

JUNE 2023

# Executive Summary

## Independent Assessment of Albemarle's Planta Salar de Atacama Lithium Operation

### Audit October 2021 - 2022

The audit was conducted by the IRMA approved and trained audit firm ERM CVS from October 2021 to October 2022. The onsite assessment occurred in April 2022, after which Albemarle elected to use the IRMA allowed corrective action period. In October 2022, ERM-CVS conducted a followup assessment; and in March 2023 they assigned the operation a performance score of IRMA 50.

#### Scoring:

- To be scored, the audit firm must first determine the site meets a set of 40 critical requirements. The auditor then scores the site against each of the IRMA Standard's 26 topic specific chapters
- The chapters are organized within 4 principles, and the score for each principle must meet or exceed the entire site's final performance score.
- Albemarle's principle scores ranged from 72.2% to 84.9% (see chart).

### Location

The operation is 190km southwest of Calama in Chile's El Loa Province in the Atacama desert. The area receives 20-60mm of rainfall/year. According to information presented in the audit, the area contains groundwater safe for human consumption (after potable water treatment), herding, and agriculture. It also contains salt-brines from which lithium is extracted. Industrial users and local communities (including Indigenous communities) have conflicting views regarding groundwater vulnerability.

### Interviews

The operation employs 250 workers and 455 contractors. The operation extracts a lithium-rich chloride brine from production wells, which is pumped into 75 evaporation ponds where the lithium chloride in the brine is concentrated due to water evaporation. Additional facilities include primary processing facilities to create a more concentrated brine, a potash plant that creates a potassium chloride product, and worker housing.

ERM CVS conducted interviews with 27 employees and contractors from several different departments chosen to represent different age groups; genders; years of experience; work groups; and operational, administrative, health care or union responsibilities. The worker interviews were conducted without Albemarle management personnel present.

To identify stakeholders relevant to the audit process and those who may be either directly or indirectly affected by Albemarle's operations, ERM CVS's social specialists used a stakeholder mapping process. Stakeholder groups were selected for engagement based on outcomes of the Stage 1 Assessment, a review of Albemarle's stakeholder database, and a desktop review of local media sources with a social conflict focus. In addition, prior to the audit, ERM CVS carried out a 2-day reconnaissance trip from 22 to 25 March 2022 to better understand the area impacted by the mine and the communities living within this area.

ERM CVS conducted meetings with representatives from several communities located proximal to the mine or considered to be within the mine's area of influence. These were Peine – 25 km east, Toconao – 63 km northeast, Talabre – 60 km northeast, and Camar – 45 km northeast. ERM CVS communicated and organized these meetings, which were conducted without Albemarle personnel present.

	Chapter Relevant*	Actual Score	Possible Score	Percent Score
<b>Principle 1: Business Integrity</b>		<b>78</b>	<b>108</b>	<b>72.2%</b>
Chapter 1.1—Legal Compliance	Yes	11	14	79%
Chapter 1.2—Community and Stakeholder Engagement	Yes	23	30	77%
Chapter 1.3—Human Rights Due Diligence	Yes	13.5	22	61%
Chapter 1.4—Complaints Mechanism/Access to Remedy	Yes	11	22	50%
Chapter 1.5—Revenue and Payments Transparency	Yes	19.5	20	98%
<b>Principle 2: Planning for Positive Legacies</b>		<b>125.5</b>	<b>154</b>	<b>81.5%</b>
Chapter 2.1—Env/Soc Impact Assessment and Management	Yes	45.5	58	78%
Chapter 2.2—Free, Prior and Informed Consent	Yes	25.5	28	91%
Chapter 2.3—Community Support and Benefits	Yes	9.5	16	59%
Chapter 2.4—Resettlement	No	-	-	-
Chapter 2.5—Emergency Preparedness and Response	Yes	10	12	83%
Chapter 2.6—Planning/Financing Reclamation & Closure	Yes	35	40	88%
<b>Principle 3: Social Responsibility</b>		<b>135.5</b>	<b>182</b>	<b>74.5%</b>
Chapter 3.1—Fair Labor and Terms of Work	Yes	50	62	81%
Chapter 3.2—Occupational Health and Safety	Yes	38.5	46	84%
Chapter 3.3—Community Health and Safety	Yes	8	18	44%
Chapter 3.4—Conflict-Affected and High-Risk Areas	No	-	-	-
Chapter 3.5—Security Arrangements	Yes	21.5	30	72%
Chapter 3.6—Artisanal and Small-Scale Mining	No	-	-	-
Chapter 3.7—Cultural Heritage	Yes	17.5	26	67%
<b>Principle 4: Environmental Responsibility</b>		<b>115.5</b>	<b>136</b>	<b>84.9%</b>
Chapter 4.1—Waste and Materials Management	Yes	38.5	40	96%
Chapter 4.2—Water Management	Yes	32	36	89%
Chapter 4.3—Air Quality	Yes	11	14	79%
Chapter 4.4—Noise and Vibration	Yes	4.5	6	75%
Chapter 4.5—Greenhouse Gas Emissions	Yes	13	14	93%
Chapter 4.6—Biodiversity, Eco. Serv. and Protected Areas	Yes	16.5	26	63%
Chapter 4.7—Cyanide Management	No	-	-	-
Chapter 4.8—Mercury Management	No	-	-	-