

SQM Statement to the article

“Comunidades atacameñas denuncian que acuerdo Codelco-SQM se concretó a “sus espaldas””, 29 December 2023, Diario UChile: <https://radio.uchile.cl/2023/12/29/comunidades-atacamenas-denuncian-que-acuerdo-codelco-sqm-se-concreto-a-sus-espaldas/>

9th April 2024

As stated in the article, local communities raised their voices after a [Memorandum of Understanding](#) (MoU) was formally agreed between Codelco and SQM on 27th December 2023, highlighting the start of negotiations on the lease and operation of CORFO’s (Chilean economic development agency) properties in the Salar de Atacama for the foreseeable future.

SQM fully supports the local communities’ right to voice their views and questions over the future of lithium production at the Salar de Atacama. We have been working closely with local communities for many years and are committed to maintaining an open dialogue with our neighbours to ensure that their concerns are heard and addressed.

In spite of that, it is important to recall that SQM is a publicly listed company, both on the Santiago and the New York stock exchanges, which means that the company must comply with rigorous public disclosure regulations. Therefore, consultation on the MoU with local community representatives prior to the formal signing and public announcement of the MoU was not possible as the MoU included market sensitive information and a former communication to local communities may have implied an issue on use of privileged information. It was only on 27th December 2023, when the MoU stopped being privileged information and became public information, available to all stakeholders at the same time. Following the market announcement, SQM discussed the MoU with the Council of the Atacameño People (Consejo de Pueblos Atacameños - CPA) in a meeting on 30th December 2023.

As the integration of the indigenous communities in the negotiations is an indispensable condition to ensure the successful progress and conclusion of a fruitful cooperation and promising future of the lithium industry in the Salar de Atacama, the CPA was invited to be part of the negotiation table, which is working out the contractual clauses for the potential agreement between SQM and Codelco. The [tripartite was already agreed on 15th December 2023](#) before the official signing of the MoU. This commitment is also reflected in the MoU, which states that the partnership between Codelco and SQM will only be effective subject to the "the successful conclusion of the communities’ consultation process required by (international) law”.

On the other hand, the article refers to SQM’s “Salar Futuro” project, an Innovation Roadmap towards further resource & water efficiency in Salar de Atacama through technological development and innovation, including the evaluation of DLE (Direct Lithium Extraction) solutions and advanced evaporation technologies. The gradual implementation of the project is a long-term approach and each implementation step first needs to undergo an environmental assessment and consultation



process with local communities as established by Chilean law. Therefore, and as stated correctly in the article, the project has not been environmentally and socially evaluated yet.

Lastly, we would like to emphasise that it is a top priority for SQM to maintain the trustworthy and horizontal relationship that we have built up with the local communities over the past decades.