



*Empowering
people to embrace
clean energy*

Modern Slavery Statement 2025



Acknowledgement

We respectfully acknowledge the Indigenous Peoples of the lands, waters and territories on which we are located and where we conduct business around the world.

We pay our respect to Elders past and present, acknowledging their role as custodians of culture, traditions and memories.

We recognise that Indigenous Peoples connections extend beyond land to language, culture and kinship. We commit to fostering respect, inclusion and meaningful relationships wherever we operate so that their legacy continues and extends to future generations.

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Message from Director

“Responsible business practices and respect for human rights are fundamental to how we operate and grow.”

At SQM Australia, we are committed to conducting our business responsibly and with respect for human rights across our operations and supply chains.

As a growing international lithium business supporting the global energy transition, we recognise that our activities, and those of our partners and suppliers, carry both opportunity and responsibility. Modern slavery and other forms of human exploitation remain real risks in global supply chains, including within the critical minerals sector, and addressing these risks requires deliberate action, strong governance and continuous improvement.

This Modern Slavery Statement outlines the steps SQM Australia and its controlled entities have taken during the reporting period to identify, assess and address modern slavery risks. It reflects the progress we have made in establishing our governance frameworks, policies, due diligence processes and remediation mechanisms, as well as our approach to engaging with joint venture partners where we do not have operational control.

We acknowledge that this is an evolving area of practice. While we have strengthened our foundations during the reporting period, we remain focused on improving the effectiveness of our approach over time.

I am proud of the commitment demonstrated across our organisation to embedding responsible business practices and fostering a culture of integrity. We will continue to build on this work as our business grows, guided by our values and our responsibility to people, communities and the environments in which we operate.

This Statement applies to the reporting period 1 January to 31 December 2025. SQM Australia Board, the principal governing body for the reporting entity approved this statement on the 15 June 2026 on behalf of all controlled entities.

A blue ink signature of Mark Fones, consisting of stylized, overlapping loops.

Mark Fones,
Director, SQM Australia Pty Ltd

About this Statement



This Modern Slavery Statement is published by SQM Australia Pty Ltd (ACN 621 414 659) (SQM Australia) in accordance with the Modern Slavery Act 2018 (Cth) (Act). SQM Australia is the parent-most Australian legal entity of SQM International Lithium (SQMi), a business division of Sociedad Química y Minera de Chile S.A. (SQM) (NYSE: SQM; SGO: SQM-B, SQM-A).

This Statement describes the approach taken by SQM Australia to identify, assess and address modern slavery risks within our operations and supply chains during the reporting period. It has been prepared to meet the mandatory reporting criteria under the Act and reflects our commitment to respecting human rights and conducting business responsibly.

SQM Australia operates within a broader global business, being the international lithium division of SQM, and also participates in a number of joint ventures and partnerships. This Statement broadly describes our approach to managing modern slavery

risks in joint ventures, including the actions we take to promote alignment of values, standards, and expectations with our joint venture partners through governance frameworks, due diligence processes, contractual arrangements and ongoing engagement.

This Statement reflects our current maturity and understanding of modern slavery risks and will continue to evolve as our operations, supply chains and risk profile develop. We are committed to continuous improvement in our processes and transparency over time.

SQM Australia welcomes feedback on this statement. For further information or to submit comments, please email contact. **sqmi@sqm.com**.

Mandatory Criteria



This Modern Slavery Statement is published by SQM Australia in accordance with the Modern Slavery Act 2018 (Cth; the Act). Table 1 cross-references the mandatory reporting criteria under section 16 of the Act and identifies where each requirement is addressed within this statement.

Table 1: Mandatory reporting criteria index

Mandatory Reporting Criteria	Page number/s
Identify the reporting entity	4
Describe the structure, operations and supply chains of the reporting entity	6-7
Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity (and any entities it owns or controls)	9-13
Describe the actions taken to assess and address modern slavery risks, including due diligence and remediation processes	14-18
Describe how the reporting entity assesses the effectiveness of actions taken	20-22
Describe the process of consultation with any entities the reporting entity owns or controls, and, for joint statements, consultation between reporting entities	19

About US

SQM Australia is a global lithium business at the forefront of the clean energy transition.

Our Purpose

Our purpose is to create international lithium projects through competitive and sustainable development, delivering value for stakeholders.

We focus on high-quality lithium projects across the value chain – from exploration to mining to advanced chemical production.

We operate in key markets across Asia Pacific, Africa, and North and South America (Figure 1). Our integrated operations span exploration, project development, spodumene mining, lithium hydroxide refining, sale and distribution and research and development, giving us reach and insight across the lithium value chain.

Our global footprint and partnerships, combined with our market knowledge, capable team and a commitment to responsible growth, positions us as a trusted partner and helps us unlock lithium opportunities to meet the growing demand for clean energy solutions.



Figure 1: Location of business activities

- | | | | |
|---|---|---|---|
| <ul style="list-style-type: none">• Existing Operations<ul style="list-style-type: none">- Kwinana Refinery (SQM Australia 50%)- Mt Holland Lithium Project (SQM Australia 50%) | <ul style="list-style-type: none">• Development Projects<ul style="list-style-type: none">- Azure Minerals SQM 50% | <ul style="list-style-type: none">• Exploration Project<ul style="list-style-type: none">- Mt Roberts SQM 100% | <ul style="list-style-type: none">• Offices<ul style="list-style-type: none">- Perth,- Shanghai-China,- Toronto-Canada |
|---|---|---|---|

Our Operations

SQM Australia, along with its wholly owned subsidiaries, operates across multiple jurisdictions, including Australia, China, Namibia, and Canada. We operate through wholly owned entities and joint ventures (JV). We report on JV entities where SQM Australia has significant interests or material influence, where those JV activities are associated with significant actual or potential economic, environmental or social impacts.

Australia

In Australia, our activities span exploration, project development and participation in lithium operations across Western Australia. This includes our 50 percent interest in the Mt Holland Lithium Project and Kwinana lithium hydroxide refinery, managed by the 50:50 owned joint venture manager, Covalent Lithium, as well as exploration and development interests such as Mt Roberts and Azure Minerals. These activities support our broader strategy of building an integrated lithium business across the value chain.

Namibia

In Namibia, our activities are focused on the Lithium Ridge Project, where we participate through an earn-in partnership with Andrada Mining. Our involvement supports exploration and evaluation of lithium opportunities in a developing critical minerals jurisdiction.

China

In China, our activities are centred on our Shanghai office, supporting commercial, technical and business development activities in Asia, including customer engagement and market-facing coordination across the lithium value chain.

Canada

In Canada, our activities support exploration of our early-stage exploration ground, business development and the assessment of lithium opportunities in North America, from our office in Toronto.

While SQM Australia does not control the Mt Holland Lithium Project, it represents a significant part of our operations. Relevant information relating to the project is therefore included in this Statement where appropriate.

SQM Australia, either directly or indirectly through its joint ventures, employs a combination of direct employees, contractors, and service providers, and procures goods and services across a broad supplier base, including:

- Exploration contractors;
- Engineering, construction and maintenance services;
- Mining and processing contractors;
- Chemicals, reagents and consumables;
- Professional and corporate services; and
- Logistics and transport providers.

Our Supply Chains

SQM Australia supply chains are global and multi-tiered, with varying levels of inherent modern slavery risk depending on geography, industry sector, and labour practices.

Key supply chain categories include:

- Mining and processing services;
- Equipment and materials;
- Reagents and chemical components;
- Logistics, shipping and warehousing;
- Security and labour hire services; and
- Information technology hardware and software.

We recognise that certain regions and sectors, particularly those involving labour-intensive activities, temporary or migrant labour, or lower regulatory oversight may present heightened modern slavery risks.

Our Commitment to Human Rights

SQM Australia recognises that modern slavery including forced labour, child labour, human trafficking, debt bondage and other forms of human exploitation can occur in complex global supply chains, including those associated with the critical minerals sector.

SQM Australia aims to uphold international human rights principles and treat all individuals with dignity and respect. We act ethically, with integrity and honesty, protecting and respecting the rights of our stakeholders.

SQM Australia is committed to using all reasonable efforts to uphold the principles of the United Nations Guiding Principles on Business and Human Rights, where applicable, and complying with human rights laws and regulations of the jurisdictions where it operates.

Our commitments are described in our Human Rights Policy and Code of Ethics and embedded in our various systems including our Human Rights Risk Management Framework.

Governance and Accountability

The Board is ultimately accountable for oversight of modern slavery risk management. A working group oversees implementation, with day-to-day activities coordinated within the People & Sustainability function. Implementation of systems and procedures are embedded across Sustainability, Legal and Compliance, Health and Safety, and the People Department.

Where SQM Australia does not have operational control, it seeks to influence outcomes through governance mechanisms, including Board representation, assurance activities and continuous engagement. During the reporting period, this included participation by Covalent in the joint supply chain risk assessment and a third-party human rights audit.

Goal: To operate responsibly and ethically by developing a corporate culture of integrity and adherence to best practices.

2025 Target: Implement human rights risk management framework

Identifying Modern Slavery Risks

SQM Australia applies a risk-based approach to identifying and prioritising modern slavery risks across our operations and supply chains. Our risk assessment considers:

- Geographic risk;
- Industry and commodity risk;
- Labour intensity and reliance on contractors;
- Nature of services provided; and
- Supplier maturity and governance.

Workforce

SQM Australia recognises that modern slavery risks may arise across its operations, including within contractor and third-party workforce arrangements. While the risk within the directly employed workforce is considered low, particularly in jurisdictions such as Australia and Canada with strong regulatory frameworks, the use of contractors and third-party providers introduces areas of potential exposure, including where there is reduced direct visibility over recruitment and employment practices.

In this context, relevant areas of exposure include:

- Engagement of contractors and labour hire personnel;
- Reduced visibility over third party recruitment and employment practices;
- Potential for inconsistent application of labour standards across contractors; and
- Barriers to access to grievance mechanisms.

Overall risk levels are moderated by the strong labour laws and regulatory environments in the jurisdictions in which SQM Australia operates, including Australia and Canada.

Supply chain

A risk assessment was conducted by a third-party human rights consultant during the reporting period. The scope of the risk assessment included SQM Australia direct suppliers and the suppliers of the Mt Holland Lithium Project, which is managed by Covalent. All SQM Australia revenue during the reporting period was generated from the sale of our share of the spodumene concentrate product from the Mt Holland Lithium Project, either directly or after conversion into lithium hydroxide.

The assessment of modern slavery risk among direct suppliers was segmented based on spend value and supplier count. Effective assessment models combine spend exposure with inherent risk to profile the supplier base. This enables prioritisation of suppliers that present the highest potential modern slavery risk. Due to SQM Australia's business structure, the supplier base is heavily service-oriented, with almost half of total spend (47 percent) and most suppliers (99 out of 124) classified as Service providers. The other 30 percent of the spend was on "Goods and Services" (i.e., combining product supply with service delivery). Covalent's supplier base has 58% of spend categories classified as "Services" and 31% classified as "Goods and Services."

Each supplier was categorised using the UNSPSC¹ taxonomy, and then assessed for modern slavery industry risk (i.e., low, medium or high risk) per category using external datasets including the:

- Global Slavery Index (2023);
- International Labour Organisation (ILO), US Department of Labor reports; and
- NSW Anti-Slavery Commissioner's Industry Risk Indicator Tool (IRIT²).

High, medium or low risk ratings were also assigned based on country-of-origin risk, informed by the Global Slavery Index prevalence data and vulnerability scores.

A risk matrix, which integrates country-level risk with industry/category-level risk assigned an inherent risk rating to each supplier. This was cross-checked against IRIT Level 1 to 3 mapping to ensure alignment with the NSW Anti-Slavery Commissioner's Guidance on Reasonable Steps (GRS).

Identifying Modern Slavery Risks *continued*

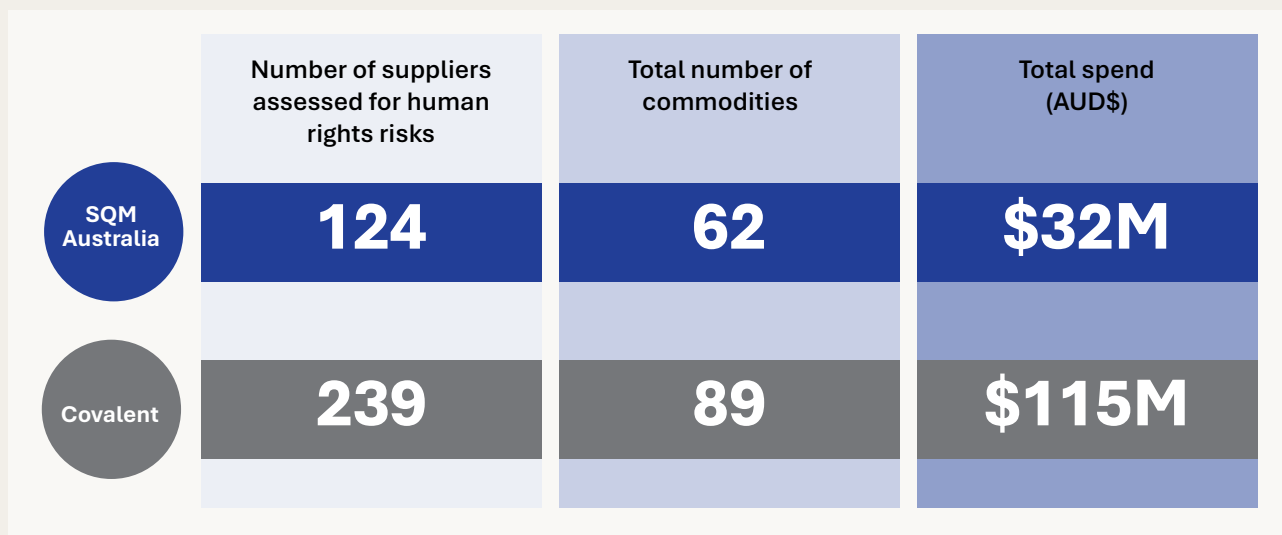


Figure 2: Segmentation of direct supplier risk assessment

Most suppliers engaged by SQM Australia and Covalent are categorised as low-risk. There are a small percentage of suppliers categorised as medium-risk engaged by SQM Australia in China, Guernsey, and Namibia, and by Covalent in China and South Africa (Figure 3). SQM Australia nor Covalent engage suppliers in high-risk geographical jurisdictions. Country indicators pertain to socio-economic and political dimensions including domestic stability, public safety and the state of judiciary and law enforcement.

Twenty-five (25) of SQM Australia's and twenty (20) of Covalent's direct suppliers are classified as high-risk based on their activities (Figure 4). Most of these suppliers, however, operate in low-risk geographical jurisdictions (SQM Australia 24; Covalent 19), which moderates overall exposure. These classifications relate to business practices, working conditions, child labour, and recruitment practices. For both SQM Australia and Covalent, potential exposure increases further down the supply chain beyond Tier1 suppliers, particularly within higher-risk activity categories.

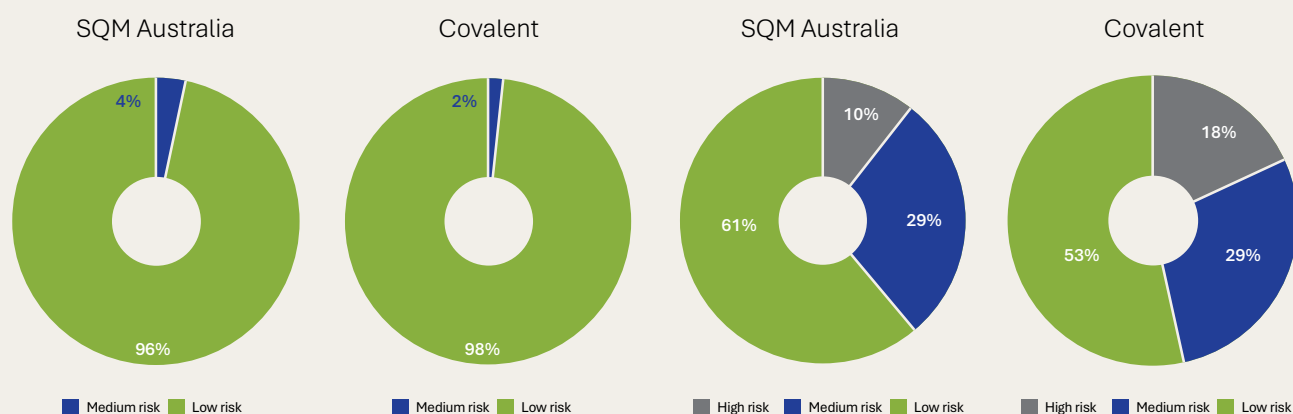


Figure 3: Modern slavery risk assessment of suppliers (% of total) by geography

Figure 4: Modern slavery risk assessment of suppliers (% of total) by activity

¹ United Nations Standard Products and Services Code (UNSPSC): A global, open classification system used to categorize products and services in a consistent way, especially in procurement, supply chain management, spend analysis, and e commerce.

² IRIT is a well-regarded procurement tool designed to help identify inherent modern slavery risk by goods/services category; as a category-based tool it can be applied nationally (including in Western Australia) as a consistent benchmarking database, even though it was developed to support NSW requirements.

Table 2 outlines the activities that were identified in the risk assessment as high salient human rights risks for both SQM Australia and Covalent:

Table 2: Identified high-salient human right risks

Activity	Risk
Labour-hire and recruitment services.	Sourcing of labour hire and recruitment services Recruitment and labour hire services may involve workers sourced through third party agencies, including migrant or temporary workers engaged under labour hire arrangements. These workers may be more vulnerable to exploitative practices, particularly where recruitment occurs in higher risk jurisdictions or through intermediaries. Potential risks include, but are not limited to: • forced labour; • deceptive recruitment practices; • recruitment fees and debt bondage; and • restriction on freedom of movement or resignation. SQM Australia and Covalent engage labour hire and recruitment providers to meet operational and project based workforce needs. However, both SQM Australia and Covalent engage these services in jurisdictions with strong labour laws and regulations. The use of third party labour providers, including those operating in higher risk jurisdictions, may reduce direct visibility over recruitment practices and employment conditions.
Logistics, freight forwarding and shipping services.	Sourcing of logistics, freight forwarding and shipping services The international logistics and maritime industries are complex and operate across multiple jurisdictions, often involving subcontracting and international labour arrangements. Workers in these sectors may be exposed to labour exploitation risks due to challenging operating environments and limited regulatory oversight across borders. Potential risks include, but are not limited to: • forced labour; • debt bondage; • withholding or underpayment of wages; • excessive working hours; and • unsuitable working or living conditions. Freight forwarders represented one of the largest high-risk spend categories during the reporting period, exceeding \$14 million for Covalent whereas cargo containers, freight forwarders and marine logistics service providers are engaged by SQM Australia.

Identifying Modern Slavery Risks *continued*

Table 2: Identified high-salient human right risks (continued)

Activity	Risk
Upstream metals, minerals and critical material supply chains.	Sourcing of metals, minerals and critical materials Upstream mining and materials supply chains can involve operations in jurisdictions with varying labour standards and enforcement. Risks may increase further upstream where labour practices are less visible and supply chains are more fragmented. Potential risks include, but are not limited to: • forced labour; • child labour; • unsafe working conditions; and • informal or unregulated labour practices. SQM Australia forms strategic partnerships with mining companies, including some operations located in medium risk jurisdictions. Covalent sources alloys, steel and industrial materials through complex, multi tier supply chains, resulting in potential exposure beyond Tier 1 suppliers.
Manufactured goods and consumables.	Outsourced manufacturing of PPE, rubber and industrial components Manufactured goods and consumables are often produced using labour intensive processes, sometimes in higher risk jurisdictions. Lower tier suppliers may rely on vulnerable workforces and operate with limited oversight. Potential risks include, but are not limited to: • excessive overtime; • underpayment of wages; • unsafe or poor working conditions; and • restrictions on freedom of association. Both SQM Australia and Covalent purchase manufactured goods and consumables such as PPE, rubber products and industrial components. These items often have complex supply chains, with potential risks more likely to arise beyond direct suppliers.
Worker health and safety (H&S).	Contractor based service delivery Contractor heavy operating models can increase exposure to inconsistent health and safety practices, particularly where multiple service providers are engaged across sites or projects. Potential risks include, but are not limited to: • inadequate safety training; • unsafe working conditions; and • insufficient supervision or safety controls. SQM Australia relies on a contractor heavy service base, while Covalent engages construction, maintenance, blasting, scaffolding and heavy equipment service providers. Many of these services carry medium to high inherent labour risk indicators.

Table 2: Identified high-salient human right risks (continued)

Activity	Risk
Barriers to access to remedy (cross-cutting across all risks).	Access to grievance and remediation mechanisms Workers may face barriers in raising concerns or accessing remedy, particularly where they are engaged through contractors, labour hire arrangements or overseas supply chains. Potential risks include, but are not limited to: • lack of awareness of grievance mechanisms; • fear of retaliation for speaking up; and • limited access to company level remediation pathways. Across both supplier bases, reliance on contractors, migrant labour and global supply chains increases the risk that affected workers may not be able to safely raise concerns or access effective remedy.

Linking Risk to Action

The outcomes of the modern slavery risk assessment directly informed SQM Australia's prioritisation of actions during the reporting period. In particular:

- Labour hire and recruitment risks: Development of supplier screening, and contractual requirements addressing recruitment practices;
- Logistics and shipping risks: Compliance due diligence on freight forwarding providers; stringent contract terms; and introduction of 2026 target of requiring Maritime Labour Certificates from international shipping providers as an effective screening tool;
- Upstream materials and manufacturing risks: Prioritise high risk suppliers for further assessment through the development of a Supplier Assessment Questionnaire and associated procedure; and
- Barriers to remedy: Establish a grievance mechanism.

Due Diligence

During the reporting period, we developed a Human Rights Risk Management Framework (Figure 5).

The framework and supporting procedures and guidelines were developed during the reporting period and will be piloted, improved and implemented during the 2026 reporting period.

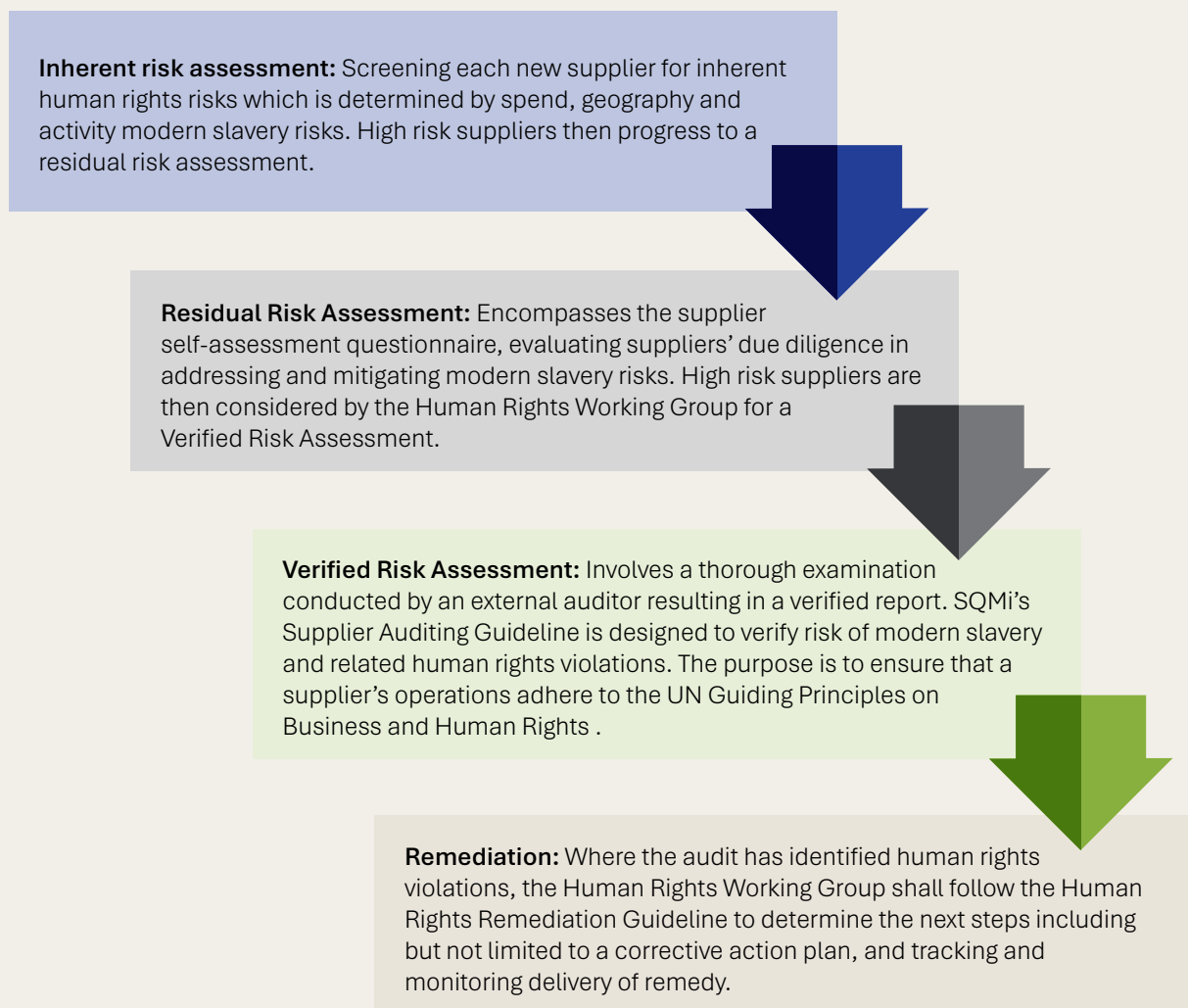


Figure 5: Human Rights Risk Management Framework

Actions Taken to Mitigate Modern Slavery Risks

Risk Mitigation - Workforce

Key human rights risk mitigation associated with our workforce included:

- Compliance with labour laws and working conditions in China, Canada and Australia;
- Psychosocial training for management and senior leadership;
- Celebrating and raising awareness of diversity and inclusion (International Women's Day, Chilean Day, National Reconciliation Week, and NAIDOC Week);
- Cultural awareness training by First Nations Peoples, Tjiwarl and Marlinyu Ghoorlie representatives;
- Health and safety audits;
- Health and safety training; and
- Development of the Bullying, Discrimination, Harassment and Sexual Harassment Procedure.

Australia

As at 31 December 2025, 83.6 percent of our workforce was located in Australia, where our activities are conducted within a robust legal and institutional framework that provides strong protection against modern slavery, forced labour, child labour and workplace exploitation. Australia is widely recognised as a Tier 1, low risk country due to comprehensive labour legislation, effective enforcement, and alignment with international human rights standards.

Fair Work Act 2009 (Cwth)

The Fair Work Act 2009 (Cwth) is the cornerstone of Australia's workplace relations system and applies to Australian-based workers. Its purpose is to provide fairness, protection, and enforceable minimum standards

in employment. The enforceable minimum standards include:

- National Employment Standards (NES) setting minimum entitlements for working hours, leave, parental leave, notice of termination, and redundancy payment;
- National Minimum Wage (reviewed annually by the Fair Work Commission) ensuring wages support a basic standard of living and industry specific modern awards establish minimum pay rates, penalties and allowances where collective bargaining is absent;
- General protections preventing discrimination, coercion, adverse action, or retaliation for exercising workplace rights; and
- Access to independent regulators and courts for enforcement and remedies.

These protections are consistent with Australia's obligations under the International Covenant on Economic, Social and Cultural Rights (ICESCR) and core International Labour Organisation (ILO) conventions.

Australian workers have legal protection to:

- Join or not join unions;
- Participate in collective bargaining; and
- Engage in lawful industrial activities.

This freedom strengthens worker agency and reduces exploitation risk.

Our People function plays a central role in complying with the Act, by ensuring that:

- All workers are engaged under written employment contracts;
- Contracts clearly specify pay rates, working hours, leave entitlements and termination conditions;

- No recruitment fees, deposits or coercive conditions are imposed;
- Mandatory right to work checks to confirm that employees are lawfully entitled to work in Australia, reducing the risk of irregular or undocumented labour, an important vulnerability factor for exploitation;
- Align pay rates with the national minimum wage or applicable awards;
- Apply penalty rates, allowances and overtime correctly;
- Maintain auditable payroll records;
- Ensure access to paid and unpaid leave entitlements; and
- Supports confidential avenues for workers to:
 - Raise concerns about pay, treatment, harassment, or safety; and
 - Make complaints without fear of retaliation.

Anti-Discrimination and Anti-Exploitation Measures

Australian law prohibits workplace discrimination based on race, gender, age, disability, pregnancy, family responsibilities, religion, sexual orientation, and other protected attributes. In January 2025, intentional wage theft became a criminal offence in Australia, significantly strengthening protections against labour exploitation.

During the reporting period, SQM Australia developed and implemented a Bullying, Discrimination, Harassment and Sexual Harassment Procedure which included:

- What is considered unacceptable workplace conduct;
- Speaking up and resolving issues formally and informally; and
- Consequences of non-compliance.

Actions Taken to Mitigate Modern Slavery Risks *continued*

A whistleblower procedure and channel is also available to our workforce for reporting bullying, discrimination and harassment.

Work Health and Safety Act 2020 (WA)

Under work health and safety (WHS) legislation in Australia, all Australian employers are required to proactively manage risks to physical and psychological health so far as reasonably practicable including:

- Safe systems of work;
- Consultation with workers;
- Training and awareness; and
- Protection from bullying and harassment.

These laws are rigorously enforced by independent regulators, supporting the fundamental human right to safe and healthy work.

In Western Australia, workers are protected under the *Work Health and Safety Act 2020 (WA)*³, which places the onus on SQM Australia to ensure, so far as is practicable, the health and safety of workers in its workplace. SQM Australia is implementing a Safety Management System (aligned with ISO 45001), which is based on a cycle of continual improvement.

Company executives and site managers carry direct legal responsibility for workplace safety in Australia. Enforcement mechanisms include inspections, penalties and operational sanctions.

During the reporting period, health and safety training was undertaken by all workers including:

- Attending monthly WHS meetings;
- Online training on various modules of the Safety Management System;
- Small-group training on myOSH software;
- Fatigue management training;
- Psychosocial training for management and the senior leadership team;
- Raising awareness of mental health on key days such as 'R U Ok Day' and participation in the Push Up Challenge; and
- Overview of Employee Assistance Program (EAP) services.

China

As at 31 December 2025, 12.7 percent of our workforce was located in China where our activities are conducted within a comprehensive national legal framework governing employment, labour protection, occupational health and safety, and the prohibition of forced and child labour. China has established extensive labour legislation that applies to all employers operating within its territory, including foreign invested enterprises. China is generally categorised as a medium-risk jurisdiction for modern slavery compared to Australia and Chile due to enforcement variability, regional differences, and internationally recognised concerns regarding forced labour in some sectors and regions. As a result, strong internal controls and oversight have been implemented by SQM Australia for activities conducted in China.

Labour Law and Labour Contract Law

Employment relationships in China are primarily governed by the Labour Law of the People's Republic of China (PRC) and the Labour Contract Law of the PRC which, together, establish enforceable minimum standards for employment and worker protection.

Key requirements include:

- Mandatory written labour contracts, which must be executed within one month of commencement of employment. Failure to do so exposes employers to penalties, including payment of double wages and conversion to open ended contracts;
- Clear specification of:
 - Job duties and work location;
 - Working hours and rest periods;
 - Remuneration and payment cycles;
 - Social insurance participation; and
 - Occupational health and safety protections.
- Statutory limits on working hours and overtime, and mandatory premium pay for overtime and public holidays; and
- Minimum wage requirements, set at provincial and municipal level and regularly updated.

These laws provide workers with legal certainty and transparency in employment terms, reducing vulnerability to exploitation when properly implemented and enforced.

³ All workers are protected by the Act including employees, contractors, subcontractors, apprentices and trainees, work experience students, volunteers and service providers.

Prohibition of Forced Labour and Child Labour

Chinese law explicitly prohibits forced labour and child labour:

- The minimum legal working age is 16 years;
- The Provisions on the Prohibition of Child Labour strictly prohibit the recruitment of minors under 16, require age verification during hiring, and impose penalties for non-compliance; and
- Juvenile workers (aged 16–18) are subject to additional protections, including prohibitions on hazardous work, night work, and excessive overtime.

China has ratified core ILO conventions on forced labour and child labour and these commitments are reflected in domestic legislation.

Freedom of Association and Worker Representation

Workers in China have the right to organise and participate in trade unions under national law. Trade unions operate within a state regulated framework and play a role in representing workers' interests, promoting workplace safety and facilitating labour dispute resolution. While the system differs from systems in Australia and Chile, the union representation provides a formal mechanism for worker engagement and grievance resolution.

Occupational Health and Safety Framework

Occupational health and safety in China is governed by the Work Safety Law of the PRC, alongside the Labour Law and the Occupational Disease Prevention Law. These laws require employers to proactively manage risks to worker health and safety, including:

- Establishing safe systems of work and risk management controls;

- Implementing oversight of critical risk activities;
- Providing safety training and personal protective equipment;
- Identifying and controlling occupational hazards, including psychosocial and exposure risks;
- Reporting, investigating, and remediating workplace incidents; and
- Implementing emergency response and accident management plans.

Company executives and site managers carry direct legal responsibility for workplace safety in China and enforcement mechanisms include inspections, penalties and operational sanctions.

Internal Employment Practices and Controls

Within our China operations, Human Resources and management functions play a central role in mitigating labour related human rights risks by:

- Ensuring all employees are engaged under compliant written labour contracts;
- Verifying worker identity and legal eligibility to work, including age verification;
- Ensuring wages, overtime and benefits are paid in accordance with applicable local regulations;
- Enrolling employees in mandatory social insurance and housing fund schemes;
- Maintaining accurate, auditable employment and payroll records;
- Providing access to internal grievance and complaint mechanisms; and
- Communicating company expectations on ethical conduct, respectful workplaces, and compliance with labour laws.

These measures are designed to reduce exposure to forced labour, wage exploitation, excessive working hours and unsafe working conditions.

New jurisdictions

In December 2025, SQM Australia established an office in Toronto, Canada. During 2026, our governance and compliance processes will be strengthened to ensure that our employment practices in Canada fully align with Canadian labour protections and international human rights standards.

Canada maintains a comprehensive and regularly updated federal labour framework through the Canada Labour Code, which governs workplace standards, industrial relations and occupational health and safety for federally regulated sectors. The Labour Code's breadth, clarity, and ongoing amendments reflect Canada's strong regulatory approach to worker protection.

Canada also actively participates in the ILO and other global labour forums, including the OECD and United Nations labour-related bodies. This engagement underscores Canada's commitment to promoting social justice and internationally recognised human and labour rights.

As an ILO member state, Canada is bound to uphold the principles of the ILO Declaration on Fundamental Principles and Rights at Work, including freedom of association, elimination of forced and child labour and non-discrimination in employment. These principles inform domestic labour legislation and align closely with SQM Australia's human-rights commitments.

Actions Taken to Mitigate Modern Slavery Risks *continued*

While Canada has ratified 30 of the 185 ILO conventions, including five of the seven core conventions, its domestic labour protections already reflect the key values embedded in these international standards. This strong regulatory foundation supports SQM Australia's effort to ensure that all employment in Canada is undertaken in a manner consistent with our approach to human rights within our business and across our supply chain.

Risk Mitigation - Supply Chain and Joint Ventures

During the reporting period, SQM Australia progressed its approach to human rights risk mitigation across its supply chain and joint ventures, including:

- Strengthened governance structures including formation of an ESG Committee and Human Rights Working Group and formalising our commitments in a Human Rights Policy;
- Inclusion of human rights, ethical and responsible business, and labour clauses in contracts;
- Developed a human rights risk management framework and associated procedures and forms;
- Trialled our Supplier Assessment Questionnaire (SAQ) on an inherent high-risk supplier; and
- Developed an External Stakeholder Grievance Mechanism.

Remediation

SQM Australia is committed to supporting fair and effective remedy, centred on affected rightsholders in circumstances where it may have caused, contributed to, or is directly linked to an adverse human rights impact, including modern slavery related harm,

SQM Australia has established a Human Rights Remediation Guideline (Guideline) as part of its Human Rights Risk Management Framework. This Guideline sets out a structured, rights-based process for responding to confirmed or alleged human rights violations identified through grievance mechanisms, supplier audits, whistleblower reports, media reports or internal due diligence activities.

Remediation actions are overseen by SQM Australia's Human Rights Working Group including triage and prioritisation, investigations and engagement with affected rights holders and delivery of suitable remediation measures.

Termination of business relationships is not the default response to identified human rights impacts where remediation is possible. SQM Australia prioritises working with suppliers and partners to achieve effective outcomes for affected workers, and disengagement is considered only where severe harm persists, good faith remediation fails or continued engagement risks further harm.

The delivery and effectiveness of remediation actions will be tracked and verified, including confirmation with affected parties where appropriate.

While the Guideline has not yet been applied to a confirmed case of modern slavery, SQM Australia has established clear processes and governance structures to enable an effective response. This approach is aligned with the UN Guiding Principles on Business and Human Rights and is designed to prioritise the rights and wellbeing of affected individuals.

Training

SQM Australia has undertaken training and awareness activities on modern slavery for employees, focusing on:

- Risk indicators;
- Responsible sourcing and procurement;
- Risk mitigation; and
- Reporting and escalation pathways.

Targeted training was delivered during the reporting period by a third-party consultant to members of the leadership team with potential exposure to modern slavery risk.

Outcomes of the modern slavery audits, supply chain risk assessment, Modern Slavery Act requirements and an overview of the United Nations Guiding Principles on Human Rights and Responsible Business was presented to the ESG Committee.

An online modern slavery training module was developed and training for the broader business was initiated during the reporting period.

Online ethical and responsible business training was provided to employees. The participation rate exceeded our target of >95 percent (of total employees) completion.

Consultation Process

This Modern Slavery Statement was prepared in consultation with SQM Australia's owned or controlled entities, in accordance with the requirements of the Australian Modern Slavery Act 2018 (Cth). This included engagement with relevant representatives from Covalent, the operator of the Mt Holland Lithium Project, a joint venture in which SQM Australia holds a 50 percent interest. Consultation involved seeking input from legal and procurement representatives on modern slavery risk assessments, training coverage, third party audit outcomes, grievance mechanisms and remediation processes. Feedback from this process has been incorporated into this Statement and has informed the development of the associated action roadmap.

SQM Australia holds a 30 percent interest in the Lithium Ridge Project in Namibia, in partnership with Andrada Mining Limited. Engagement with Andrada included discussion of the status of its human rights' due diligence framework as part of ESG and approval processes. Through this engagement, SQM Australia shared information and resources to support the development of human rights risk mitigation approaches.

Our Grievance Mechanisms

SQM Australia is committed to ensuring grievance mechanism (Figure 6) are accessible, confidential and safe to use.

During the next reporting period SQM plan to enhance accessibility by:

- Making mechanisms available via the SQM Australia website; and
- Increase awareness through targeted communication and training.

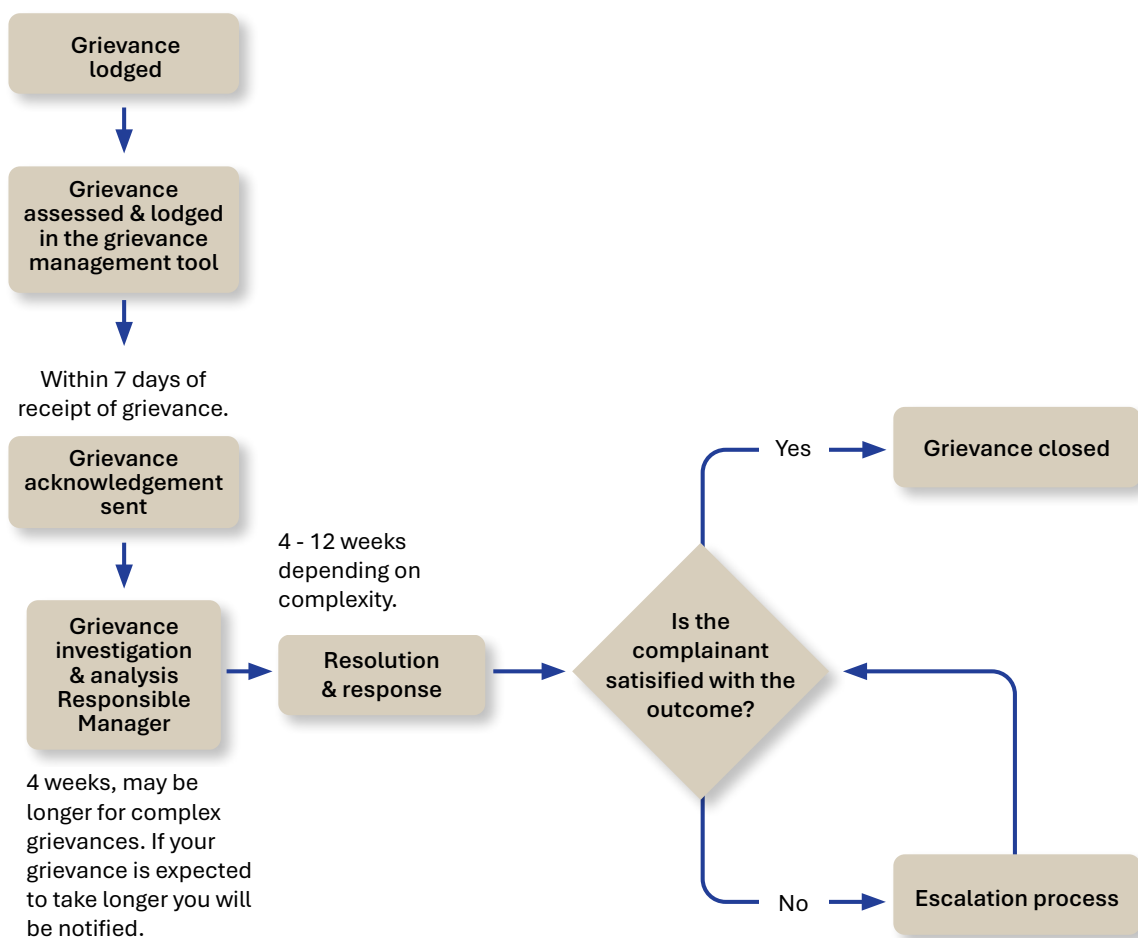


Figure 6: SQM Australia Grievance Process

Assessing the Effectiveness of our Actions

SQM Australia recognises that the effectiveness of modern slavery risk management depends not only on the existence of policies and procedures, but on how well they operate in practice and contribute to improved outcomes for workers and rightsholders.

During the reporting period, SQM Australia focused on establishing baseline capability and governance foundations, with effectiveness assessed through a combination of independent review, system development milestones and early performance indicators.

To assess the effectiveness of our approach, SQM Australia engaged an independent human rights specialist to conduct an audit. The findings of this review informed a detailed action roadmap, enabling SQM Australia to identify strengths, prioritise gaps and sequence actions based on risk severity and maturity.

Effectiveness indicators and performance monitoring

Effectiveness is assessed using both process-based and outcome-based indicators, which are reviewed by the Human Rights Working Group and escalated to the ESG Committee where required. During the reporting period, effectiveness indicators included:

- Establishment of a structured Human Rights Risk Management Framework and supporting procedures (including supplier screening, audits and remediation);
- Completion of a modern slavery risk assessment covering SQM Australia and its operational JV entity's supply chain;

- Integration of human rights and ethical requirements into procurement and contracting processes;
- Completion of targeted modern slavery and responsible business training for leadership and relevant personnel; and
- Establishment of external grievance and Whistleblower channels, with development of an internal grievance mechanism underway, to be implemented in 2026.

These indicators provide an evidence-based foundation for measuring progress over time and identifying areas requiring further attention. These will inform our 2026 targets and associated initiatives.

A third-party human rights specialist was engaged to conduct an audit of SQM Australia and Covalent under the following categories:

- Human rights governance;
- Procurement: Risk analysis and policies;
- Procurement: Supplier engagement and responsible practices;
- Operational stakeholder engagement; and
- External stakeholders, industry peers and customers.

The outcomes of the audit provided a detailed action roadmap with some immediate actions.

Table 3: Immediate actions identified from the audit

Immediate actions	Status
Board engagement and governance structures (policies)	✓
Supplier risk mapping as a continuous process and engagement frameworks	✓
Organisation-wide human rights training*	In progress
Grievance mechanisms	In progress
Assessment of Covalent supply chain risks	✓
Develop a road map to strengthen human rights framework	✓

* Ethical business training was completed in 2025 with >95% participation but human rights training is in progress

A summary of the third-party audit outcomes for Covalent is below:

- **Governance:** Covalent has integrated a Modern Slavery and Ethical Procurement Policy into its governance framework. Policies are reviewed annually; breaches may trigger audits or corrective actions. Covalent posts its Modern Slavery & Ethical Procurement Policy, Supplier Code of Conduct, and Whistleblower Reporting Process on its website at www.covalentlithium.com/suppliers.
- **Procurement and risk management:** Supplier onboarding requires acknowledgement of Covalent's Modern Slavery and Ethical Procurement Policy, with termination rights for breaches. Suppliers must meet standards for health, safety, and sustainability. Covalent's procurement of goods and services are managed via bespoke Covalent Contracts which incorporate health and safety requirements. All Covalent's international freight forwarding is managed by Australian companies. All in-country logistics is managed by Australian companies operating under Australia's Fair Work Legislation. Supplier-related issues and concerns identified by internal stakeholders can be escalated through the Supply Chain Team.
- **Operational practices:** Suppliers are expected to avoid practices associated with insecure or exploitative arrangements. All Covalent's labour hire is managed via Australian companies operating under Australia's Fair Work legislation. Compliance with local wage and labour laws is mandatory. Whistleblower protections are

provided through an external channel, ensuring anonymity and protection.

SQM Australia engaged Covalent throughout the risk assessment and audit process, and shared all materials provided by the third-party consultant to support a process of continual improvement.

Grievance Mechanisms and Remediation Outcomes

The effectiveness of SQM Australia's approach is assessed through the operation of grievance mechanisms and remediation processes. All human rights related grievances and allegations are logged, assessed, and tracked in accordance with SQM Australia's Grievance Mechanism Procedure and Human Rights Remediation Guideline.

During the reporting period, no substantiated cases of modern slavery were identified within SQM Australia's direct workforce. Where labour or workplace concerns were raised, these were addressed through established human resources, health and safety, or contractor management processes, with outcomes monitored to closure. The absence of identified modern slavery cases is not considered a definitive indicator of low-risk; instead, it reinforces the importance of strengthening detection, accessibility of grievance channels, and worker awareness in future periods.

Learning and Continuous Improvement

Effectiveness assessments at SQM Australia are designed to support continuous improvement, consistent with the UN Guiding Principles on Business and Human Rights. Lessons learned from risk assessments, audits, grievances and remediation activities are systematically fed back into:

- Supplier risk profiling and prioritisation;
- Procurement standards and contractual requirements;
- Training content and delivery;
- Audit scope and methodology; and
- Governance and escalation processes.

Assessing the Effectiveness of our Actions *continued*

Future Focus

Over the next reporting period, SQM Australia will enhance its assessment of effectiveness by increasing the use of quantitative outcome indicators. These metrics will enable SQM Australia to demonstrate not only that systems are in place, but that they are functioning as intended and contributing to the prevention and mitigation of modern slavery risks over time.

SQM Australia recognises that addressing modern slavery risks is an on-going process of continual improvement. Over the next reporting period, 1 January - 31 December 2026, SQM Australia commits to:

- Expand our human rights training coverage to employees;
- Make our external grievance mechanisms more accessible via our new webpage;
- Embed our human rights risk management framework into existing business systems;
- Continue to implement our action roadmap; and
- Conduct a lessons' learned workshop to identify gaps and continually improve our systems and processes.

Table 4: 2026 Modern Slavery KPI's

2026 KPIs	Evidence
>90% employee participation in training	Training records
High inherent risk suppliers complete the SAQ	SAQ completion dates, audit reports uploaded, risk ratings updated post assessment
External grievance mechanism made available on SQMi website	Presence on website
Request for provision of Maritime Labour Certificates (MLC) from all engaged international shipping suppliers (transporting SQM Australia products)	Supplier declarations.
Lessons learned and process improvements logged for inherent risk process, residual risk process, and verified risk process by the Human Rights working group	Lessons learned documented



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