



**Solutions  
for human  
progress**

# **SQM CODE OF ETHICS**

[www.sqm.com](http://www.sqm.com)



# **SQM CODE OF ETHICS**





# OPENING LETTER FROM THE CEO

**To all our employees, executives and board members,**

We are a global company where everyone is committed to excellent work. Our activities focus on the extraction of minerals for industries essential for human progress. We seek to be a company recognized for its competitiveness, excellence and innovation, within a framework of the highest standards of integrity, which cannot be compromised and are above any business decision.

Our Code of Ethics is an essential document for SQM. It sets the standards that we must follow when conducting business all over the world. By following our Code, we ensure that we are performing our work the right way with the right people and in a way that we can be proud of, creating value for our people, communities, business partners and shareholders.

Our Code is supported by a set of related policies, procedures and financial controls, which together are a significant part of our Ethics and Compliance Program. This program is more than a priority, but a foundation of our company and thus non-negotiable. Our Code and our program apply to everyone equally; our senior executives, board members, managers, full-time and parttime employees. It doesn't matter if you are at headquarters, at a mining site or overseas, or if we have been at the company for many years or if it is your first day at SQM, we all follow the same set of rules.

I want to thank all of you for all the support that you have provided to the implementation of our global Ethics and Compliance Program. I have seen a lot of commitment and good cooperation. I can tell you that we have accomplished a high standard program, which was done with a lot of dedication, tailor-made for our company, our risks and our business. I want to ask all of you to keep supporting it as it is already part of our culture. Have no doubts that I have personally given all my support, and I will continue to do so as CEO.

Always remember that if we aren't sure of the right action to take to be fully in line with our Code and the law, we must ask before acting. We can speak to our senior managers, the **Ethics and Compliance Department** or use the website or hotline to ask for guidance. Additionally, if we become aware of a situation that may violate our Code, we have a duty to report it.

Always remember our main corporate values, as building a culture of strong Safety, Integrity and Excellence is a duty for all of us.

Please take the time to read our Code, understand it and apply it to our work every day.

Sincerely,

**Ricardo Ramos**

*Chief Executive Officer*

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# **SQM'S COMMITMENT TO OUR MISSION, VISION AND VALUES**





## 3.1.

# OUR MISSION AND VISION

### Our Mission

We are a global company with a team of people committed to excellence. Our activities focus on the extraction of minerals, capable of being selectively integrated in the processing and commercialization of products for industries essential for human development.

### Our Vision

We seek to be a global company, recognized for its competitiveness, excellence and innovation in its lines of business, oriented towards the development of products essential for human development, all within a framework of the highest standards of integrity.

## 3.2. **OUR VALUES**



## Excellence

- We are an organization that is constantly striving to achieve better results to create value for shareholders, employees, customers, suppliers and communities.
- In our work and daily challenges, we encourage creativity, agility and innovation.
- We develop our work in a framework of sustainability and respect for the environment.
- We wish to build a culture of excellence, throughout the organization, based on the ten principles of the Lean (M1) methodology.
- We favor equal opportunities, inclusion and diversity for employees. We seek to generate professional development opportunities for people to reach their full potential.

## Safety

- Caring for people's safety is a priority commitment that motivates us daily to strive for safe and accident-free operations.
- We are responsible for creating safe conditions for our workers as well as encouraging safe behaviors for everyone that works with SQM.
- Each person in the organization is responsible for taking care of his or her own safety and caring for other team members, as well as maintaining a commitment to safe behavior.
- We promote open feedback to draw attention to opportunities for improvement in safety.

## Integrity

- We encourage respect and fulfillment of each commitment made to customers, employees, regulators, communities, suppliers and authorities.
- We seek to carry out our daily work with the high standards described in our Code of Ethics. At the same time, we are open to and interested in identifying and implementing better ways of ensuring compliance with these standards.

Acting ethically starts from the basic commitment that we and anyone working on behalf of SQM must comply with the law. We have zero tolerance for any type of corrupt activities by anyone working on behalf of SQM, including improper payments or benefits provided directly or indirectly to Public Officials.

## What we expect from our leaders

Our leaders have a special responsibility to set an example for those that they supervise, create a respectful work environment and be a resource for employees when faced with ethical dilemmas. We count on our leaders to live by our Code and set an example through their actions. If you are in a position of leadership, know that your team is looking at your actions as an example.

Our leaders should be able to discuss questions or dilemmas with their employees and be available to help others. They should take questions about our Code and reports of misconduct seriously.

### CONTACT COMPLIANCE

If you are in a position of leadership, you do not have to know the right action in every situation, but you should know when to ask for help. The **Ethics and Compliance Department** is available to help with more difficult or complex situations. You can contact the **Ethics and Compliance Department** at [compliance@sqm.com](mailto:compliance@sqm.com).



### **3.3.**

# **ABOUT THE CODE**



## Application of Code

Our Code of Ethics can never cover every possible situation that you might face. However, it can serve as the foundation of sound decision-making. Throughout our Code you will also see references to policies and procedures that you can use to find more information. We comply with all applicable laws in addition to our Code, policies and procedures.

All employees, officers and members of the Board of Directors from all SQM-owned and controlled entities, affiliates and subsidiaries are responsible for adhering to our Code. All levels of employees regardless of their tenure, salary, location or title must follow our Code. Everyone at SQM is expected to read and be trained on our Code. Additionally, we expect non-controlled joint ventures to adhere to our Code or to adopt their own codes that include substantially the same values and rules.

## Consequences for Violating Our Code

Failure to act in line with our Code can have serious consequences for SQM as well as for the individuals involved. Violations of our Code are taken seriously by SQM's highest management and can result in internal disciplinary actions such as dismissal from SQM. Additionally, local or public authorities can impose punishments such as fines and imprisonment for the individuals involved.

## COMPLIANCE RESPONSIBILITIES

The **Ethics and Compliance Department** is responsible for updates to our Code and its implementation. If you ever need to ask a question about our Code and the right course of action, please reach out to the **Ethics and Compliance Department**. It is their job to answer questions about our Code and provide resources so that you can make the right decision to be fully in line with our Code and the law. In exceptional and rare circumstances, a waiver may be needed to our Code. In this situation, the employee must submit a formal written waiver request to the **Ethics and Compliance Council**.

## Speak-Up: How to Raise Concerns

If you become aware of a situation that may violate our Code, you have a duty to report it. In return, SQM and its leaders commit to taking all good-faith reports seriously and to protecting those who report from any type of retaliation.

Raising a concern or reporting a suspected violation of our Code or policies takes courage. We may feel pressure to keep quiet or not cause a problem. However, we admire employees that speak up when they think something is not right, even in cases where an employee believes his or her superior may be involved.

SQM has the following formal reporting channels:

- Website: [www.SQM.ethicspoint.com](http://www.SQM.ethicspoint.com)
- Helpline / Hotline:

Location	Toll free number
Chile	ENTEL: 800-360-312
	Movistar: 800-800-288
	Claro: 800-225-288
Belgium	0-800-100-10
USA	844-330-7095
Mexico	001-800-658-5454
Spain	900-99-0011
South Africa	0-800-99-0123
Ecuador	1-999-119
China (Shanghai)	10-811
China (Beijing)	108-888
The operator will request a code. Please provide this number: <b>844-330-7095</b>	

All reports will be kept confidential in line with SQM's policies and procedures. Reports can also be made anonymously, when allowed by local laws.

The **Ethics and Compliance Department** is responsible for following up on all reports that are made about possible Code violations. More information can be found in our **Global Speak Up Procedure**.

## Non-retaliation

Anyone that voices their concerns in good faith will be protected against acts of retaliation. Retaliation can take many forms including harassment, bullying, demotion or being assigned undesirable tasks as a result of making a good faith report. Retaliation against reporting employees is itself a violation of this Code and will be investigated and disciplined when substantiated.

A good faith report is one where the reporter believes it to be true or there is a strong likelihood that misconduct has occurred or is occurring and it is not made maliciously. A report does not necessarily need to be substantiated for it to be made in good faith, but the reporter should believe it to be a genuine concern of potential misconduct.

# OUR COMMITMENTS TO OUR STAKEHOLDERS



The stakeholders of SQM are those groups that are most impacted by our decisions. Specifically, they are: our people, local communities, business partners and shareholders. We need to keep these groups in mind when making choices and providing our products and services. Our actions have real-world consequences and we need to consider the effect that we have on our stakeholders.



## 4.1. **OUR PEOPLE**

Our people are one of our most valuable assets. Everyone at SQM is a valued and respected member of our company. We rely on each other to get the job done and building trust through respect is a key to our long-term success.



## Safe, Healthy and Productive Workplace

We do our best work when we are in a safe and healthy environment. We have established guidelines that we must follow to ensure that we are working in a safe and effective way. We believe that nearly all accidents and safety hazards at work can be prevented. A safe workplace maximizes productivity and reduces losses.

At SQM, we use sophisticated equipment and machinery that often requires advanced training. It is our responsibility to ensure that we are properly trained to use the equipment related to our jobs in a safe and responsible manner. If we notice something that is not safe, speak up so that the situation can be corrected, and an accident can be avoided.

### QUESTION

While working at a production site, Raul notices that one of his co-workers is acting very strangely. He seems to be taking a long time to complete a simple task, has been dropping equipment, and has even tripped and fallen twice. Raul approaches his co-worker to see if he is okay and immediately notices the smell of alcohol. Raul asks if he has been drinking but his co-worker says he has the flu, has just taken some medicine, and is starting to feel better. What should Raul do?

### ANSWER

It seems that Raul's co-worker could be experiencing the negative effects of drugs or alcohol. Raul should immediately speak to his manager about what is going on so that this person does not endanger himself or other people. Although Raul does not know for sure what is going on with his co-worker, he should speak up.

Part of creating a safe working environment means being free from the effects of drugs and alcohol at work. Employees are prohibited from using alcohol or improper drugs at work. While under the influence of drugs and alcohol, people are more likely to make an unwise decision and harm themselves.

## Q&A

**QUESTION:** Samuel is an engineer and spends most of his time at a computer or in meetings working on various projects. For one project, he wants to visit the worksite to get a better understanding of the requirements for the job. While at the site, he notices an excavator and starts to ask some questions about it. The supervisor on the job suggests that Samuel “take it out for a spin” since he seems to be interested in the machinery. Samuel thinks this hands-on experience might give him some extra valuable insight into the job. Would it be okay for him to briefly use the excavator under supervision from others?

**ANSWER:** No. Samuel is not properly trained on how to use an excavator or any of the other specialized machinery that SQM owns. We must never use equipment that we have not had the required training to operate. By operating machinery that we aren't experienced on, we are putting ourselves and our co-workers at an unnecessary risk.

## No Harassment and No Discrimination

We deliver our best results when we can focus on our work without distraction. We hire, promote, recruit and make employment decisions based on an individual's qualifications for the job. We do not discriminate against anyone based on their age, race, religion, gender, national origin, sexual orientation or other characteristics covered by applicable anti-discrimination laws. We treat everyone with an equal degree of respect.

We forbid all forms of harassment, including bullying and sexual harassment. Examples of inappropriate actions can include lewd comments, physical contact, humiliating or intimidating actions that are meant to undermine an individual or a group of people or create a hostile workplace. It can include, but is not limited to: obscene gestures, sexual jokes or innuendo, graphic images, threatening or hostile acts, name calling or similar types of actions. If you witness or suspect harassment, discrimination or bullying, speak up.

## Human Rights

We follow all laws for fair working conditions, wages, maximum hours, child and forced labor. Doing business the right way means that we promote integrity in all of our operations and that we support positive human rights practices that are free from exploitation of workers. To be clear, we prohibit the employment of children, any forced labor as well as any similar practices. Employees must work hours that are in line with applicable laws and be paid fairly for their work.

If you suspect a human rights violation, report it immediately so proper steps can be taken.

## QUESTION

Some members of my team are having a dinner at a restaurant during a business trip. One of my co-workers, Eduardo, starts to tell some jokes and funny stories. Everyone is generally laughing and having a fun time but then he starts to direct his attention to a new employee, Joseph. Eduardo tells some rude jokes based on stereotypes about people from Joseph's country. He then tells some jokes about how Joseph is older than the rest of the group. I can tell that Joseph does not appreciate the jokes and he soon leaves. As all of this happened outside of the office, during a business trip, and not during regular work hours, could Eduardo get in trouble?

## ANSWER

Yes, Eduardo could get in trouble. We should respect our fellow workers no matter where we are. Although this did not happen at the office, nor during regular work hours, bullying our co-workers is not only disrespectful but also a violation of our Code.

## Avoiding Conflicts of Interest

A conflict of interest occurs when your own personal interests may be inconsistent with the best interests of SQM. We must avoid and disclose all actual or potential conflicts of interest. Even the appearance of a conflict can make it difficult to do your job at SQM effectively and with the best interests of SQM in mind. Generally, working for a competitor, supplier, customer or similar party is prohibited as your loyalties will be divided between companies. Any significant investments or financial interests in our competitors, customers, suppliers, vendors or similar parties can create a conflict of interest.

Additionally, we need to ensure that we hire employees, suppliers, vendors and contractors based on merit, value, price, quality and what is best for SQM; not what is best for you personally. This means that we need to take care when considering hiring or working with a close friend or family member. This can include immediate family members such as a spouse, sibling or child as well as extended family by marriage, partnership, adoption or those living in the same household.

### QUESTION

Ernesto is choosing the supplier for the local SQM office equipment which includes items like printers, copiers and monitors. He is looking at new vendors when he remembers that his sister-in-law recently got a new job working at a company that could provide these products to SQM. She sends over a formal proposal and the prices and quality are better than SQM's current vendor. It seems like this is a win-win as SQM can save money and he is helping his sister-in-law out with her new job. Would this be a problem?

If you know of an actual or potential conflict, please disclose it to the **Ethics and Compliance Department** so proper steps can be taken.

### ANSWER

Hiring a relative can give the appearance of a conflict of interest. Using our personal connections to hire quality employees and business partners can be an asset to our company if used properly. In this situation, Ernesto should have removed himself from the decision-making process so that someone else could make the determination about working with Ernesto's sister-in-law's company. She may have the best solution for SQM, but it could appear that she was hired simply because she was a family member of the person making the decision. Disclosure is the key to avoiding conflicts of interest so if you see a potential conflict, disclose it as soon as possible so a solution can be found.

## Privacy and Data Protection

SQM respects personal data privacy rights. All private personal data should be kept secure and must be used properly. Those with access to personal data must actively protect the privacy of it in accordance with all applicable laws. Personal data includes government-issued identification numbers, birth dates and financial, medical, compensation and contact information.

When using company systems such as e-mail or instant messaging, employees must apply the highest ethical standards in their

communications. Inappropriate, or careless communication can result in embarrassing or damaging situations for SQM. When using SQM systems employees should have no expectation of privacy. SQM reserves the right, in accordance with local laws, to monitor the use of systems and access data on SQM-owned computers, networks and other devices.

SQM will comply with all applicable data privacy laws such as the European Union's General Data Protection Regulation (GDPR) and similar regulations.





## 4.2. **OUR LOCAL COMMUNITIES**

We promote ties with the community built on transparency, respect and mutual confidence. As a company, we are committed to good relationships with the towns surrounding our operations as well as their sustainable development.

## Respect for the Environment

We respect the environment and follow all laws related to safe material handling, waste disposal and environmental protection. Each of us is responsible for reporting potential hazards as soon as we observe or suspect them, as well as correcting any environmental infractions that we encounter.

Where necessary, we will obtain environmental permits to ensure that our work is conducted in a safe and environmentally responsible manner. We will also ensure that materials and waste are handled appropriately and in accordance with our process and procedures.

SQM is strongly committed to sustainable development. We carry out our operations in harmony with the environment, ensuring that natural resources are used in a sustainable manner while minimizing the possible impacts of our production processes.



### Q&A

**QUESTION:** During a project, a piece of heavy machinery malfunctions and spills some oil, fuel, coolant and other liquids. The team cleaned up the spill the best they could but, doing a full clean up “by the book” could cause the project to be delayed and cost more in overtime wages. Most of the spill is cleaned and the project is almost complete, can’t it wait until tomorrow to fix?

**ANSWER:** We need to follow the proper procedures when accidents or spills happen. Ignoring the problem and working in possibly unsafe conditions could make the situation even worse. Although it is not always the easiest or cheapest choice, we need to follow our proper procedures when an accident does occur.

## Contributions and Support

We develop initiatives to support our communities in the areas of education, social development and cultural heritage. We care about the protection of the environment and we ensure that natural resources are used responsibly and efficiently. As a demonstration of this commitment, SQM provides funds and resources to schools, museums, foundations, institutions, events and initiatives that help us to pursue these goals.

We must follow proper procedures for providing any kind of contribution or support, since bribes can be disguised as “donations” to seemingly

worthwhile organizations. We also need to be sure that we are dedicating SQM's time and resources only to legitimate entities and initiatives.

SQM does not make contributions of any kind to political parties, political party officials or candidates for public office. Even though employees are free to express their views, no one is authorized to use company time, resources or money for political causes.

### Q&A

**QUESTION:** Cristina is in sales at SQM and is working with a potential state-owned customer. During the negotiations, the contact at the public agency mentions that she would be much more likely to do business with SQM if they are able to show their support for certain local communities. She then suggests that as a sign of good faith, SQM could donate to a local school. Cristina examines the local school and it seems to be doing great work for many of the children in the area. Cristina considers making the donation to improve the relationship with the state-owned customer. Would this be okay?

**ANSWER:** No. Cristina must not make the donation under these circumstances. While SQM supports the improvement of education in local communities, this “donation” could be considered as a bribe and is unethical. Cristina should report the request and let the potential state-owned customer know that the donation cannot be made.

More information can be found in our **Sustainability Policy** and in our **Donations and Contributions Procedure**.



## Interacting with Public Officials

There are special rules and considerations to know when interacting with public entities and Public Officials. SQM maintains honest relationships with Public Officials and their respective public entities worldwide. It is important that every interaction with a Public Official is developed in a respectful and open context, and always in accordance to our internal procedures and applicable laws.

SQM is subject to different kinds of regulatory inspections. If we are hosting a Public Official for an inspection, we must follow the guidelines provided in the **Procedure for Inspections on SQM**.

Lobbying is a legitimate activity and an important part of the democratic process. We must always comply with rules for meetings or hearings with Public Officials. We need to know and carefully follow all our internal policies when requesting a meeting with a Public Official.

### QUESTION

Sofia and the marketing team are preparing for one of the year's biggest conferences. To drive some traffic to the SQM booth, Sofia is going to hand out SQM-branded promotional items such as hats, coffee mugs, pens and calendars. However, she knows that there will be many Public Officials at the event and that there are special rules about providing gifts to Public Officials. It would be awkward to ask someone if they are a Public Official before letting them take some items. What should Sofia do?

### ANSWER

Sofia is correct that there are special rules when it comes to providing gifts to Public Officials. However, small promotional items that have little value are generally acceptable to hand out at a conference. She does not need to ask if someone is a Public Official and can hand out the small, promotional items to anyone that comes up to the booth.

If you are not sure if you will interact with a Public Official or if you are not sure about the proper procedures, talk to the **Ethics and Compliance Department**.

More information can be found in our **Procedure for Interactions with Public Officials** and the **Procedure for Inspections on SQM**.



## 4.3. OUR BUSINESS PARTNERS WORLDWIDE

Our business partners must uphold high ethical standards in accordance with the Code of Conduct for SQM's business partners. These business partners can include: vendors, distributors, agents, contractors, subcontractors, consultants, representatives, intermediaries, joint venture partners, customers and any other third parties associated with SQM or any of its subsidiaries, or who conduct business on SQM's behalf all over the world.

## Business Courtesies

Providing gifts, meals and entertainment can be a normal and legitimate part of doing business with our customers and business partners. Spending time or sharing a meal together at a reasonable outing can help to strengthen our relationships and provide us with a unique opportunity to get to know people better.

When providing or accepting any business courtesy, it is important to know the difference between what is acceptable and what is not. Entertainment, meals and gifts that we provide and accept must be reasonable and must not be lavish, frequent or provided with intent of expecting something in return. Providing or receiving cash or cash equivalents which includes gift cards or vouchers is prohibited.

**QUESTION:** We are looking at a new supplier for IT equipment and services; one of them looks promising. After several meetings, the supplier offers to fly three members of our team out to its headquarters to learn more about their capabilities. Since this is an important contract we think this is an excellent idea. After we arrive, we are taken by car to a fancy hotel where we all have suites and a generous gift basket with wine and chocolates. After a couple of hours of meetings, the supplier says we should take the rest of the day to relax as they have arranged a sightseeing tour for us. After the tour, we are taken to a restaurant where the supplier insists on paying the bill. This sort of treatment goes on for three days. The trip was made for a genuine business purpose so did these extra activities cross the line?

### Q&A

**ANSWER:** Yes. While we can engage in some reasonable meals or entertainment, this type of multiday trip with expensive meals crossed the line. Even worse, is that the meetings each day would only take a couple of hours and most of the time on this “business” trip was spent on leisure activities. Accepting improper gifts and entertainment can create the appearance of allowing the potential vendor to improperly influence our decisions. We make choices based on what is best for SQM.

## Do's and Don'ts

We are not allowed to accept or provide anything of value including gifts, entertainment, travel or meals that would improperly influence our decisions, the decisions of others or be in violation of the law or our policies. This means that we do not try to gain business advantages through improper influences. Instead, we choose the best products and services that meet our needs and the needs of our customers. If a business partner such as a supplier tries to provide us with inappropriate items of value in exchange for an improper business advantage, we should report it immediately. Please see our **Procedure for Business Courtesies** for more information.

If you are unsure if something is permissible to accept or give, talk to the **Ethics and Compliance Department**. More information can be found in our **Procedure for Business Courtesies**.

# Anti-Bribery and Anti-Corruption

It can take years to build a solid reputation but only a single bad decision to ruin it. This is especially true when it comes to acts of bribery and corruption. Bribery or the act of directly or indirectly giving or taking something of value to retain or obtain an improper business advantage is a global problem. Corrupt acts provide money and resources to immoral people that hurt communities and economies. We must do our part as a company and individually to end corruption.

We have zero tolerance for corruption: we do not pay or accept bribes to or from Public Officials or others, and we do not tolerate corrupt acts with any of our business dealings.

We also have zero tolerance for corrupt actions (involving Public Officials or otherwise) by business partners or any third party working on our behalf.

There are key laws in the world such as the United States Foreign Corrupt Practices Act (FCPA) that can impose harsh penalties on companies and individuals who bribe public officials anywhere in the world. In Chile, the Law No. 20,393 can impose criminal penalties to Chilean companies that make improper payments.

Bribes are typically paid to Public Officials to obtain an improper advantage. The definition of a Public Official is very wide (and can be different under different applicable laws) and can be found in our **Anti-Bribery and Anti-Corruption Compliance Policy**. Essentially, a Public Official can include a person that works for the government, is an elected official or even a

candidate for public office. Payments to persons who are close to Public Officials also can raise corruption risks, as discussed in the **Anti-Bribery and Anti-Corruption Compliance Policy**. It can be difficult in some situations to know if you are working with a Public Official or someone close to a Public Official, so if you are unsure, talk to the **Ethics and Compliance Department** about how to find out.

**REMEMBER:** Examples of improper advantages are very broad and can include: winning business deals, gaining information, securing new projects, providing favors or other business benefits. Bribes do not need to be money or cash, they can also be offers of employment, gifts, entertainment, investment opportunities or anything else of value.

At SQM, all kinds of improper payments, bribery and corruption are strictly prohibited to a Public Official or to a private individual or entity.

## Q&A

**QUESTION:** We are in the process of hiring a new accountant and during a routine background check, we discover that the potential new hire is the son of a high-ranking Public Official. This Public Official is in a position of power and could potentially have influence in selecting SQM for future projects. This information was not disclosed during the hiring process. However, the candidate seems to be a good fit for the job and the decision to hire him was made without knowledge of his relationship to the Public Official. What should we do?

**ANSWER:** We need to stay far away from any actions that could even be considered bribery and corruption. Bribes can take the form of offers of employment for family members of Public Officials. It could be okay to hire this person but we need to ensure that we are hiring him for the right reasons such as experience, attitude, education and merit; not simply because he is related to a high-ranking Public Official. In this situation, contact the **Ethics and Compliance Department** so that more discussion can take place.

When working with business partners such as suppliers, contractors, agents or distributors, any corrupt acts of these third parties can cause harm to our company. For example, if a distributor paid a bribe to secure business for SQM, we could be responsible for those actions as the distributor was acting on our behalf. We must be aware of the work that our business partners are doing for us and inform them about our commitment to anti-bribery and anti-corruption.

We do not make facilitation payments. A facilitation or "grease" payment is typically a small payment made to a low-level Public Official to speed up or expedite an otherwise

routine task such as setting up services, processing paperwork or issuing visas.

If you are ever asked to pay a bribe or get offered a bribe (directly or indirectly through any other person or entity), reject it and contact the **Ethics and Compliance Department** immediately. If we become aware of a situation that involves or could involve a bribe, we must report it. More information about bribery and corruption can be found in SQM's **Anti-Bribery and Anti-Corruption Compliance Policy** and other relevant policies, procedures, guidance, and financial controls.

## Fair Competition

We compete vigorously in the marketplace but never resort to unethical or illegal tactics to win. This means that we do not engage in anti-competitive behaviors to gain an improper advantage. We have two golden rules that should always be followed to ensure fair competition:

- Never enter into anti-competitive agreements or understandings. This includes both formal written agreements and informal, verbal or “handshake” agreements.
- Never abuse a dominant position or market power.

By following these two rules, we can avoid many of the potentially problematic activities that could cause legal troubles for both SQM and the individuals involved.

Anti-competitive behavior is illegal and hurts our customers as they must pay more for products and services. We do not need to engage in these behavior as SQM wins based on the merits and the benefits of our products and services. If we ever suspect unfair competitive behaviors, we must report it.

When gathering information about our competitors and other business partners, we only use legal and ethical tactics. We respect the confidential information of others including patents, trademarks, copyrights, trade secrets and other types of information.

### QUESTION

At a trade show, Selena, a SQM employee, is having a talk with an old friend who happens to work at a competitor. The friend mentions that there really is an “optimal price” for our products and that Selena “should really think about making everyone more money”. He never asks Selena to agree to anything, nothing is signed, emailed or recorded; it was just a verbal conversation. Does this have to be reported?

### ANSWER

Yes, this must be reported. We need to stay far away from actions that could even be considered anti-competitive behaviors. We need to have a record that this competitor tried to engage us in illegal activities so if anything happens, we are clear on what was said and how we reacted. In this situation, Selena should have firmly stated that she and SQM will not engage in these activities as her silence could have been seen as a sign of agreement.

More information can be found in our [Fair Competition Policy](#).



## 4.4. **OUR SHAREHOLDERS**

The investor groups and individuals that have a stake in SQM support us financially and we have a special obligation to provide them with accurate and timely information. We also have a responsibility to provide value to our shareholders in a way that balances our short-term and long-term goals.

## Insider Trading

We treat all our proprietary information as well as the proprietary information of our customers, business partners and other third parties as confidential. We ensure that trade secrets and proprietary information are protected against illegal, unauthorized or irresponsible use. This includes knowledge about SQM's operations that is not publicly available and is important to our success and profitability.

We do not engage in insider trading which means we do not make improper investments, purchases or sales of stock in any company based on material, inside information. We also cannot advise others to buy or sell stocks when we have inside information; this is known as "tipping" and it is illegal.

### QUESTION

Maria, an SQM employee working in Finance, has heard rumors that SQM might be purchasing another company which could have a big impact on its stock price. Maria knows that she isn't allowed to purchase stock in the other company herself, but could she make some subtle suggestions to her friends and family about buying some stock which could be quite profitable before the public announcement is made?

### ANSWER

No, letting others know to purchase stock of SQM or even other companies is prohibited. We must protect confidential and non-public information that we have about our company and others.





# Respecting SQM's Assets and Intellectual Property

We protect and secure all information and documents related to our patents, trademarks, copyrights, trade secrets and all other intellectual property. We take care to protect our intellectual property against unauthorized use or improper disclosure. Sensitive, confidential and proprietary information should only be shared with those that have proper authorization to view it and must be shared on a need-to-know basis.

We must protect all of SQM's assets. This includes both tangible assets (such as computers, earthmovers, drills, vehicles and office equipment) and non-tangible assets (such as patents, trademarks, trade secrets and copyrights). The use of company assets should be limited to resources needed to do our jobs. Some incidental use of company assets for personal matters is permitted if the use of the assets is in line with our Code and will not distract us from our jobs.



**QUESTION:** During the moving of office locations, employees are getting new desks and chairs. One member of the team notices the old furniture in the hallway. After a couple of days, the equipment is still in the hallway, so he asks another co-worker what is going to happen to all of it. His co-worker says, "I guess they are just going to throw it all out or donate it". At the end of the day, he takes a desk and chair to his home. Since it seems that the equipment will be thrown out anyways, what's the harm in taking them? Is this okay?

**ANSWER:** No. It is not okay to take company assets home without permission. In this situation, it is not clear what is happening to the office equipment, so we should obtain the proper permissions before taking it.

## Do's and Don'ts

**Do:** Checking your bank account on a company computer or making a personal phone call can be permitted if it is done in a reasonable manner.

**Don't:** Taking some company equipment home in the evening for use on a personal project without permission.

All expenditures must be made using resources responsibly, transparently and in accordance with our internal procedures. No personal or other expenses not associated with SQM business shall be reimbursed without proper approval.

# Interacting with the Media

Information provided to the media such as newspapers, journalists, blogs, reporters and other similar media outlets should be approved by the CEO and provided by whomever the CEO designates. This ensures that the information provided is clear and consistent.

You should refrain from using social media on company systems and always remember our rules about sharing and protecting confidential information. Simply put, the same rules that we have about protecting our confidential information apply when using social media.

Even when we aren't on the job, we could be seen as ambassadors of SQM. This means that while we may not consider our actions or words as a reflection of SQM, others could view them as coming from SQM directly. When you post something online it is often a permanent record for the whole world to see, please remember this when using social media.

## QUESTION

Juana works as a receptionist in SQM's offices in Santiago, Chile. She gets a call from a reporter at one of the country's largest newspapers. The reporter wants to know how many people are working on a recent project that SQM is involved in, what progress is being made and other details. Juana knows about the project generally and could look up some of the information that is being requested. She answers the questions as best she can as she wants SQM to be seen as transparent and forthcoming with the media. Was this the right thing to do?

## ANSWER

Juana might have meant well but this was not the right thing to do. Instead of answering the questions herself, she should have taken the name and contact information of the reporter and forwarded the request to the person responsible for external communications.

## Accuracy of Records and Financial Accounts

Our ability to make smart and profitable decisions is based on timely, accurate and useful information. All the information that we communicate about our company needs to be accurate and truthful, consistent with SQM's legal requirements to maintain accurate financial books and records. This includes information that we provide to government regulators, investors, the board members, our managers, the finance team and each other. Whenever we make a statement about our finances in annual reports, balance sheets, expense reports or other documents, we must ensure it is accurate and complete.

Portraying the financial health of our company in a false light can be harmful to our long-term

success and in many cases can violate applicable laws. Items such as sales figures, expenses, revenue and invoices need to be accurately recorded in line with proper accounting procedures.

SQM has in place various internal accounting controls to ensure that transactions and other dispositions of company assets are appropriately reviewed and properly authorized by management. We must adhere to these requirements to comply with our legal obligations and to ensure against risks.

### Q&A

**QUESTION:** Tomas just returned from a business trip and submitted an expense report. A couple of weeks after the expense report was approved, he saw that a US\$250 expense for office supplies was listed as a US\$250 airfare expense. The amount that Tomas was reimbursed is correct but there is just this one expense that was misclassified. Since the amount is correct but the type of expense was classified incorrect, should Tomas bring it up? It seems like doing so would create unnecessary work for both Tomas and others.

**ANSWER:** Tomas should report the inaccurate classification of the expense to his manager. He made an honest mistake and although the amount of reimbursement is correct, it could cause other problems.

When we provide anything of value, we must always accurately record it in our financial books. It is also important to remember that special rules apply when providing anything of value to a Public Official (please see the sections on **Interacting with Public Officials** on page 25 and **Anti-Bribery and Anti-Corruption** on pages 28 and 29 for more information).

# Q&A

**QUESTION:** Martin is attending a quarterly sales meeting and is expected to make a presentation about his performance. In looking at potential deals, there is one customer that has given a verbal commitment to sign a contract by the end of quarter but has not formally signed the contract yet. Martin wants to present the right information during his meeting and he believes that including this as a completed deal would be more accurate than if he said it was just a potential deal. Is this the right thing to do?

**ANSWER:** No, Martin should not classify this deal as secured business since a signed agreement is not in place. Although it is very possible that the customer will sign a contract, it is not a guarantee. Martin should list this as a potential deal and explain to the team that it is very likely to close due to the verbal commitment from the customer.



All records, including printed materials as well as electronic documents, need to be properly maintained in accordance with document retention standards. Any documents that are part of a legal hold must not be destroyed and should be properly preserved. Documents could be needed months or even years after they are created so it is important that we keep records for as long as they are needed. Any question on this matter, please address it to the **Legal Department**.



# CONTACT COMPLIANCE

The **Ethics and Compliance Department** is always available to help you with more difficult or complex situations. You can contact the **Ethics and Compliance Department** at [compliance@sqm.com](mailto:compliance@sqm.com).





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