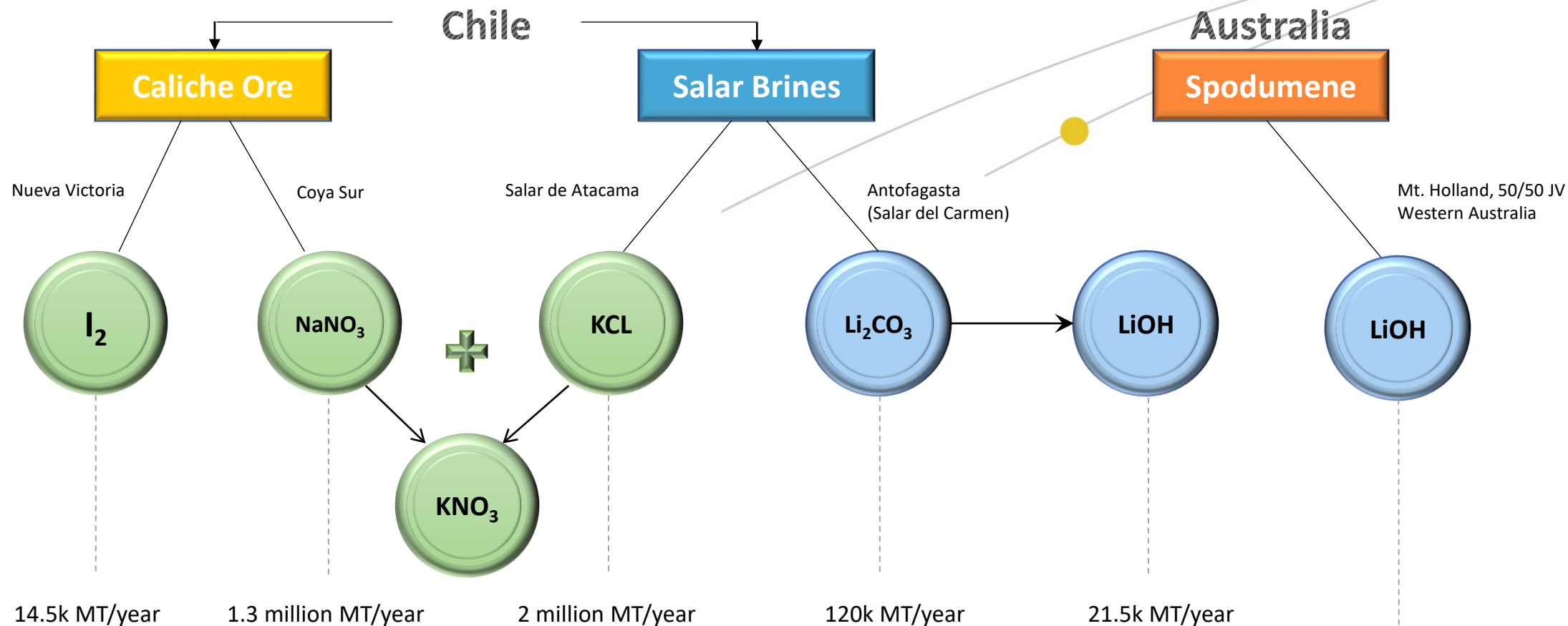
² Market share in the industrial potassium nitrate market as of December 31, 2021.

³ Contribution to gross profit for the twelve months ended March 31, 2022.

⁴ Last twelve months ended March 31, 2022.

⁵ Adjusted EBITDA = gross profit - administrative expenses + depreciation and amortization. Adjusted EBITDA margin = Adjusted EBITDA/revenues.

SQM at a Glance: Products & Capacities



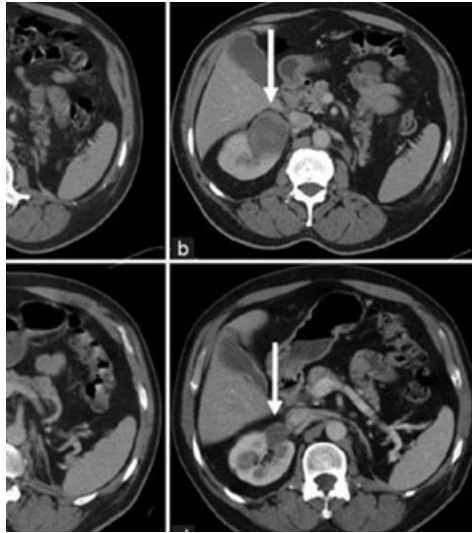
Year	I ₂	NaNO ₃	KCl	KNO ₃	Li ₂ CO ₃	LiOH (Chile)	LiOH (Australia)
2022					180k MT/year	30k MT/year	
2023	+1k MT/year				210k MT/year	40k MT/year	
2024	+2.5 MT/year						50k MT/year

Unique product and value proposition



Vertical farming
KNO₃

Up to 90% less water consumption in food production



X-Ray Contrast Media
Iodine

Essential element in human health, nutrition and technology



Thermal Solar Salts
NaNO₃/KNO₃

Solution for intermittency challenge of renewable energy



Electromobility
Lithium

Decarbonizing Transportation



CERRO DOMINADOR CSP PROJECT NEAR CALAMA, CHILE

© Photo Courtesy of Ed Conway



PRESENTATION SQM ELECTRIC MINING FLEET – HUANCHACA RUINS - ANTOFAGASTA



Natural Resources



NATURAL RESOURCES

☐ CALICHE ORE

- Caliche ore is only found in Chile
- The world's largest deposits of **nitrates** and **iodine**
- Proprietary mining rights pursuant to exploitation concessions

☐ SALAR BRINES

- High concentrations of **potassium** and **lithium**.
- High evaporation rates.
- Production rights are pursuant to a lease agreement with CORFO until 2030.

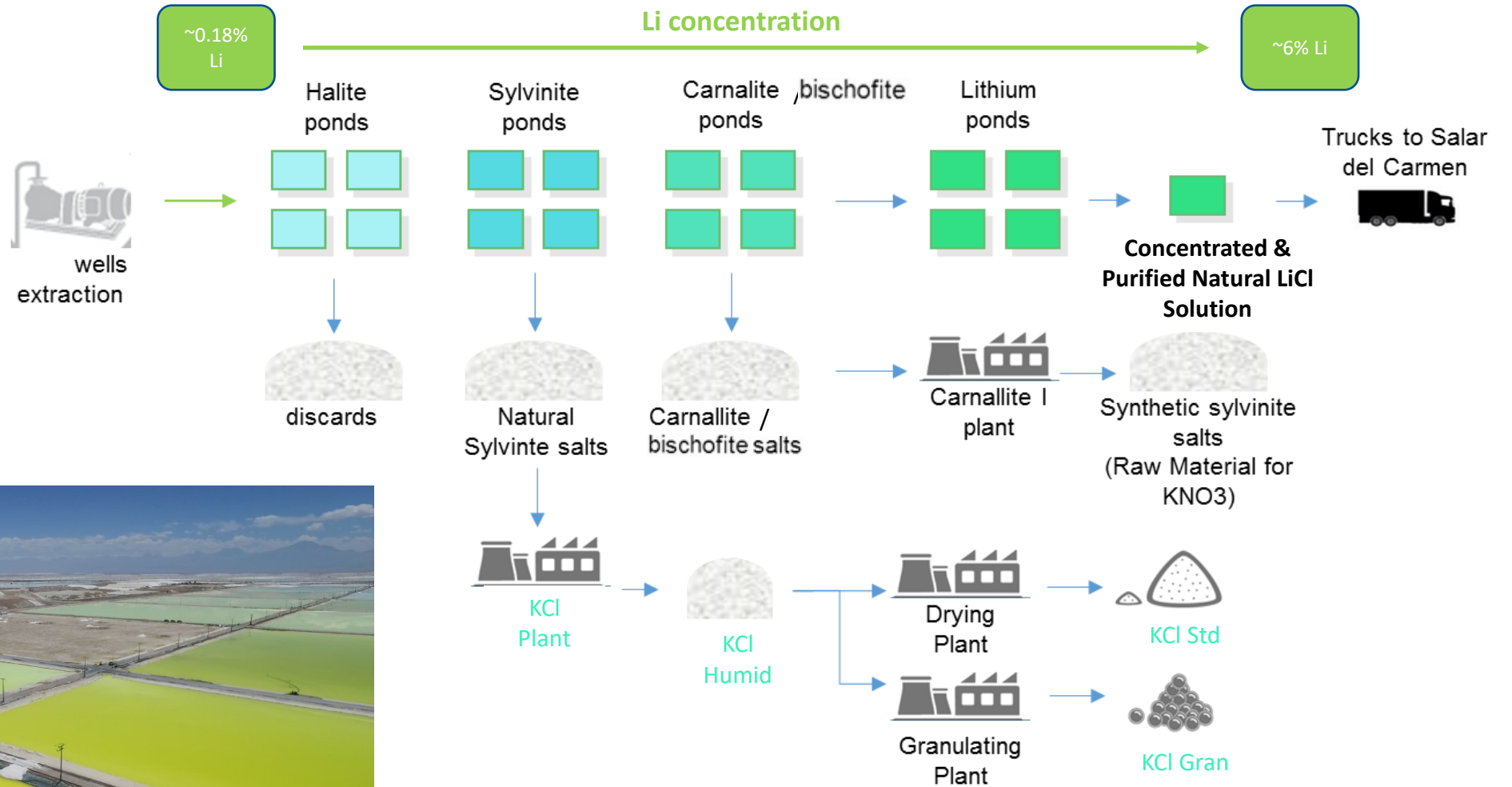
☐ PROJECTS ABROAD

- COVALENT Lithium (Australia).

EXPERIENCE AND TECHNICAL KNOW HOW:

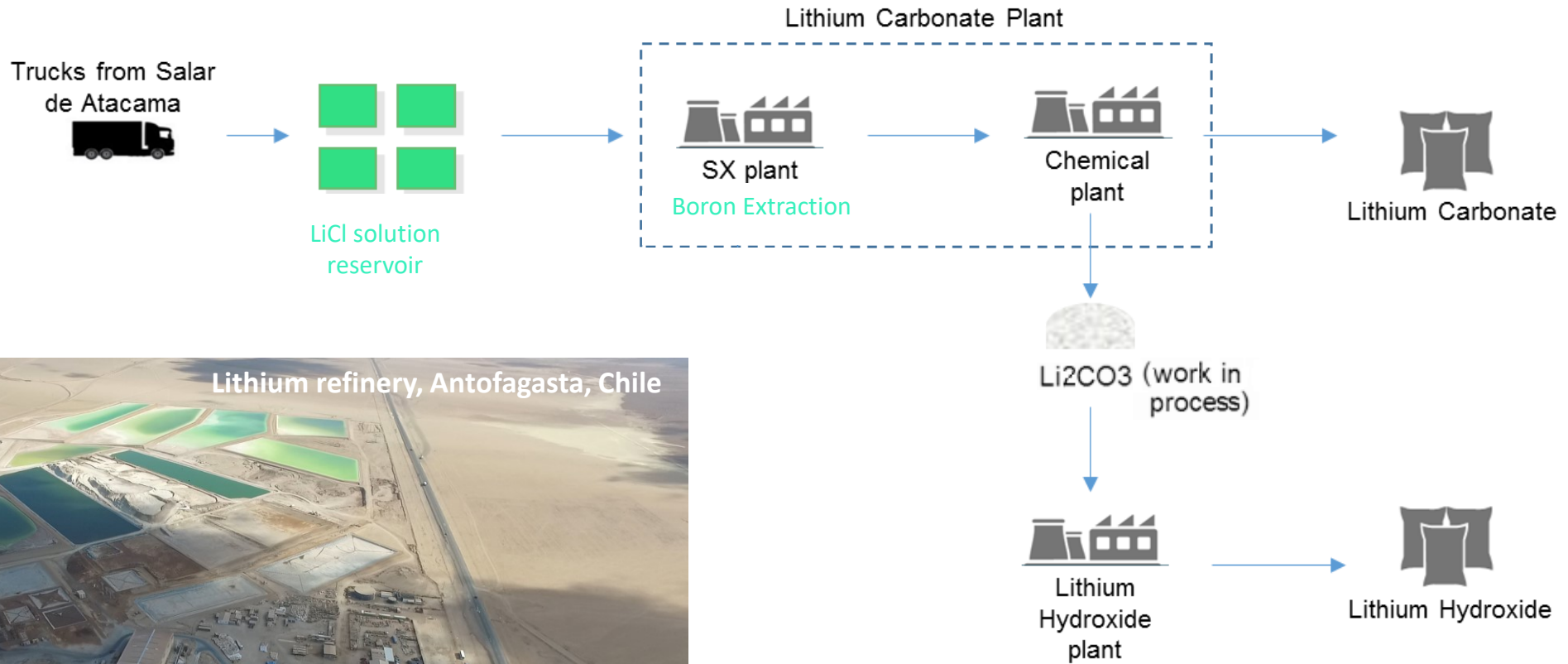
- Over 50 years experience in Iodine and Nitrates.
- Over 20 years experience in Potassium and Lithium.

SQM Salar de Atacama Natural Lithium Chloride Production Process





Antofagasta Lithium Refinery Operates on Recycled Waste Water Since 2012





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“Companies have an obligation above and beyond the required laws and regulations to protect and promote integrated and sustainable operations for all who are involved or related to them. With renewed energy, we announce our own commitments from our Sustainable Development Plan”. - Ricardo Ramos, CEO



Our commitment to Sustainability



Continental water reduction

40% by 2030 and 65% by 2040.



Brine extraction reduction

Reduce brine extraction by 50% by 2028.



Emissions reduction

Carbon neutral in the lithium, potassium chloride and iodine products by 2030, and in all of our products by 2040.



Waste reduction

50% by 2025



Recent Achievements

- **Member of the** United Nations Global Compact, Global Battery Alliance, DJSI Chile y DJSI MILA Pacific Alliance. We submitted our first disclosure report under **CDP Climate change** guidance and started external audit under **IRMA**.
- We are working to certify in our Carmen Lithium facilities, Salar de Atacama and in Coya Sur under **ISO 14,001** during this year.
- As part of **Race to Zero** initiative and our aim to reduce our logistics carbon footprint, we have established an ambitious agenda to develop high tonnage transportation via **electric trucks**. This agenda considers several pilots in 2022 of different trucks that will perform tests in our operations.
- Last month we published our audited **2021 Sustainability Report** under **GRI** and **SASB** standards.



ESG Reporting and certifications



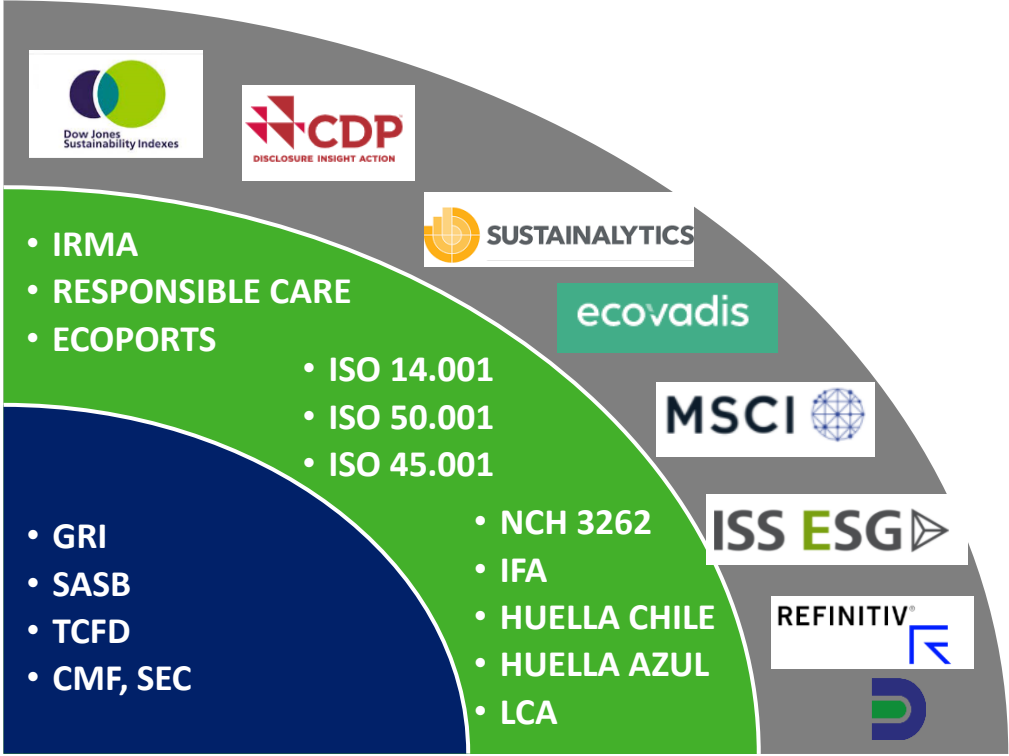
CORPORATE ESG CERTIFICATION STRATEGY

Integration of different requirements and generation of synergies between areas

Raters

Standards and certifications

Disclosure frameworks

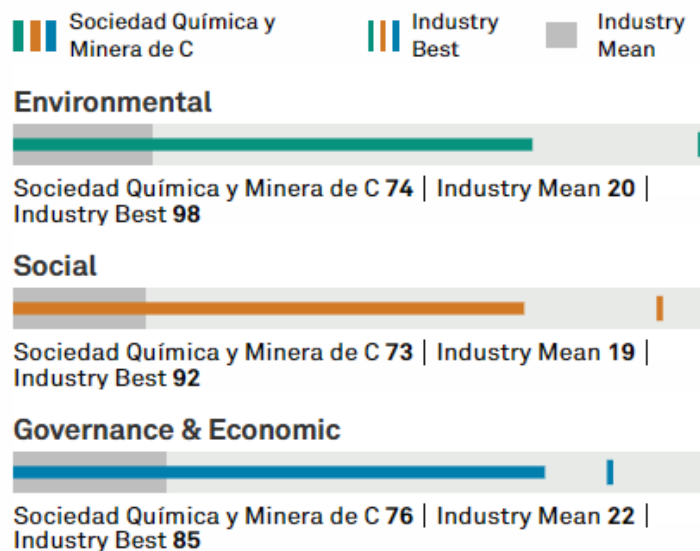


Sociedad Química y Minera de Chile S.A.

TICKER: SQM Industry: CHM Chemicals Country: Republic of Chile

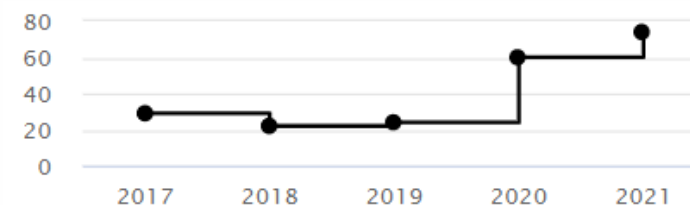
ESG Score

74



Score History

Y/Y Change: 14



Last Updated: November 12, 2021. Updated annually or in response to major developments.

Data Availability: ■ Very High

Online monitoring portal for the Salar de Atacama

Available Data:



Brine



Industrial Water



Meteorology



Biotic



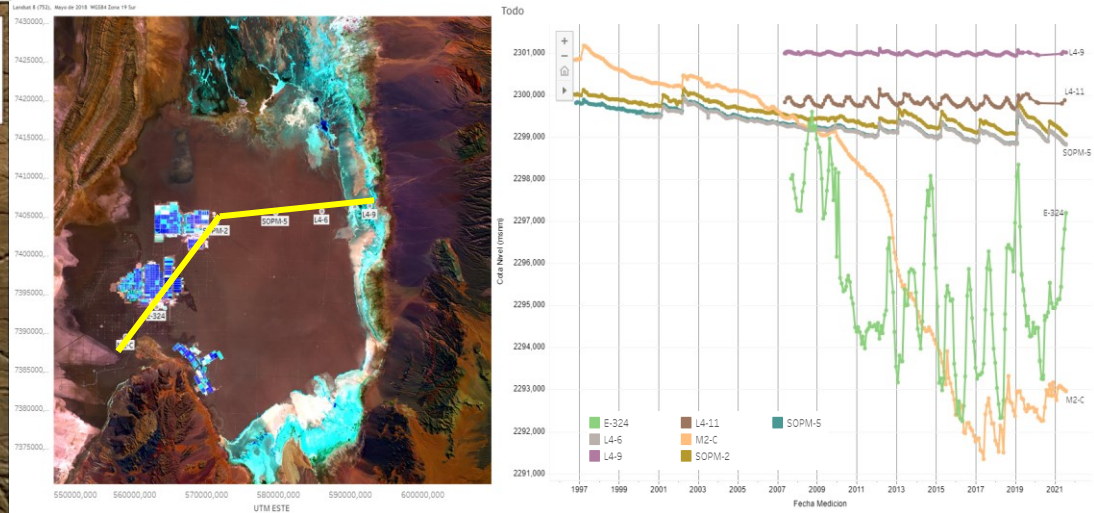
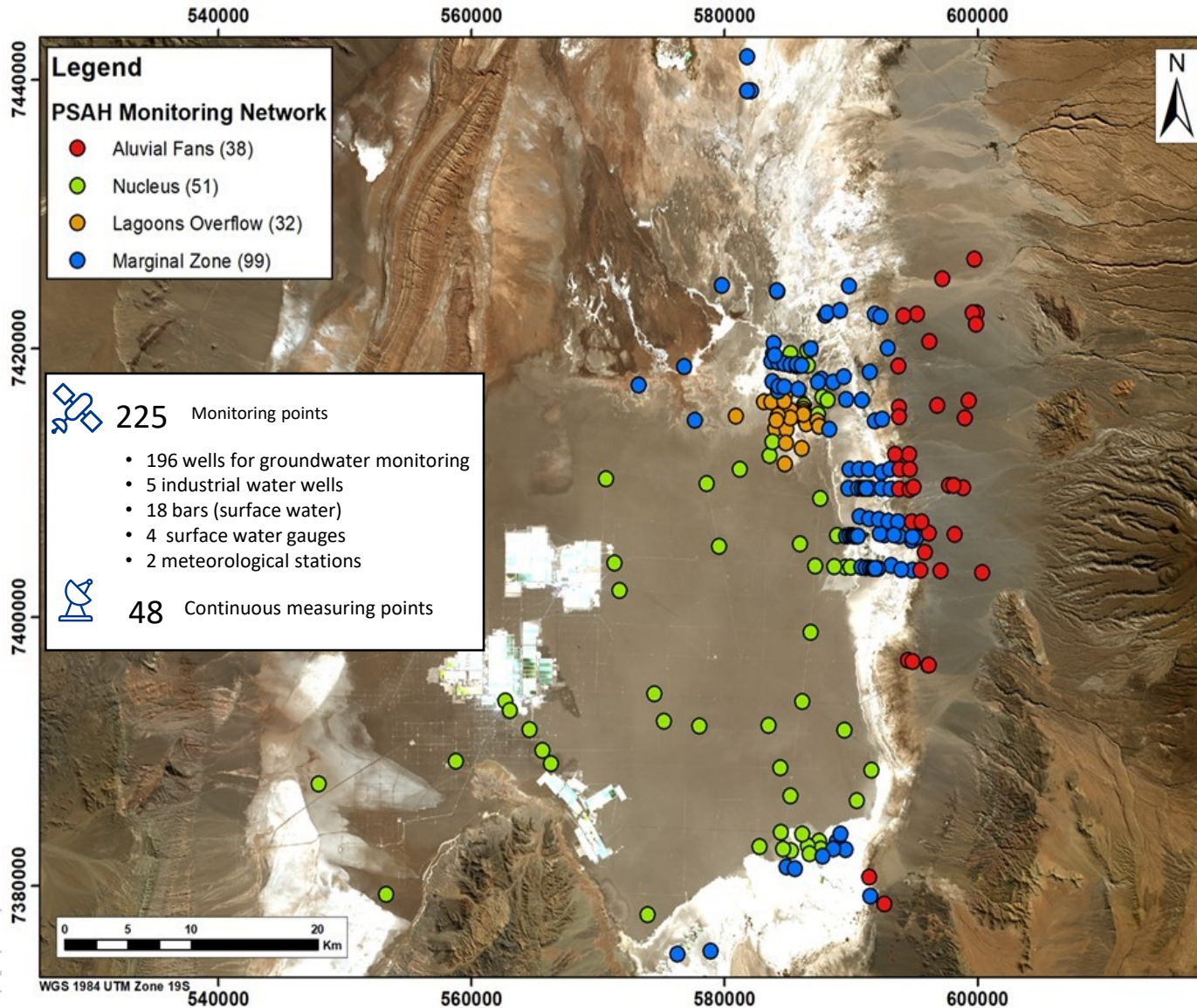
Hydrogeological
environmental monitoring

A unique system in the national lithium industry for continuous collection of data for a better understanding of the Salar de Atacama behavior over time.

Publicly available as a verification tool of extraction obligations compliance, based on established operational rules to ensure the sustainability of the Salar de Atacama and its surroundings.



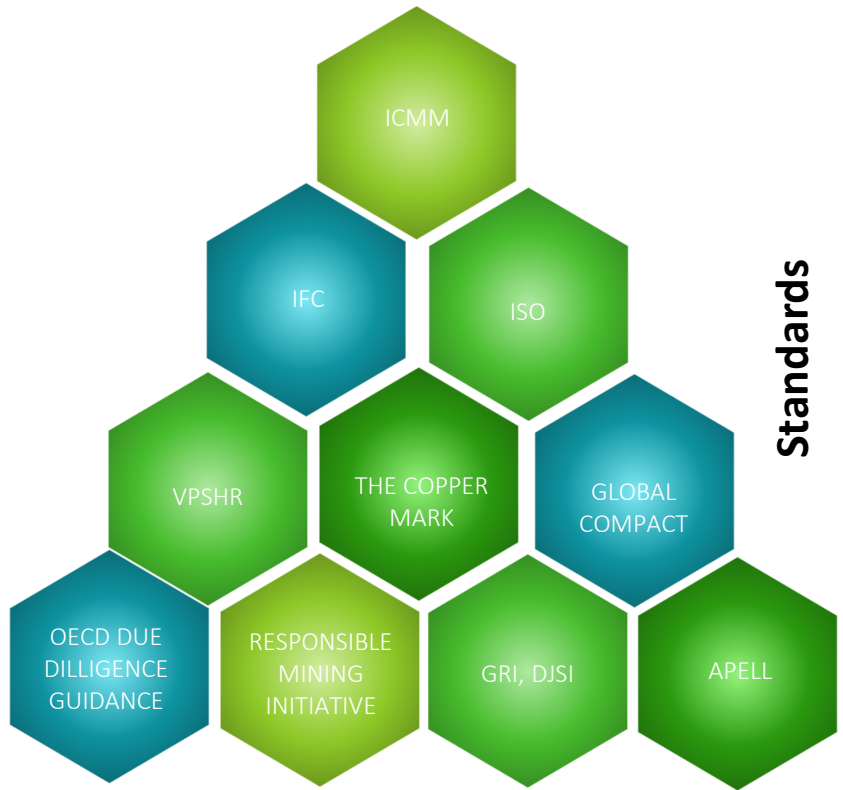
Hydrological environmental monitoring system



- Robust and extensive environmental monitoring network.
- Data reported formally every 6 months to the local environmental authorities
- Data updated constantly (some on daily basis).
- Data collected since more than 14 years. Some monitoring points have up to 25 years of data available.

PSAH: Hydrological Environmental Monitoring Plan (for its acronym in Spanish)

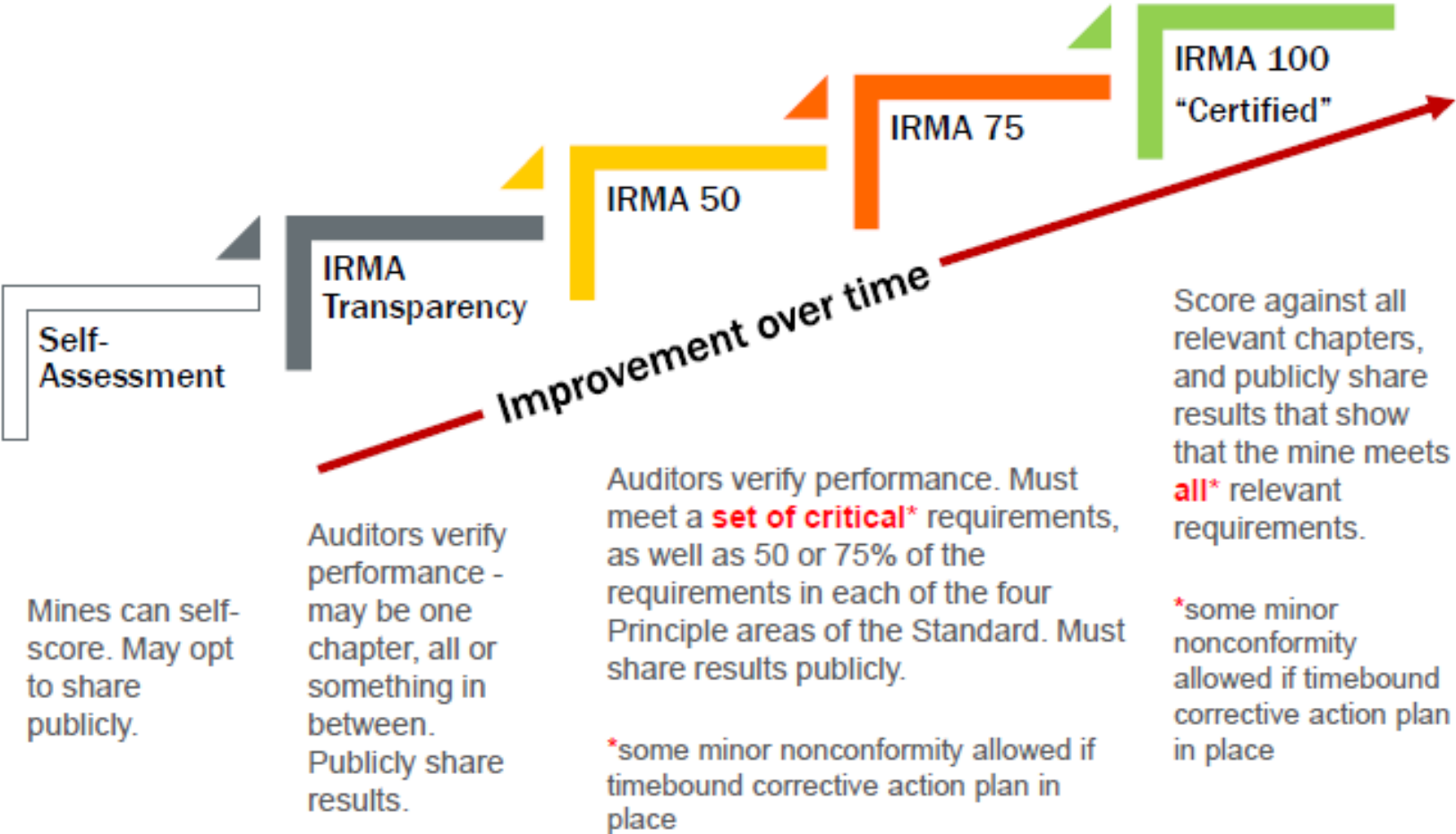
IRMA Standard- Context



IRMA STANDARD Principles

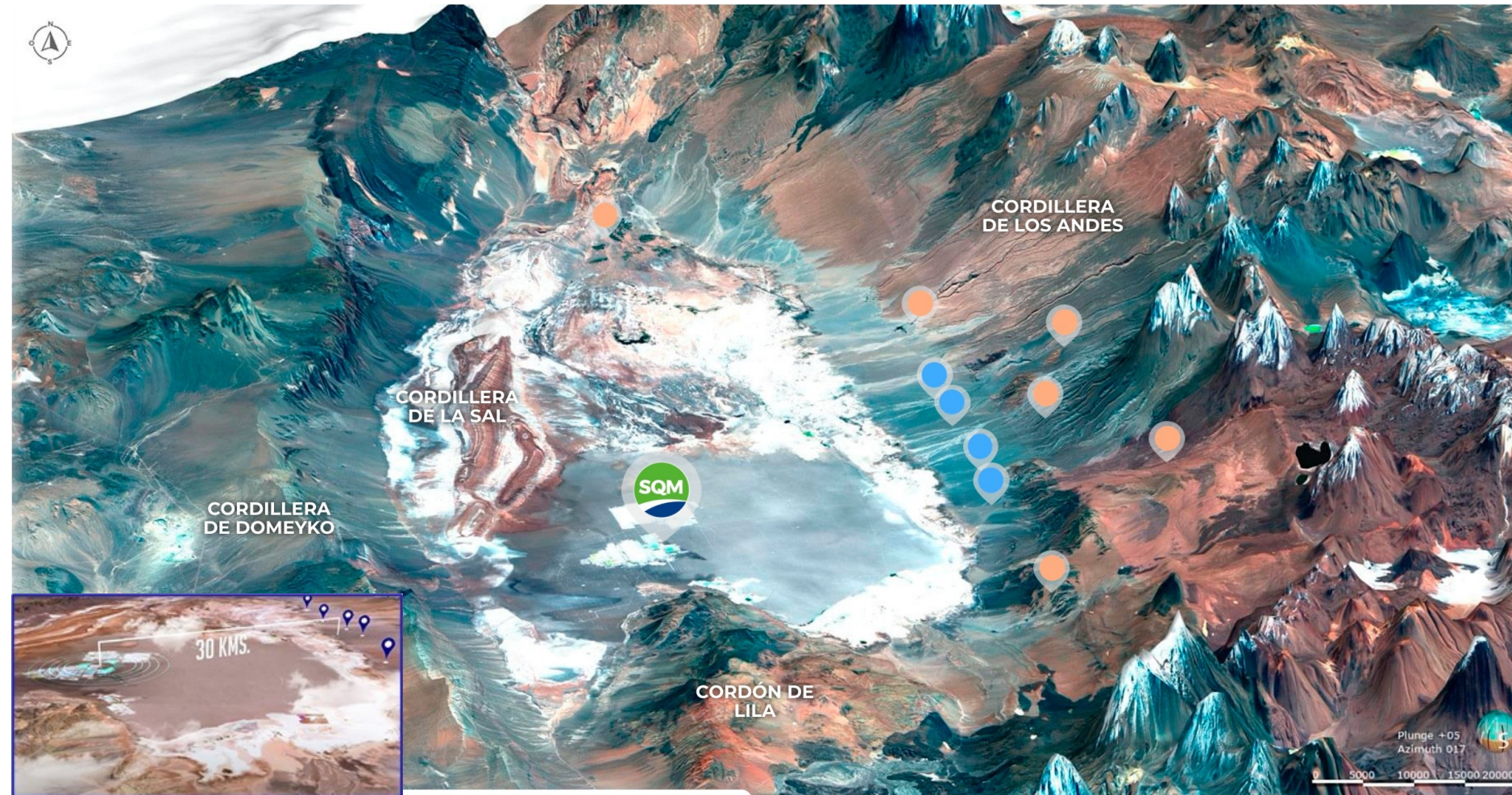


IRMA Achievement Levels



Salar de Atacama – The origin of our lithium

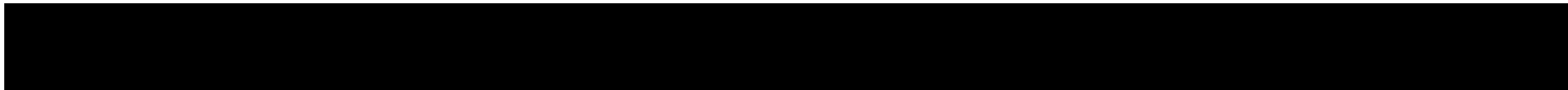
We operate in a unique environment and take our responsibility for it very seriously



- The Salar de Atacama is a salt encrusted depression within which lies an underground deposit of brine.
- Our brine extraction happens in the South-West of the nucleus more than 30 km away from the local communities.
- Local communities are located 100 to 1,000m higher in altitude than the nucleus.

Salar de Atacama – Hydrology Video

<https://vimeopro.com/maqunavisual/sqm-hidrology-video/video/573136962>



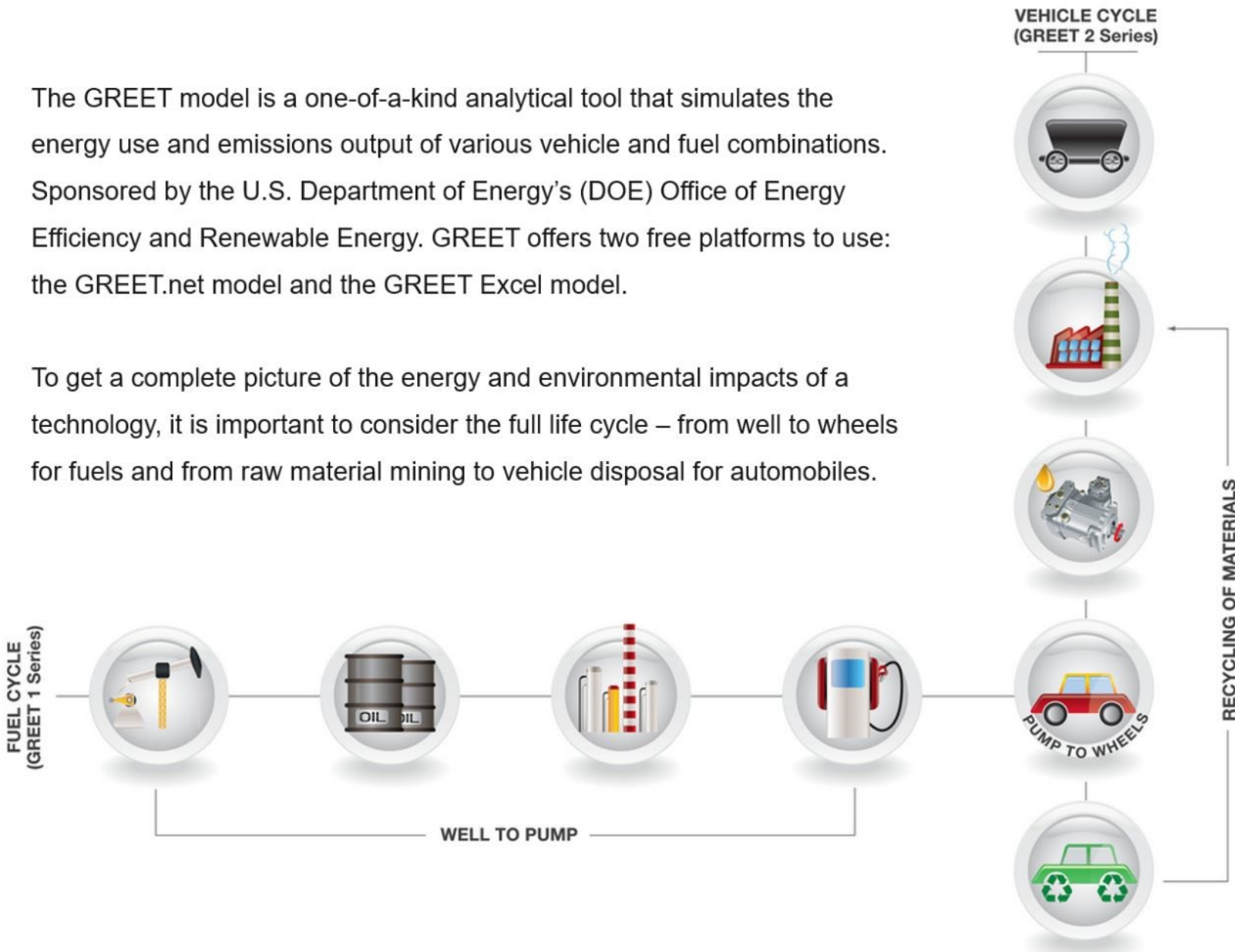
GREET® Model

The **G**reenhouse gases, **R**egulated **E**missions, and **E**nergy use in **T**echnologies Model

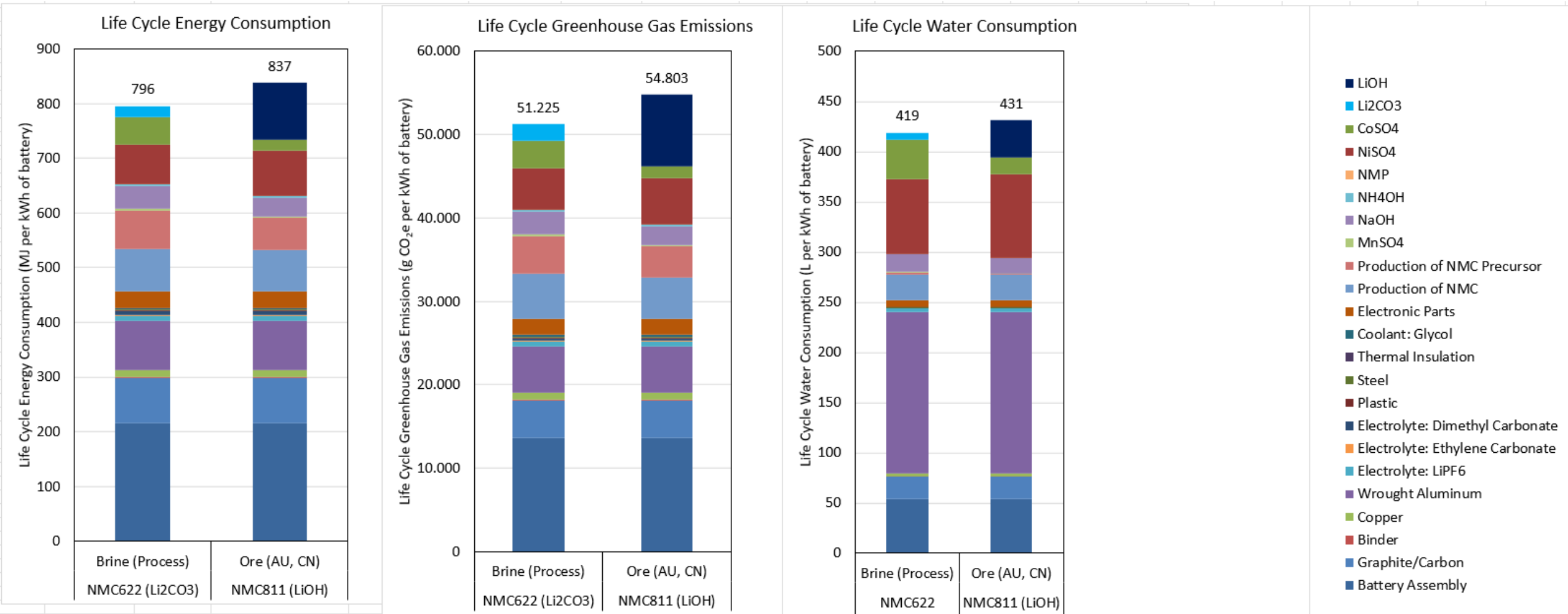


The GREET model is a one-of-a-kind analytical tool that simulates the energy use and emissions output of various vehicle and fuel combinations. Sponsored by the U.S. Department of Energy's (DOE) Office of Energy Efficiency and Renewable Energy. GREET offers two free platforms to use: the GREET.net model and the GREET Excel model.

To get a complete picture of the energy and environmental impacts of a technology, it is important to consider the full life cycle – from well to wheels for fuels and from raw material mining to vehicle disposal for automobiles.



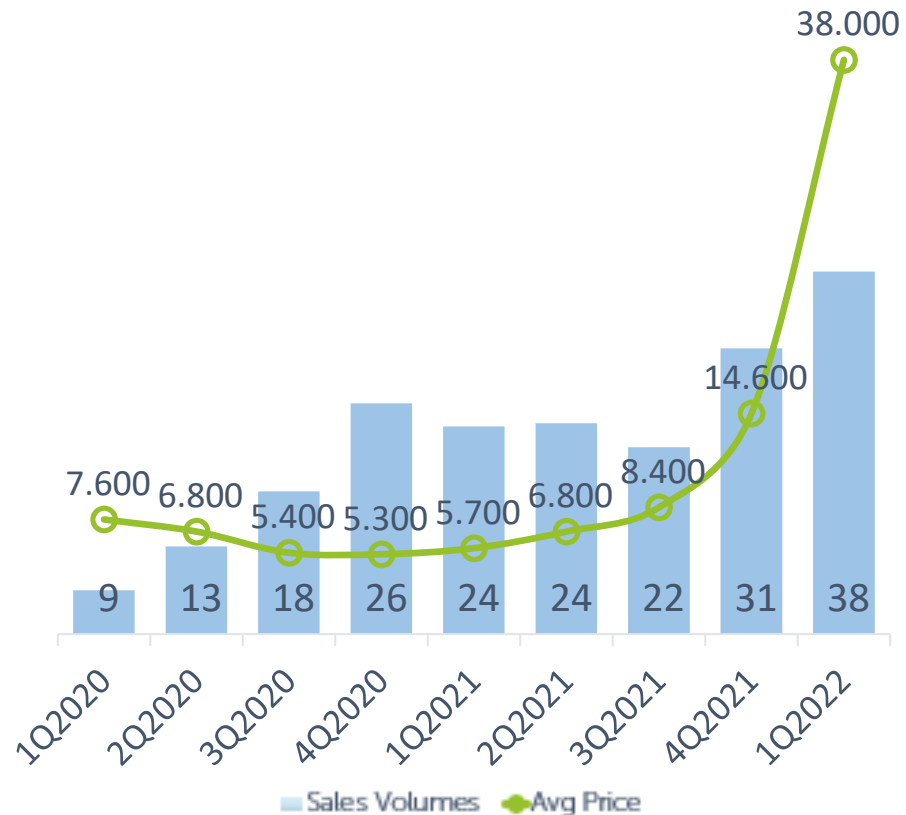
Footprint of Medium Nickel Cell (SQM brine Li_2CO_3) vs High Nickel Cell (AU spodumene converted in Sichuan)



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- **Lithium Market**
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**Quarterly Sales Volumes (kMT)
& Average Price (US\$/MT)**



Global Lithium Chemical Market

- Lithium market demand growth is expected to be ~30% in 2022, supported by continued growth of EVs sales around the world. During 1Q2022, EVs sales in China were over 125% higher than those reported during 1Q2021.
- Strong demand growth and tight supply have pushed prices to record high levels.
- Lockdown measures in China could have some impact on the volumes during 2Q2022, however, the market is expected to recover during 2H2022.

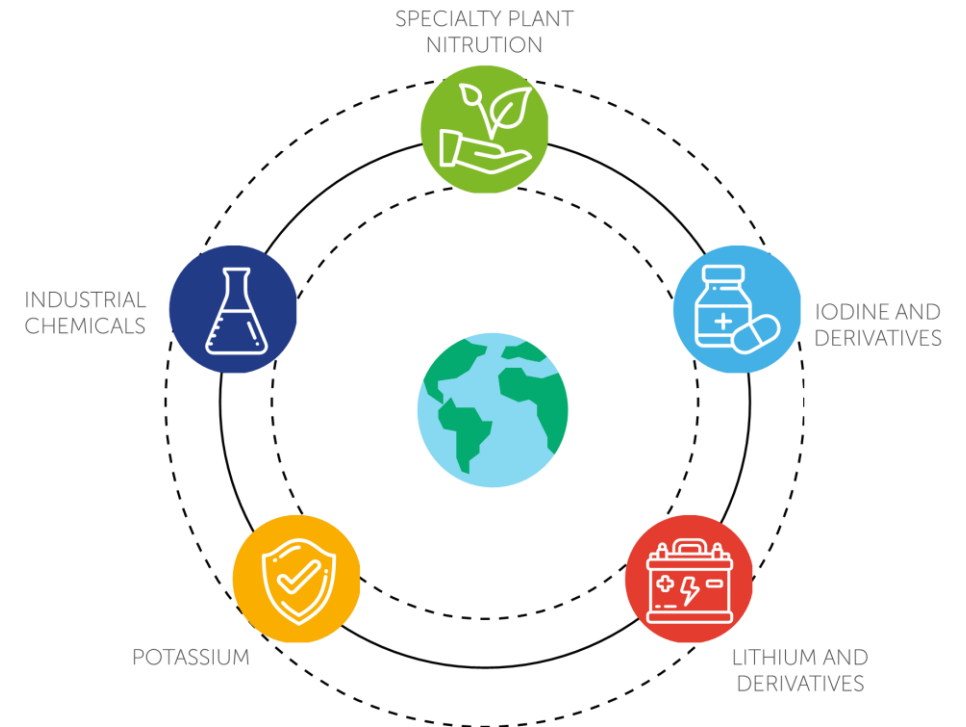
SQM lithium 2022

- Expected sales volumes of at least ~140,000 tons for 2022.
- 2022 sales contracts: 50% contracted at variable price, 30% not contracted, 20% contracted at fix or variable price with ceiling:
 - most of fixed price contracts have been renegotiated to reflect the current pricing environment;
 - variable price contracts reflect prevailing market price with a delay of up to 3 months.

Projects in development 2022-2024:

- Mt. Holland project, total CAPEX of ~US\$700 million
- Carmen Lithium Plant expansions to reach 210,000 MT and 40,000 MT of lithium carbonate and lithium hydroxide capacity, respectively, total CAPEX of ~US\$250 million
- Pampa Orcoma project to add 2,500 MT of iodine capacity and 320,000 MT of nitrates salts

2022 total CAPEX: ~US\$900 million



Agreement with CORFO

Payments¹

Li ₂ CO ₃		LiOH		KCL	
US\$/MT	% ²	US\$/MT	% ²	US\$/MT	% ²
< 4,000	6.8	< 5,000	6.8	<300	3.0
4,000 – 5,000	8.0	5,000 – 6,000	8.0	300 – 400	7.0
5,000 – 6,000	10.0	6,000 – 7,000	10.0	400 – 500	10.0
6,000 – 7,000	17.0	7,000 – 10,000	17.0	500 – 600	15.0
7,000 – 10,000	25.0	10,000 – 12,000	25.0	>600	20.0
> 10,000	40.0	> 12,000	40.0		

Example

Lithium Average Price, US\$/MT	\$50,000		\$40,000		\$30,000	
Total Lease Fee Paid	%	US\$/MT	%	US\$/MT	%	US\$/MT
Li ₂ CO ₃	34.7%	\$17,372	33.4%	\$13,372	31.2%	\$9,372
LiOH	33.5%	\$16,730	31.8%	\$12,730	29.1%	\$8,730
Potassium Price, US\$/MT	\$1,000		\$900		\$800	
Total Lease Fee Paid	%	US\$/MT	%	US\$/MT	%	US\$/MT
KCL	12.1%	\$121	11.2%	\$101	10.1%	\$81

Production Allowance

- Total production quota until 2030: **349,553 MT of LME**
- **Total in LCE: ~2.2 million MT**

Contribution to the Development & Communities

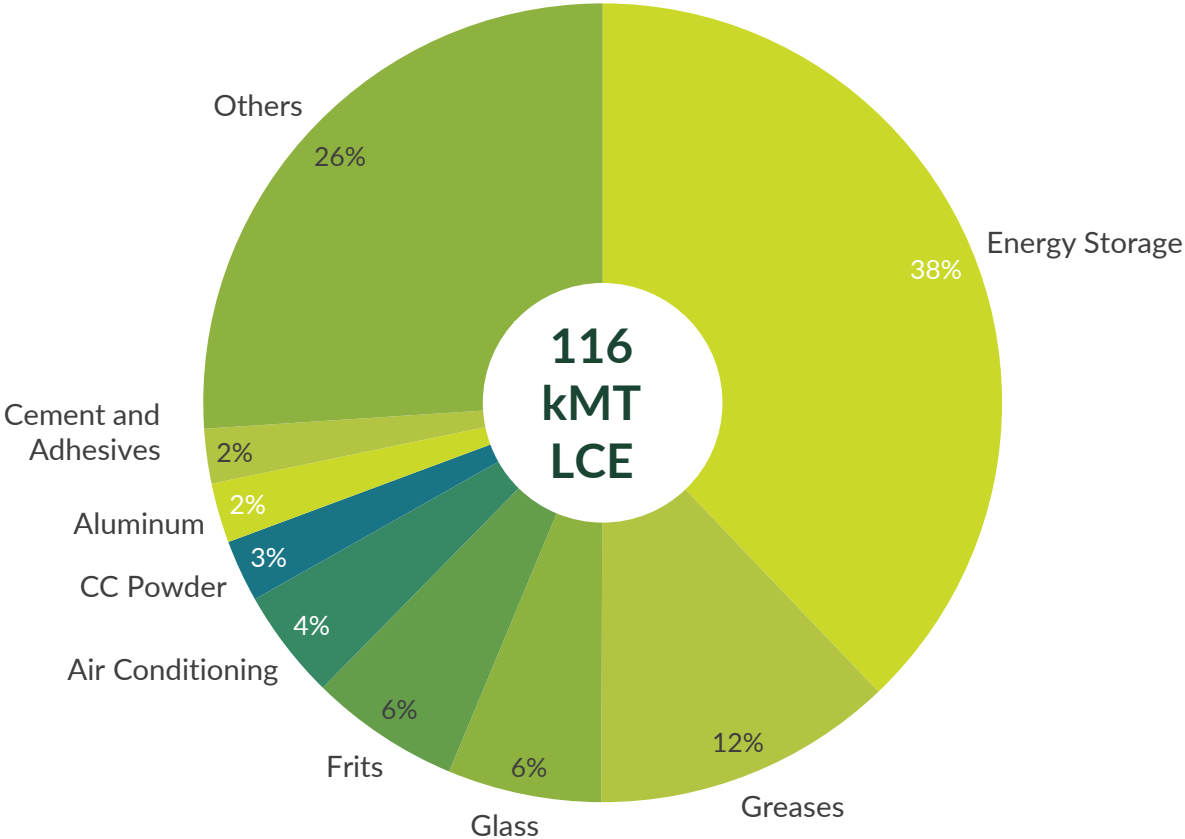
- Annual contribution of ~US\$11-19 million for R&D efforts
- Annual contribution of ~US\$10-15 million to neighboring communities of the Salar de Atacama
- Annual contribution of 1.7% of SQM Salar's sales per year to regional development

Source: Company.
 (1) Effective as of April 10, 2018.
 (2) % of final sale price

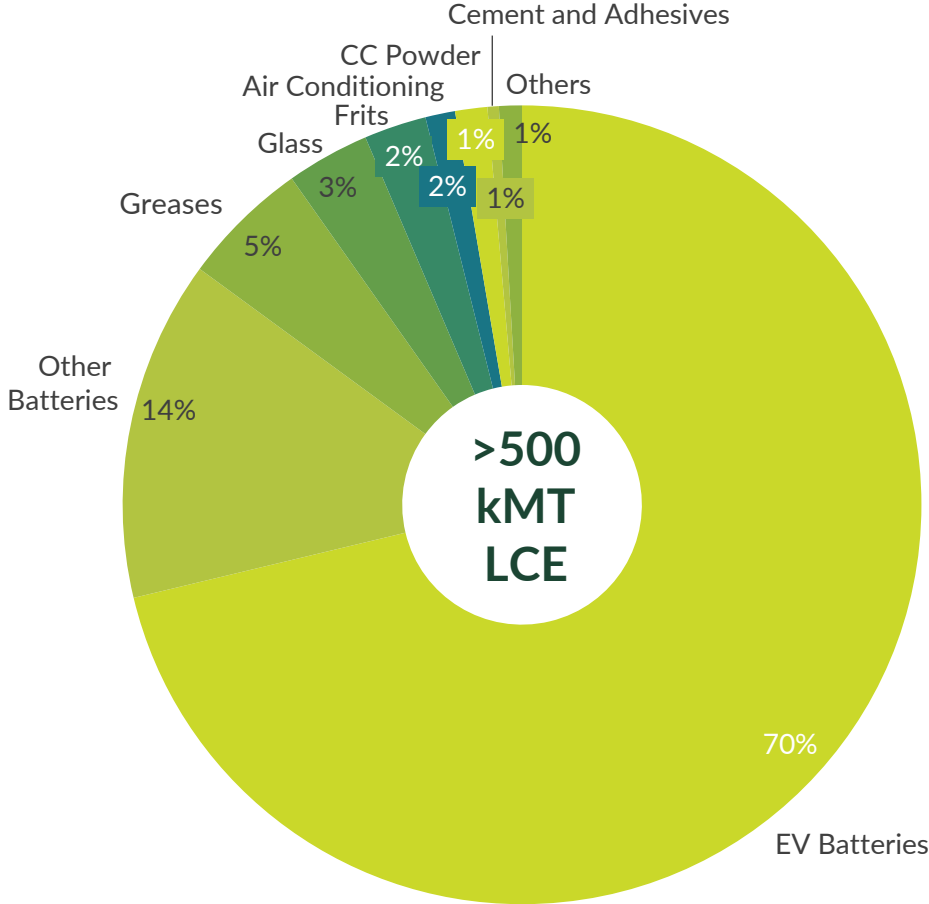
Demand

Li chemicals demand evolution by application

Lithium chemical demand 2011 (%)



Lithium chemical demand 2021E (%)

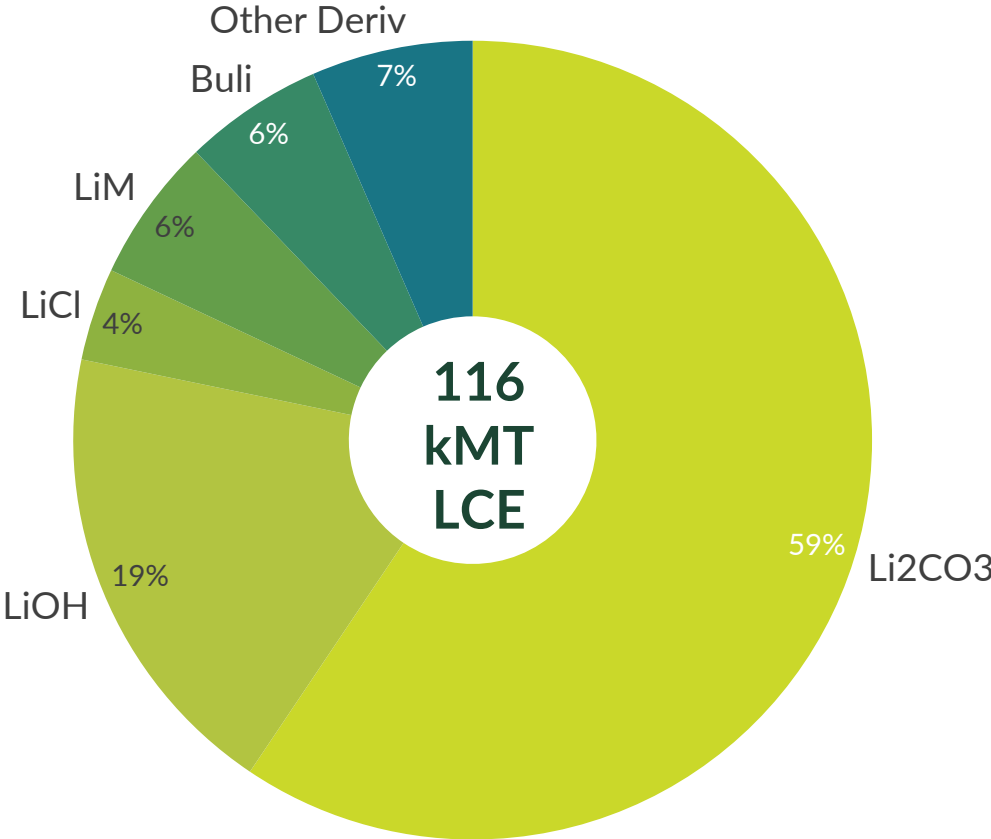


Source: Internal Estimates SQM

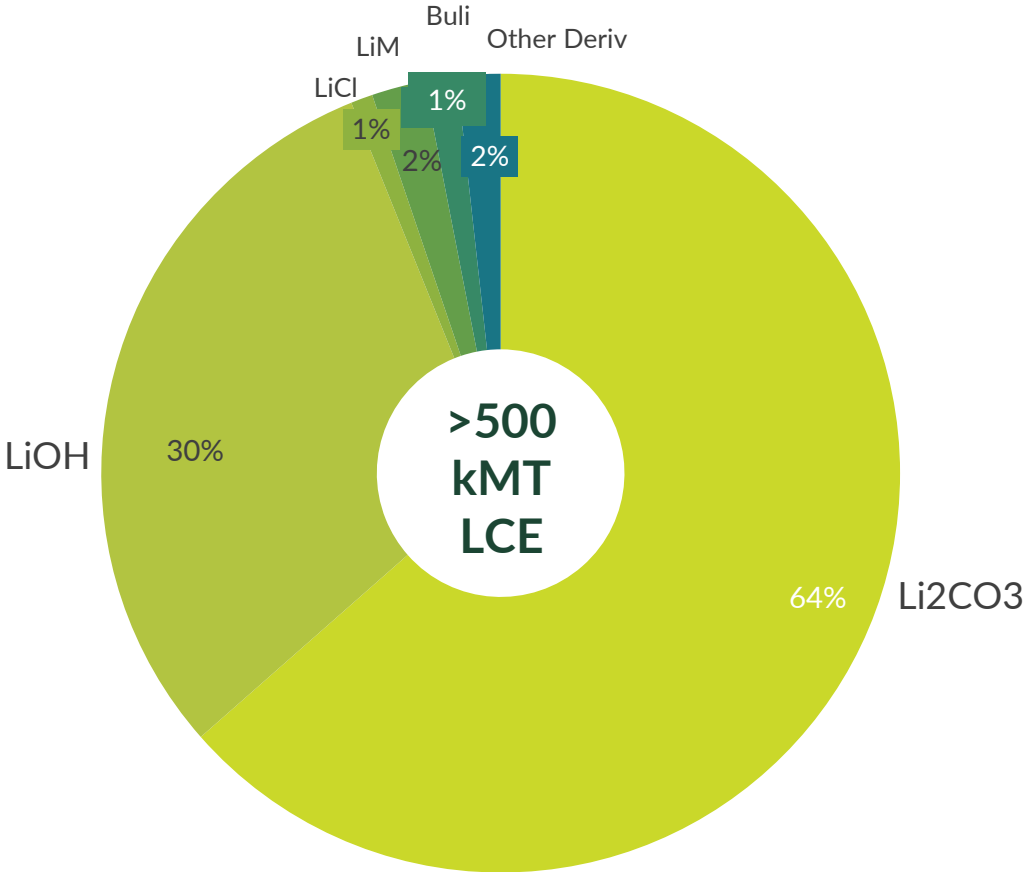
Demand

Li chemicals historical demand by product

Lithium chemicals demand 2011 (%)



Lithium chemicals demand 2021E (%)




- SQM Lithium sales volume in 2021 ~101 kMT LCE

Source: SQM internal estimate

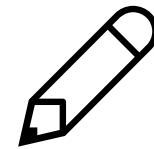
- **SQM is a global company with balanced product portfolio:**
 - Extensive know how and experience managing brines from Salar de Atacama.
 - Geographical diversification with lithium assets in Australia.
 - Reliable supply, high quality and long-term availability.
- **New Lithium supply entering the market (greenfield and brownfield):**
 - New supply/players will emerge with focus on the battery market.
 - Significant capital investment requirements & quality/production challenges.
 - Market will experience volatility and acting long term is fundamental.
- **SQM's growth focused on taking care of our environment, communities and workforce.**
 - Global leadership with a long-term expansion goal of +200k MT LCE.
 - Commitment to be carbon neutral in lithium by 2030.
 - Significant reductions in both brine extraction and freshwater consumption at Salar de Atacama.
 - Fully integrated lithium producer from natural resource to chemical refining with full traceability.





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June 22nd, 2022



Thank you!

