

SEPTEMBER 2023

## Executive Summary

# Independent Assessment of SQM's Salar de Atacama Lithium Operation

### Audit Feb 2022 – Aug 2023

The audit was conducted by the IRMA approved and trained audit firm ERM CVS from February 2022 to August 2023. The onsite assessment occurred in May-June 2022. The on-site audit team included 4 auditors from ERM CVS who conducted observations, interviews and document review over 4 days in person. After the audit and receipt of the draft report, SQM elected to use the IRMA allowed corrective action period. After reviewing the corrections, in August 2023 ERM CVS assigned the operation a performance achievement level of IRMA 75.

#### Scoring:

- The audit team rates the site's performance against each of the IRMA Standard's 26 topic specific chapters. As a part of this effort, the audit firm assesses whether the site meets a set of 40 critical requirements from across the 26 chapters..
- The chapters are organized within 4 principles, and the score for each principle must meet or exceed the numeric value of the site's achievement level. In this case, SQM had to receive at least a 75% average score in each principle, and at least substantially meet all critical requirements, in order to receive an IRMA 75.
- SQM's principle scores ranged from 79.4% to 90.5% (see chart)

### Location

The operation is 25 km northwest of Peine, in the Salar de Atacama region of Chile's Atacama desert. The area receives 5-120mm of rainfall/year. According to information presented in the audit, the area contains groundwater safe for human consumption (after potable water treatment). It also contains salt-brines from which lithium is extracted.

The audit scope included mining operations (extraction, pumping and condensation), two production processes, and secondary activities including maintenance, labs, storage facilities, worker camp, and admin offices.

Areas of the site visited during the assessment include the following:

<b>Operational areas</b>	Salmuera De-Salting Plant
	Maintenance Shops
	Mine Service Shops
	Processing Plants: MOP I, MOP III, MOP-H1, Excon
<b>Other areas visited</b>	Site Restrooms and Showers
	Dining Rooms
	Monitoring Wells
	Administrative Offices
<b>Surrounding Communities</b>	Laboratories
	Access Routes to Surrounding Communities
	Camar Community

## Interviews

ERM CVS engaged with 57 workers. They conducted focus groups and individual interviews with 23 employees that covered specific topics and employees, such as vulnerable groups, contractors, women, security, and labor union members. These interviews were conducted without management present. An additional 34 individuals were interviewed casually during site tours and documentation reviews.

ERM CVS identified stakeholders to interview during the stage 2 assessment, including the five indigenous communities of Socaire, Peine, Talabre, Toconao, and Camar. The audit team also conducted a search and analysis of news and information available about the region, which confirmed the same communities as external stakeholders of SQM Salar.

ERM CVS conducted meetings with a total of 8 representatives from four indigenous communities located proximal to the mine or considered to be within the mine's area of influence. These were Peine – 25 km southeast, Toconao – 63 km northeast, Talabre – 60 km northeast, and Camar – 45 km northeast. ERM CVS organized and facilitated these meetings, which were conducted without SQM personnel present.

## For More Information

[Audit Packet](#) --including report, press release and supporting materials. [En Español](#)

[IRMA SQM Salar de Atacama audit page](#)

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	Chapter Relevant	Actual Score	Possible Score	Percent Score
<b>Principle 1: Business Integrity</b>		<b>94.5</b>	<b>116</b>	<b>81.5%</b>
Chapter 1.1—Legal Compliance	Yes	12	16	75%
Chapter 1.2—Community and Stakeholder Engagement	Yes	23	30	77%
Chapter 1.3—Human Rights Due Diligence	Yes	20	22	91%
Chapter 1.4—Complaints Mechanism/Access to Remedy	Yes	18.5	22	84%
Chapter 1.5—Revenue and Payments Transparency	Yes	21	26	81%
<b>Principle 2: Planning for Positive Legacies</b>		<b>127</b>	<b>160</b>	<b>79.4%</b>
Chapter 2.1—Env/Soc Impact Assessment and Management	Yes	48.5	58	84%
Chapter 2.2—Free, Prior and Informed Consent	Yes	20	30	67%
Chapter 2.3—Community Support and Benefits	Yes	15.5	16	97%
Chapter 2.4—Resettlement	No	-	-	-
Chapter 2.5—Emergency Preparedness and Response	Yes	8	12	67%
Chapter 2.6—Planning/Financing Reclamation & Closure	Yes	35	44	80%
<b>Principle 3: Social Responsibility</b>		<b>143.5</b>	<b>172</b>	<b>83.4%</b>
Chapter 3.1—Fair Labor and Terms of Work	Yes	57.5	58	99%
Chapter 3.2—Occupational Health and Safety	Yes	37	46	80%
Chapter 3.3—Community Health and Safety	Yes	13.5	18	75%
Chapter 3.4—Conflict-Affected and High-Risk Areas	No	-	-	-
Chapter 3.5—Security Arrangements	Yes	19.5	32	61%
Chapter 3.6—Artisanal and Small-Scale Mining	No	-	-	-
Chapter 3.7—Cultural Heritage	Yes	16	18	89%
<b>Principle 4: Environmental Responsibility</b>		<b>128.5</b>	<b>142</b>	<b>90.5%</b>
Chapter 4.1—Waste and Materials Management	Yes	33.5	38	88%
Chapter 4.2—Water Management	Yes	34.5	38	91%
Chapter 4.3—Air Quality	Yes	13.5	18	75%
Chapter 4.4—Noise and Vibration	Yes	6	6	100%
Chapter 4.5—Greenhouse Gas Emissions	Yes	13	14	93%
Chapter 4.6—Biodiversity, Eco. Serv. and Protected Areas	Yes	28	28	100%
Chapter 4.7—Cyanide Management	No	-	-	-
Chapter 4.8—Mercury Management	No	-	-	-

