



## SQM's commitment

"Over the last few years, Sociedad Química y Minera de Chile S.A. and its subsidiaries (SQM or the Company) have seen their business expand considerably. Maintaining a firm commitment to excellence and quality in all Company activities is a cornerstone of SQM's strategy for future growth.

Ensuring excellence in the administration of the Company includes the obligation of each SQM Director, Executive, Employee, Customer, and Supplier to conduct their activities in an ethical and loyal way.

This code seeks to provide guidelines for understanding and adopting SQM's Business Conduct. Indeed, it is one of the foundations on which we want to build the future of the Company.

Ethical conduct is an obligation. Compliance with that obligation will lead to a reputation for integrity and responsibility, and that will lead to improvements in our financial results. It will also strengthen one of SQM's most important assets: its customers, and the trust they place on SQM.

**" At SQM, we are all obliged to comply with this Code of Business Conduct"**

**Patricio Contesse G.**  
Chief Executive Officer

## Code of Ethics

SQM is committed to complying with the applicable laws and regulations of all countries in which the Company has operations or business activities. SQM understands that customs and traditions may vary from country to country, but this cannot ever weaken the Company's resolve to act in accordance with the highest standards of integrity and honesty.

Integrity and ethical behavior have always been key components of the way SQM acts in business. Conducting its affairs under a high sense of integrity is crucial for maintaining the trust and credibility of Shareholders, Directors, Executives, Employees, Customers, Suppliers, Governmental Agencies, Oversight Entities, Communities, Stakeholders, and other persons, institutions or organizations who deal with the Company.

All SQM Directors, Executives, and Employees must:

Foster and maintain an environment of transparency in the tasks that pertain to their work positions and level of responsibility.

Base their work and administrative relationships on a foundation of integrity and ethics.

Expect and demand that all SQM Directors, Executives, and Employees carry out their activities in an upright manner.

Foster compliance with all applicable laws and regulations.

Work with dedication; strive for perfection, uprightness, and honesty; and adopt SQM's values and policies.

Our Company will not tolerate any acts that are at odds with our ethical standards and which may also jeopardize the interests of our Shareholders, Customers, Employees, other Stakeholders, or the community in general.

This Code of Business Conduct sets out policies, guidelines, and principles that must orient our conduct. We, the Executives and Employees of SQM, jointly with the Directors, are obliged to act in accordance with the terms of this Code.

## Business Conduct Policy

SQM's high standard of Business Conduct entails complying with certain principles concerning the Company's relationship to Shareholders, Directors, Executives, Employees, Customers, Suppliers, Governmental Agencies, Oversight Entities, Communities, Stakeholders and other persons, institutions or organizations who deal with the Company, as follows:





## 1. Shareholders

SQM is committed to delivering reasonable financial returns and to act for the benefit of its shareholders in accordance with the guidelines established by the Shareholders Meetings and the Board of Directors.

## 2. Customers

SQM intends to meet its customers' needs through the provision of products and services that are in keeping with the agreed quality and terms.

SQM seeks to develop a fair and long-term relationship with its customers..

## 3. Suppliers

SQM seeks to develop a fair and long-term relationship with its suppliers and contractors.

Purchasing decisions and the awarding of SQM contracts are based on factors such as price, quality, delivery dates, service, and market conditions.

## 4. Employees

SQM is committed to giving its employees fair treatment, and to offer a workplace that meets the health and safety standards currently in effect.

Decisions on hiring are made on the basis of skills, education, and experience. Decisions on evaluating and promoting employees are taken on the basis of performance and fulfillment of their work objectives.

SQM is against discrimination for reasons of gender, race, religion, political affiliation or marital status.

Subject to applicable legal obligations, SQM will treat as confidential all the personal information and data concerning employees obtained during the normal course of the professional relationship.

SQM aims to maintain and increase its competitive advantages. To that end, it will hire the best-qualified people, and will also provide them with opportunities for training and professional development.

## 5. Community

SQM, as a legal entity, undertakes to be a responsible citizen in all the regions where it operates. To that end, it will maintain high ethical standards and will comply with all applicable laws, standards, and regulations in Chile and abroad.

SQM also undertakes to protect the environment where its operations are located, through adequate Environmental Management, compliance with current environmental regulations and the commitments set forth in the projects already submitted to the Environmental Impact Assessment System.

SQM seeks to contribute to the improvement of the quality of life of inhabitants in the regions in which it operates. Its social efforts are focused on the First and Second Regions of Chile.

## Policy on Preventing and Solving Conflicts of Interest

SQM Directors, Executives, and Employees must avoid any real or apparent conflict between their personal interests and the interests of the Company.

Generally speaking, a conflict of interest will exist when a SQM Director, Executive, or Employee, or a member of his family, receives improper personal benefits, or carries out acts that may interfere with the objectives and/or performance of Company activities.

SQM Directors, Executives, and Employees must refrain from performing activities aimed at obtaining personal gain through the use of SQM assets or their position within the Company. Similarly they must abstain from competing with the Company or jeopardizing its operations.

SQM Executives and Employees may not, either directly or indirectly, work for, or be consultants to, competitors, contractors, suppliers or customers of SQM, nor can they compete with SQM either directly or indirectly. Any investments held by SQM Executives and/or Employees in the companies of competitors, contractors, suppliers or customers of SQM, must be reported to the Ethics Committee for their evaluation and the subsequent solution of the possible conflict of interest.





SQM Executives and Employees must inform their direct superiors and SQM's Organizational Development Department about any relatives (parents, children, spouse, siblings, father/mother/brother/sister in-law) who work for, or are consultants to, competitors, contractors, suppliers or customers of SQM. Perhaps such activities involve no real conflict of interest. Nevertheless, each situation must be reported and examined individually to make sure that no conflict exists or will exist in the future. However, in some cases, it may be necessary for some work duties to be reassigned, in order to avoid any conflict of interest.

Any potential conflict of interest must be reported to the corresponding direct superior for his/her consideration, and said superior must, in turn, notify and describe the situation to SQM's Organizational Development Department for analysis and resolution.

## Policies on Managing and Using Information

### 1. Generation of information

Most SQM Executives and Employees must sometimes prepare certain types of reports (expenses, production, sales, inventories, quality control, environment and others). Those Executives and Employees, although not necessarily familiar with accounting or management principles, are bound to take the necessary measures to make sure that all reports issued, whether internal - those used by SQM - or external - those used by authorities and third parties - and which concern their work activities, are based on factual information, and are reliable and complete. Contravening the above principles - whether in whole or in part - prevents SQM from taking adequate decisions, undermines trust, causes delays, and goes against the Company's interests and the interests of its Shareholders, Directors, Executives, and Employees, and may also be illegal.

### 2. Record keeping

There are specific requirements - according to each kind of operation or business - as to which information must be kept and for how long. It is important to be aware of the Company's policies and regulations in this respect, since ignorance of said policies and regulations may have legal or tax effects that may adversely affect SQM.

### 3. Property of the information

Any information or knowledge generated in the course of work activities belongs to the Company.

Messages (voice mail), e-mail messages, and any other information stored or transmitted by cell phones, computers, and other digital devices belonging to SQM are considered to be the exclusive property of the Company - regardless of who may be using those devices - and, therefore, they may not be considered private. Unless prohibited by law, the Company reserves the right to access - and to use and disclose - this information if necessary.

### 4. Confidentiality of information

The information generated in, or obtained by the Company is an asset of outstanding value. The protection of this information is critical in order to maintain growth and the capacity to compete. Especially valuable and sensitive information is that related to:

- Information about the market and businesses
- research
- strategies and objectives
- prices
- processes and formulae
- compensation and benefits
- software
- list of employees, customers and suppliers
- mining rights, water rights, environmental rights, litigation, contracts, and contingencies.

SQM Directors, Executives, and Employees having access to such confidential information are bound to keep it confidential and avoid non-authorized access to it, in whole or in part. In fact, during the course of their work or employment, and even after the termination of said SQM work or employment, and under all circumstances, SQM Directors, Executives, and Employees must remember that:

- They may not disclose this type of information outside the Company. In this respect, employees shall be especially careful when talking about the Company's businesses in such public places as restaurants, airplanes, on the street, etc.





- They may not use said information for personal benefit or for the benefit of their direct or indirect relatives or relations.
- They may not transmit said information to other SQM Executives or Employees, unless this is strictly necessary for carrying out their work duties. SQM upper management must authorize the delivery of such information to third parties.

## 5. Use of privileged information

Any SQM Directors, Executives, or Employees who, because of their work functions or position, activities, or contacts, acquire SQM privileged information, must keep said information in strict confidence, even if he/she has terminated their employment with the Company, and may not use it for personal benefit, or for the benefit of third parties, nor buy for himself/herself, directly or indirectly, the assets or securities associated with the privileged information. Similarly, he/she is forbidden from using that information to obtain benefits or to avoid losses by means of any type of operation involving said assets or securities, or other investment instruments whose financial returns are determined by said assets or securities.

Similarly, employees shall abstain from communicating that information to third parties or from recommending the acquisition or sale of said securities, and shall also make sure that the same prohibition applies to their subordinates or trusted third parties.

It is understood that privileged information is the reserved information referred to in the laws as well as any information related to SQM, its businesses or one or more of the securities issued by the Company, which not publicly disclosed, or that knowledge which -due to its nature- may affect the trading of said securities. Privileged information shall also mean that information related to purchasing and selling operations to be carried out by institutional investors in the stock market.

## 6. Compliance with internal controls

SQM must comply with pertinent laws and regulations – and also with its own internal codes of conduct. To this end, it establishes policies and procedures on internal control for several areas within the organization – accounting, inventories, assets, cash flows, quality, safety, health, operating activities, etc.

SQM Executives and Employees must apply, maintain, and be subject to, these internal controls. They must collaborate with any process of verification undertaken in the framework of said controls.

The Internal Audit at SQM has a number of auditors who are specially trained to have unrestricted access to all Company information, business units, personnel, and records. The Internal Audit is authorized, in particular, to investigate any non-compliance (or possible non-compliance) with this Code.

## 7. Reporting business irregularities

SQM has established a mechanism for the reporting of irregularities by means of internal messages and telephone lines, so that any Director, Executive, or Employee may report irregularities, or request information about any concerns he/she may have regarding compliance with laws, regulations, standards, or internal procedures.

SQM will maintain and ensure strict confidentiality about the identity of anyone reporting such irregularities.

SQM Internal Auditors and SQM top Management will be responsible for investigating all reports concerning possible infringement of laws, regulations, standards, internal procedures, business conduct, and other terms of this Code.

# Rules on Ethics and Compliance Conduct (Law 20,393)

## 1. Introduction

This document contains “SQM Rules on Ethical and Compliance Conduct” of Sociedad Química y Minera de Chile S.A. and of its subsidiaries in Chile (SQM or the Company). These Rules apply to SQM Directors, principal Executives, Managers, Employees, and Service Providers receiving fees for professional services.





## 2. Legal Framework in Chile

On 2 December 2009, Law N° 20.393 was published in the Official Gazette. This Law “Establishes the criminal liability of Legal Entities for the following offenses: Money Laundering, Financing of Terrorism, and Bribery” when committed directly and immediately by, and for the benefit of, said legal person or for the benefit of its owners, controllers, administrators, representatives, or of any other persons carrying out management or supervisory activities, or who are under the direct supervision or orders of said persons.

SQM is therefore obliged to design and implement an organizational, administrative, and supervisory model that is adequate for preventing, correcting, and sanctioning the occurrence of said offenses (Money Laundering, Financing of Terrorism, and Bribery).

SQM is committed to complying with applicable laws, regulations, standards, and statutes, and has therefore implemented such a model - called “SQM Rules on Ethical and Compliance Conduct” (Code of Ethics, or Code of Business Conduct) - which will be overseen by SQM’s Ethics Committee and controlled by the Internal Auditing Department. Said Committee and Internal Auditing Department will be responsible for the implementation of the Code of Business Conduct, with a view to preventing the commission of the above offenses, through the creation and implementation of various plans, programs, or procedures, and the application of the corresponding penalties or corrective measures in regard of non-compliance with the Code of Business Conduct. They shall also report these matters to SQM’s Board of Directors.

## 3. Offenses Prevention Model – Ethics Rules

Law N° 20.393 states that Codes of Business Conduct must include the following aspects (as a minimum):

- Appointment of a person responsible for prevention.
- Definition of means and faculties of the prevention officer.
- Establishment of an offenses prevention system.
- Supervision and certification of the offenses prevention system.

## 4. Ethics Committee

SQM has created an Ethics Committee, whose members are: The Chief Executive Officer, the Assistant CEO, the Company General Counsel, and the Head of the Internal Audit. The Committee will oversee compliance with the Code of Business Conduct.

Said Committee will also design the preventive plans to be applied, and will determine the penalties and corrective measures to be applied in cases of non-compliance. The Ethics Committee will ensure that SQM undertakes the corresponding legal and criminal proceedings against any person who contravenes the terms of the Code of Business Conduct, or who commits any of the acts covered by Law N° 20,393. In such cases, the Committee will report the facts to the Public Prosecutor’s office.

## 5. Prevention Officer

The Company’s Head of Internal Audit will be the person responsible for prevention. He will be responsible for controlling the implementation of preventive plans, detecting the occurrence of violations of the Code of Conduct, investigating them, and reporting the results of said investigation to the Ethics Committee and the Board of Directors.

## 6. Code of Business Conduct, and Policies

The Ethics Rules include, among others, the Code of Conduct (Code) and the corporate policies that may be necessary for making explicit, applying, and ensuring compliance with the Code of Conduct (Policies). SQM has modified, and will continue to modify the Code.





The Code includes the following components:

- The Code of Business Conduct itself.
- The Policy on Standards of Business Conduct.
- The Policy on Prevention and Sanctioning of Money Laundering, the Financing of Terrorism, and Bribery.
- The Policy on Prevention and Solution of Conflicts of interest.
- The Policy on the Use of SQM Assets.
- The Policy on Gifts, Entertainment, and Invitations.
- The Policy on Donations, Contributions, and Commercial Promotions.
- The Policy on Prevention of Activities Related to Illegal Drugs.
- The Policy on Non-Discrimination and Respect for Human Dignity.
- The Policy on Open Communication.
- The Policy on Reporting Irregularities.
- The Policy on Managing and Using Information.

## 7. System of denounces

SQM has set up the following channels to receive reports on non-compliance with the Code of Conduct:

- E-mail
  - [auditoria@sqm.com](mailto:auditoria@sqm.com)
  - [whistleblower@sqm.com](mailto:whistleblower@sqm.com)
- Regular mail

The report may be delivered by means of a confidential letter addressed to: (Gerencia de Auditoría Interna SQM, Los Militares Street N°4290, 10th Floor, Las Condes, Santiago, Chile).

- Telephone number for reporting irregularities (Voice mail): (+56) (2) 425 2346 ó (55) 412346
- Standard Form for making the Report: This form is available through the corporate Website [www.sqm.com](http://www.sqm.com) (choose the English language version by means of the flag in the top right-hand corner, (Investor relations- Corporate Governance – Whistleblower form).

## 8. Obligation to Report

Natural or legal persons associated with SQM must immediately advise the Company about any factual or suspected irregular events, acts, transactions, or operations involving any violation of the Company's Code of Conduct that they may detect during the course of their work activities.

## 9. Sanctions

Failure to comply fully and in a timely manner with the terms of this Code of Conduct will lead to the application of the corresponding sanctions. Said sanctions shall be applied by SQM – verbal reprimand, written reprimand, cash fine, suspension from work without pay, termination of work contract, and initiation of civil and/or criminal proceedings – and also by the Public Prosecutor's office and any other pertinent authorities or agencies, as a result of SQM reporting the facts or initiating legal proceedings.

The Company will collaborate fully with the administrative or judicial authorities to investigate and sanction the corresponding offenses.





## 10. Doing Business with Natural or Legal Persons Convicted of Offenses

SQM will seek to avoid entering into commercial or other types of relations or contracts with, or undertaking obligations towards, persons who have been sanctioned for committing offenses covered by Law N° 20,393 or for other acts similar to those forbidden by the Code of Conduct. Additionally, SQM will undertake whatever investigations it may see fit concerning the commercial or personal situation of any third parties who may have committed such offenses or types of conduct, and will act in accordance with the results of said investigation.

## 11. Offenses punished by Law N° 20.393

Law N° 20,393 establishes the Criminal Liability of Legal Persons for committing offenses covered by the following laws or statutes:

- Article 27 of Law N° 19,913 (Money Laundering)
  - Law N° 19,366 (Drug Trafficking)
  - Law N° 18,314 (Terrorism)
  - Law N° 17,798 (Weapons Control)
  - Law N° 18,045 (Stocks & Securities)
  - DFL N°3 of 1997 (General Law on Banks)
  - Penal Code (Paragraphs 4, 5, 6, 9, and 9 bis of Title V, On Offenses Committed by Public Employees).
- Article 8 of Law N° 18,314 (Terrorism)
- Articles 250 and 251 bis of the Penal Code (Bribery).

