



2018
SUSTAINABILITY
REPORT



Solutions
for human
progress



CONTENTS

CHAPTER 01

OUR COMPANY IN 2018

PAGE 05

CHAPTER 04

OUR PEOPLE

- Employee Profile
- Participation and Inclusion of Women
- Employee Relations
- Workplace Safety 2018
- Value Chain
- Our Commitments with Our People

PAGE 65

CHAPTER 07

OUR CUSTOMERS

- Sales and Product Markets
- Our Certifications
- Commercial Events
- Our Commitments with Our Customers

PAGE 181

CHAPTER 09

MATERIAL ASPECTS

- Materiality
- Materiality Matrix

PAGE 203

CHAPTER 02

ABOUT THIS REPORT

- About this Report
- Stakeholders
- Relations with Organizations and Institutions

PAGE 09

CHAPTER 05

OUR NEIGHBORS

- Our Neighbors
- Community Working Groups and Multi-Sector Coordination in Neighboring Towns
- Education and Culture
- “Lend a Hand to Your Community” Corporate Volunteer Program
- Social Development
- Historical Heritage
- Recognition in 2018
- Our Commitments with Our Neighbors

PAGE 107

CHAPTER 08

ECONOMIC PERFORMANCE

- Economic Performance
- Market Share
- Generation and Distribution of Added Value
- Our Commitments with Investors

PAGE 193

CHAPTER 10

GRI INDEX

PAGE 209

CHAPTER 03

SQM

- SQM
- Our History
- A Half Century of Life – 2018 Milestones
- Corporate Governance Policy
- Organization
- Legal and Ownership Structure
- Corporate Principles
- Ethics and Compliance
- Sustainable Development Policy
- SQM Operates in the Heart of the Atacama Desert
- Production Processes
- Our Products

PAGE 21

CHAPTER 06

THE ENVIRONMENT

- Biodiversity
- Species with Conservation Status
- Environmental Monitoring Plan in the Salar de Atacama
- Environmental Monitoring Plan in the Salar de Llamara
- Energy
- Water
- Emissions
- Waste Management
- Raw Materials and Inputs
- Environmental Investments
- Our Commitments with the Environment

PAGE 153





01

OUR COMPANY IN 2018

DISCLOSURE 102-14/ 102-15

At SQM, our commitment to sustainability is far-reaching and unwavering, integrating concern and respect for people, the environment and the community into everything we do. As an organization, we are committed to the highest standards, always setting new challenges to maintain our positive performance. As a global company engaged in a variety of strategic industries for human development, such as health, food, clean energy and the technology that moves the world, we strive to incorporate international best practices into everything we do.

Today, after celebrating half a century in business in 2018, we consider SQM a revitalized organization with a new, modern corporate image that marks a major milestone in our growth. We are proud of our efforts to develop high-tech production processes and build an extensive commercial network, which have positioned us as leaders in the lithium, iodine, specialty fertilizer and solar salt industries.

In addition to a new corporate image, we incorporated a slogan that we feel best represents us and mobilizes everyone that works at SQM: **“Solutions for human progress”**. With this commitment, in 2018 we moved forward with our ambitious strategic investment plan to boost production in several business lines, particularly lithium, potassium nitrate and sodium nitrate. In addition, we filed an environmental assessment project entitled “Tente en el Aire” for our Nueva Victoria operations, which will enable us to increase our production of iodine and nitrate salts over the next few years using sea water for heap leaching.

In keeping with the times and our corporate spirit of continuous improvement, our People area led a project to implement a Diversity and Inclusion Policy throughout the organization. This policy stresses the importance of instituting non-discrimination as an inherent, company-wide practice. We hope to take this declaration public in 2019, making it an intrinsic value at SQM, a global company with multidisciplinary teams.

During the year, we made strides in risk management, with a lost-time injury rate of 0.49, which further motivates us to continue to care for everyone at SQM and our contractors. We continued enhancing our procedures and training employees on practices related to SQM's Crime Prevention Model, in compliance with Law 20,393. We also continued to move forward with the Lean methodology, known internally as “M1”, completing implementation at 89% of our operations, including commercial offices in Spain and the U.S. In 2018 we began the process at our commercial office in Belgium.

In the area of sustainable development, we continued to uphold our firm commitment to communities near our production facilities, enhancing existing projects and making important investments in new initiatives. In 2018 our commitment to neighboring communities has been reflected in projects such as the construction of the Agriculture and Livestock Research and Development Center in Pozo Almonte. The 1,150 m² building is divided into two spaces, one for farming hydroponic lettuce and conducting research and another with equipment for manufacturing specialty goat cheese. Yet another initiative

was the first co-working space in Tocopilla, known as “El Puerto Cowork.” The state-of-the-art facility gives entrepreneurs a place to build sustainable businesses while receiving technical assistance from experts and sharing experiences with other start-ups.

In San Pedro de Atacama, we inaugurated the first Center for the Documentation of Textile Art in the town of Toconao. This cultural center will support the work of 70 women participating in this initiative led by SQM and Fundación ONA, which aspires to preserve the textile heritage of the town’s residents.

Finally, we are most proud of our corporate volunteer program, “Lend a Hand to Your Community,” where our own workers donate part of their time to community assistance programs that receive financial and logistical support from the Company. These projects range in nature from supporting technical education to social and heritage-related programs, and are adapted to each community based on their specific needs.

In 2019 we are committed to making further progress on each of the goals we have set for ourselves, working to ensure sustainable development and reaffirming our commitment to the growth of neighboring communities. We hope that this publication will help you learn more about SQM and its social, environmental and economic endeavors.



RICARDO RAMOS RODRIGUEZ
CHIEF EXECUTIVE OFFICER





ABOUT THIS REPORT

ABOUT THIS

REPORT

DISCLOSURE 102-48 / 102-49 / 102-50 / 102-51 /
102-52 / 102-53 / 102-54 / 102-56

We have been reporting in accordance with the Global Reporting Initiative (GRI) since 2009. Through our 2018 report, we reaffirm our commitment to this practice of transparency, which is highly important to everyone at SQM.

In planning the 2018 version, company personnel from the environmental, communications and community relations departments took part in an official course given in Chile on sustainability reporting standards entitled “Transition to New GRI Standards,” in order to prepare this report in accordance with the most recent GRI standards.

“This report has been prepared in accordance with the Core option of the GRI standards”. It is published annually and contains information for the period from January 1, 2018, to December 31, 2018. The prior report was for the period from January 1, 2017, to December 31, 2017.

As a company, we have chosen not to externally verify this report. However, some of the published content is also contained in the Company's annual report, which has been verified by an external auditor.

Quantitative information presented in charts and tables uses the same methodology as the 2017 report. Some new content has been included to comply with the updated GRI standards.

For additional information regarding this report and SQM's work in the field of sustainability, please contact us at:

SUSTENTABILIDAD@SQM.COM

WWW.SQM.COM

**We published our first
report under the Global
Reporting Initiative (GRI)
principles in 2009**



STAKEHOLDERS

DISCLOSURE 102 - 21/ 102 - 40/ 102 - 42/ 102 - 43/ 102-44

STAKEHOLDERS	WHO THEY ARE	INTERESTS AND EXPECTATIONS	HOW WE ENGAGE
Employees	Workers directly employed by SQM with open- and fixed-term contracts.	Salaries, benefits, quality of life, professional development, information about the Company.	<p>Regarding daily interactions in the workplace, SQM encourages an open-door policy with direct communication between supervisors and area managers and the workers reporting to them. This enables the timely detection of opportunities for improvement or for settling conflicts.</p> <p>Regular union meetings and meetings bringing together the workers, the CEO, senior vice-presidents and managers.</p> <p>Internal communication channels, such as data screens in common areas, a newsletter published three times per year, intranet and mailings are used to inform the entire organization at different facilities, thus bridging the geographic gap between workers. Delivery of important information about the Company through digital platforms: Facebook, Instagram and Youtube channel.</p>
Contractors and Suppliers	Contractors and suppliers of goods and services (both general and sales).	Transparent bidding processes, payments within agreed deadlines and conditions, establishing lasting commercial relations, supplier development.	<p>Meetings with personnel from the supply and contracting departments, as well as operational managers and supervisors where services are provided; visits by supply department to supplier facilities or offices, orientation courses, safety training. Monitoring and ongoing contact with service providers that sell our products to guarantee delivery, consolidating a long-term, mutually beneficial relationship with each of them. Special programs for supplier development for SQM operations in Chile's regions; meetings with the Company's union organizations. Delivery of important information about the Company through digital platforms: Facebook, Instagram and Youtube channel.</p>

STAKEHOLDERS	WHO THEY ARE	INTERESTS AND EXPECTATIONS	HOW WE ENGAGE
Shareholders	The Company's main series A and B shareholders.	Capitalization of their investment and financial performance that allows for the sustainability of the Company over time.	Board meetings, regularly issued information, financial reports, web page, site visits and shareholder meetings. Delivery of important information about the Company through digital platforms: Facebook, Instagram and Youtube channel.
Customers	Farmers, pharmaceutical companies, car manufacturers and technology companies, among others.	Fulfillment of commitments made regarding product supply and quality in accordance with agreed-upon deadlines, production processes with good standards, product safety.	Periodic, direct communication with and visits to clients, client site visits, surveys on products and operating standards. Delivery of important information about the Company through digital platforms: Facebook, Instagram and Youtube channel.
Community	Residents of communities near our operations, including pertinent local, regional and national authorities, associations, foundations and institutions, and the media.	Creation of direct and indirect jobs, long-term support for the social and economic development of the community and care and appreciation for the environment and community at large. Pertinent, fluid communication.	Communication and regular meetings with representatives/ leaders, site visits, involvement in local working groups and community activities and daily interaction with programs developed alongside the community or organizations. Open and fluid communication with authorities and institutional leaders. Contact with the media through press releases, interviews and events organized by the Communications Department. Delivery of important information about the Company through digital platforms: Facebook, Instagram, LinkedIn and Youtube channel.

We have independently identified our stakeholders, defined as individuals, institutions or organizations with which we engage, based on four categories: needs, impacts, interests and expectations.

Every year, as dictated by our corporate governance framework, the board is given a description of relevant stakeholder groups in the sustainability report and meets with the Sustainability Manager, who explains each group's importance and expectations in the interest of maintaining stable, long-term relationships.

RELATIONS WITH

ORGANIZATIONS AND INSTITUTIONS

DISCLOSURE 102-13



Associate / Member:

Organizations and institutions to which the Company belongs and is an active member. This may include payment of membership fees or dues.



Partner:

Organizations and institutions for which the Company provides support for initiatives of common interest.



Board Member:

Organizations and institutions to which the Company belongs and holds a position on the executive board.



Agreement:

Organizations and institutions with which the Company has signed collaboration agreements to develop projects of common interest.

RELATIONS WITH CHILEAN ORGANIZATIONS AND INSTITUTIONS	ASSOCIATE / MEMBER	PARTNER	BOARD MEMBER	AGREEMENT
Los Terralitos Cultural Folk Group		⊙		
Los Chañares de Quillagua Youth Group		⊙		
FILZIC Literary and Cultural Group		⊙		⊙
Cerro Moreno Water Sports Association, Antofagasta				⊙
Antofagasta Industrial Association (AIA)	○	⊙	⊙	⊙
Iquique Industrial Association (AII)	○	⊙	⊙	⊙
Association of Industrial Mining Suppliers (ARPIMIN)				⊙
Chilean Industrial Chemical Association (ASIQUM)	○	⊙		
Aguas Blancas Indigenous Association		⊙		
Celeste Indigenous Association		⊙		
Juventud del Desierto Indigenous Association		⊙		⊙
American-Chilean Chamber of Commerce (AMCHAM)	○			
Argentine-Chilean Chamber of Commerce	○			
Belgian-Luxembourg Chamber of Commerce	○			
Chinese-Chilean Chamber of Commerce, Industry and Tourism	○			
Santiago Chamber of Commerce	○			
Brisas de Chile Social Dance Club and Cultural Center		⊙		⊙
Pedro de Valdivia Women's Center		⊙		⊙
Center for Public Studies				⊙
Hijos de Pedro de Valdivia Center		⊙		
Parent Association from School D No. 7 Carlos Condell de la Haza		⊙		

RELATIONS WITH CHILEAN ORGANIZATIONS AND INSTITUTIONS	ASSOCIATE / MEMBER	PARTNER	BOARD MEMBER	AGREEMENT
General Parent Association from Toconao Educational Complex		⊙		○
General Parent Association from Sagrada Familia School				○
General Parent Association from Socaire School		⊙		
General Parent Association from Oscar Bonilla School A-26 Antofagasta		⊙		
Jurique Rehabilitation Center, San Pedro de Atacama		⊙		
Best Ball Sports Club				○
Maranata Cristo Viene Sports Club		⊙		
La Tortuga Sports Club		⊙		
Villa Prat Sports Club		⊙		
Sporting Tocopilla Sports Club		⊙		○
Tocopilla Sports Club		⊙		○
Sagrada Familia School - Tocopilla		⊙		○
Don Bosco Industrial Technical School in Antofagasta		⊙		○
Don Bosco Industrial Technical School in Calama		⊙		○
Bicentennial Cultural Center				○
Art and Literature Circle				○
María Elena District Civic Prevention and Emergency Committee	○			
San Pedro de Atacama District Civic Prevention and Emergency Committee	○			
Tocopilla District Civic Prevention and Emergency Committee	○			
Toconao Educational Complex		⊙		
Socaire Atacameña Community		⊙		○
Talabre Atacameña Community		⊙		○
Toconao Atacameña Community		⊙		○
Episcopal Conference				○
Brotes de Mi Tierra Folk Group - María Elena		⊙		○
Regional Council on Mining Safety (CORESEMIN) - Antofagasta	○	⊙		
Regional Council on Mining Safety (CORESEMIN) - Tarapacá	○	⊙		
Crea Más Foundation		⊙		○
Industrial-Technical Educational Development Foundation of Antofagasta (Codetia)				○
Hijos del Salitre Foundation		⊙		

RELATIONS WITH CHILEAN ORGANIZATIONS AND INSTITUTIONS	ASSOCIATE / MEMBER	PARTNER	BOARD MEMBER	AGREEMENT
Antofagasta Municipal Foundation for Social Development		⊙		⊙
Pozo Almonte Municipal Foundation for Social Development		⊙		⊙
Nitrates Museum Foundation	⊙	⊙	⊙	⊙
Chacabuco Nitrates Museum Foundation	⊙	⊙	⊙	⊙
Pedro de Valdivia Nitrates Museum Foundation	⊙	⊙	⊙	
National Forestry Corporation (CONAF) Antofagasta				⊙
National Forestry Corporation (CONAF) Tarapacá				⊙
Development Corporation of the Province of Loa				⊙
Simón de Cirene Foundation				⊙
Antofagasta Fire Department		⊙		⊙
Iquique Fire Department		⊙		⊙
Arturo Prat Chacon School in Tocopilla		⊙		
Quillagua Primary School		⊙		
Bernardo O' Higgins School in Tocopilla		⊙		
Carlos Condell School in Tocopilla		⊙		
Arturo Perez Canto School D-133 in María Elena		⊙		
School E-21 in Toconao		⊙		
School E-26 in San Pedro de Atacama		⊙		
Gabriela Mistral School in Tocopilla		⊙		
Pablo Neruda School in Tocopilla		⊙		
School G-15 in Solor		⊙		
School G-22 in Camar		⊙		
School G-27 in Peine		⊙		
School G-30 in Socaire		⊙		
Río Grande School		⊙		
Oasis en el Desierto School in Pintados		⊙		
Tocopilla Municipal Cultural Foundation				⊙
Nocedal Educational Foundation		⊙		⊙
La Semilla Inspirada en la Obra de Don Bosco Foundation		⊙		⊙
Desafío Levantemos Chile Foundation				⊙
Mining Region Educational Foundation		⊙		⊙

RELATIONS WITH CHILEAN ORGANIZATIONS AND INSTITUTIONS	ASSOCIATE / MEMBER	PARTNER	BOARD MEMBER	AGREEMENT
Ganamos Todos Foundation		⊙		○
Hogar de Cristo Foundation		⊙		○
Libertad y Desarrollo Foundation				○
Miradas Compartidas Foundation		⊙		○
Foundation for Farming Innovation				○
Pro Ayuda al Niño Lisiado Foundation (Teletón)		⊙		○
Huanchaca Ruins Foundation	○	⊙	⊙	○
Teautismo Foundation		⊙		○
Brotes de mi Tierra Folk Group		⊙		○
Chilean Engineering Institute	○			
National Institute for Agricultural Development (INDAP)		⊙		
National Institute for Agricultural Research (INIA)		⊙		
Altos del Mar Neighborhood Council		⊙		
Camar Neighborhood Council		⊙		
Quillagua No. 1 Neighborhood Council		⊙		
Socaire Neighborhood Council		⊙		
Toconao Neighborhood Council		⊙		○
Villa Prat Neighborhood Council		⊙		
Alcalde Sergio González Gutiérrez School in Pozo Almonte		⊙		○
School C-30 in San Pedro de Atacama		⊙		○
Lickan Antai School in San Pedro de Atacama		⊙		○
William Taylor Methodist School in Alto Hospicio		⊙		○
Domingo Latrille School in Tocopilla		⊙		
Oscar Bonilla School in Antofagasta		⊙		○
Diego Portales Polytechnic School in Tocopilla		⊙		○
Humanities and Science Professional Technical High School in María Elena		⊙		○
Municipality of María Elena		⊙		○
Municipality of Pozo Almonte		⊙		○
Municipality of San Pedro de Atacama		⊙		
Municipality of Tocopilla		⊙		○
Pontificia Universidad Católica de Chile (Care Chile UC)		⊙		○

RELATIONS WITH CHILEAN ORGANIZATIONS AND INSTITUTIONS	ASSOCIATE / MEMBER	PARTNER	BOARD MEMBER	AGREEMENT
Tocopilla Fishermen's Union		⊙		
Osada del Carmen Religious Society		⊙		
Chilean Federation of Industry (SOFOFA)	○	⊙	⊙	
National Mining Society (SONAMI)	○	⊙		
Universidad Católica del Norte		⊙		○
Universidad de Antofagasta		⊙		○
Universidad de Chile		⊙		○
Universidad de la Frontera (UFRO)		⊙		○
Universidad Austral		⊙		○
Universidad de Concepción		⊙		○

RELATIONS WITH INTERNATIONAL ORGANIZATIONS AND INSTITUTIONS	ASSOCIATE / MEMBER	PARTNER	BOARD MEMBER	AGREEMENT
American Hort	○			
Arab-Belgian-Luxemburg Chamber of Commerce	○			
Asociación Comercial Española de Fertilizantes (ACEFER)	○			
Asociación de Nitrato de Potasio (PNA)	○			
Asociación Internacional de Fertilizantes (IFA)	○		⊙	
Asociación Mundial de Yodo (WIA)	○		⊙	
Asociación Nacional de Comercializadores y Productores de Fertilizantes A.C. (ANACOFER)	○			
Belgium Mineral Fertilizer Association (BELFERTIL)	○			
California Certified Organic Farming (CCOF)	○			
Cámara de Comercio de Guadalajara	○			
Centro de Investigación Español				○
China Inorganic Salts Industry Association - Potash Branch	○			
Cooperation Centre for Scientific Research Relative to Tobacco CORESTA		⊙		
Drug, Chemical and Associated Technologies Association (DCAT)	○			

RELATIONS WITH INTERNATIONAL ORGANIZATIONS AND INSTITUTIONS	ASSOCIATE / MEMBER	PARTNER	BOARD MEMBER	AGREEMENT
European Association of Chemical Distributors (FECC)	○			
European Lubricating Grease Institute (ELGI)	○			
European Solar Thermal Electricity Association (ESTELA)	○		⊙	
Florida Fertilizer and Agrochemical Association (FFAA)	○			
Florida Fruit and Vegetable Association (FFVA)	○			
Fluid Fertilizer Forum (FFF)	○			
Georgea 4H Fondation	○			
International Life Sciences Institute (ILSI)	○			
International Society for Horticultural Science (ISHS)	○			
Médicos Sin Fronteras España				○
Meststoffen Nederland (Dutch Fertilizer Association)	○			
National Lubricating Grease Institute (NLGI),	○			
Plant Food Association of North Carolina (PFANC)	○		⊙	
Proefstation voor de Groenteteelt vzw (Trial Station in Belgium)	○			
Soil and Fertilizer Alliance of China	○			
Sulphate of Potash Information Board (Sopib)	○		⊙	
The Trade Fertilizer Institute (TFI)	○			
VOKA – Vlaams Netwerk Van Ondernemingen (Flemisch Network of Enterprises)	○			
Western Plant Health (WPHA)	○			
Georgia Plant Food Educational Society (GPFES)	○			
Texas Ag Industries Association (TAIA)	○			
California Pest Control Advisers (CAPCA)	○			
Organic Trade Association (OTA)	○			
Far West Agribusiness Association (FWAA)	○			
Oregon Association of Nurseries (OAN)	○			
Certified Crop Advisors (CCA)	○			
American Society of Agronomy (ASA)	○			
Golf Course Superintendents Association of America (GCSAA)	○			





3



QUÍMICA Y MINERA DE CHILE S.A.

DISCLOSURE 102- 1

SQM S.A. is a global Company focused on a variety of strategic industries for human development, such as health, food, clean energy and the technology that moves the world.

DISCLOSURE 102-2

We develop our products from caliche ore and brines extracted from mineral reserves in northern Chile in the Antofagasta and Tarapacá regions. We are global leaders in our five business lines:

- **Specialty plant nutrition**
- **Iodine and derivatives**
- **Lithium and derivatives**
- **Industrial chemicals**
- **Potassium**

Over the past half century, we have reinvented the nitrate industry, celebrating 50 years in business in 2018. A major milestone that formed part of our anniversary celebrations was the creation of a new logo and slogan. Large companies change their image to revitalize, modernize and mark a turning point in their evolution. Our proposal at SQM is to share our goals from our strategic plan developed in 2015 and 2016, making these a reality through a new mission and values, in a spirit of continuity with our history and track record but also in harmony with the evolution of our business lines. The new image synthesizes this continuity and change and graphically conveys our shared proposal.

A few years ago, our products were mainly focused on agriculture. Today, thanks to the efforts of our professionals and technicians, we have developed high-tech production processes and have expanded our business network to become industry leaders in lithium, iodine, specialty fertilizers and solar salts. We have our own commercial offices and we reach customers in 110 countries, with a complete logistical network that extends to the main markets on six continents.



**Solutions
for human
progress**



110

Countries receive
our products

COMPANY

HISTORY

OUR ORIGINS

1926

Inauguration of María Elena, the first plant with the Guggenheim system. In 1931, operations begin in Pedro de Valdivia, the second plant with the same system, but on a larger scale.

1928

Sociedad Química y Minera de Chile S.A. (SOQUIMICH) is created: 37.5% state-owned, represented by CORFO through the Victoria office, and 62.5% privately-owned, represented by Anglo Lautaro through the María Elena and Pedro de Valdivia offices. This makes SOQUIMICH responsible for the production and sale of all nitrates and iodine in Chile. In 1971, SQM is nationalized, with CORFO taking 100% control of the Company.

IN THE EIGHTIES

1983

The privatization process starts with the sale of the first shares. This process continues for five years.

1985

The heap leaching process is first applied in extracting nitrates and iodine and other changes are made to the production system.

1986

Potassium nitrate is first produced in Coya Sur using a completely new process designed by SQM.

IN THE NINETIES

1993

The Company begins leasing mining claims in the Salar de Atacama from CORFO, paving the way for the production of potassium and lithium. SQM completes its first share issuance on international markets through its ADR program.

1995

SQM obtains the first environmental permit to operate in the Salar de Atacama and begins producing potassium chloride.

1997

SQM begins producing lithium carbonate in its facilities in the Salar del Carmen, Antofagasta. Iodine production begins at the Company's plant in Nueva Victoria, Tarapacá Region. SQM reaches 40% market share in the global potassium nitrate market.

WE START A NEW CENTURY

2001

SQM begins a new stage of expansion by signing several commercial agreements with important international companies, expanding its extensive sales network.

2002

An environmental management and corporate quality system is implemented.



Chemist in María Elena

2005

Lithium hydroxide production begins.

2006

The Company issues its first Sustainable Development Policy. SQM acquires DSM's iodine business in Chile and invests in expanding production capacity at its iodine plant in Nueva Victoria.

The Salar de Atacama site obtains environmental approval to increase extraction, with a robust environmental monitoring and early warning plan.

2007

Production begins at the new nitrate prilling and granulation plant at Coya Sur.

2008

SQM increases its lithium carbonate capacity to 40,000 tons per year.

A joint venture agreement is signed with Migao Corporation for the production and distribution of potassium nitrate in China.

The production process at the Coya Sur prilling and granulation plant is certified under ISO 9001:2000.

1926 - 1986

1993 - 2002

2005 - 2008



María Elena



Pedro de Valdivia 1931



GMO Train

2009

SQM signs new joint ventures with Coromandel (India), Qingdao Star (China) and Roullier (France).

FROM 2010 UNTIL TODAY

2010

SQM Vitas launches a new line of soluble phosphate products in Dubai.

Environmental approval is obtained for the Pampa Hermosa project to expand production of iodine and nitrates in Nueva Victoria, Tarapacá Region, with an environmental monitoring and early warning plans.

2011

Production starts at a new potassium nitrate plant in Coya Sur, increasing annual production by 300,000 tons. SQM and Migao Corporation inaugurate a new potassium nitrate plant in China.

2013

SQM's operations in Nueva Victoria are certified in Responsible Care by the Chilean Industrial Chemical Association (ASIQUM).

Capstone Mining Corp. signs an agreement with SQM for an option to acquire a majority interest in any metals found in a prospecting project in the district of Taltal. SQM sells the Antucoya project to Antofagasta Minerals.

2014

The LEAN work methodology is successfully implemented through a program known as M1 as part of the Company's efforts to cut costs and enhance productivity.

2015

The Company earns Protect & Sustain certification from the International Fertilizer Industry Association (IFA).

Production is suspended in Pedro de Valdivia. The production of iodine, iodide and nitrate salts is now concentrated in Nueva Victoria.

2016

SQM maintains its global leadership in the production of solar salts, consisting of refined sodium nitrate and potassium nitrate, used in solar power plants.

The SQM Strategic Development Plan is drafted, establishing guidelines for the Company's development over the next few years.

2017

SQM expands its lithium business in Australia by acquiring 50% of Kidman Resources Limited's rights to the Mt. Holland lithium project. The initial production target of this joint venture is 40,000 MT of lithium carbonate equivalent (LCE) per year beginning in 2021.

The Company holds a 35% market share of the iodine and derivatives market and is the largest global producer. It has a 54% share of the potassium nitrate market and is also the main global producer of lithium and derivatives, with 23%.

2009 - 2011

2013 - 2015

2016 - 2017

A HALF CENTURY OF LIFE

2018 MILESTONES

DISCLOSURE 102- 10

- On January 17, 2018, SQM and CORFO signed a decisive agreement to end the four-year arbitration proceedings that resulted from differences regarding the lease and project agreements signed by both parties on November 12, 1993, to lease and operate CORFO's mining claims in the Salar de Atacama. This agreement included important modifications to the lease agreement. On one hand, CORFO authorized SQM to increase its quotas for the production and sale of lithium and lithium derivatives produced from resources in Salar de Atacama until 2030. Lithium carbonate production is expected to reach 2.2 million tons during that time. Then, in the interest of ending the conflict, SQM will make a one-time payment of US\$17.5 million plus interest to CORFO. The agreement also specified that SQM must increase the payments it makes to CORFO, which are linked to sales of different products, and make annual contributions of between US\$10.8 and US\$18.9 million for R&D. Likewise, it must contribute between US\$10 and US\$15 million to communities near the Salar de Atacama, and the equivalent of 1.7% of SQM Salar's total annual sales for regional development. The agreement also binds SQM to strengthen its corporate governance, through auditing and environmental control mechanisms and creating opportunities for coordinating with CORFO.
- SQM was selected among the 100 top multilatinas due to its high indicators and future prospects. The Boston Consulting Group (BCG) chose SQM, along with 17 other Chilean companies, as part of a report entitled "Why Multilatinas Hold the Key to Latin America's Economic Future."
- SQM and the Altura Likanantay Winemakers Cooperative organized the 6th Toconao Harvest Fair 2018, which attracted 10 thousand visitors, three times more than in previous years.
- SQM joined forces with Fundación La Semilla to launch Puerto Cowork, the first collaborative workspace for entrepreneurs in Tocopilla. The building, complete with fully equipped workspaces for its users, was made possible through a significant investment from SQM. The aim of this workspace is to create a culture of innovation and entrepreneurship in Tocopilla.
- SQM and the Australian government defined the location of the lithium refinery, south of Perth, a joint venture to be developed by SQM and Kidman Resources. The two companies signed an agreement with the Australian government for an option to acquire a site for the plant that promises to be one of the largest lithium processors in the world.
- In May 2018, SQM announced the ambitious expansion of its strategic plan for lithium in Chile. This expansion involved an increase from 48,000 to 70,000 MT in production. In 2018, SQM submitted an Environmental Impact Statement (DIA in Spanish) for the upcoming stages of lithium production, with an expected increase from 70,000 to 120,000 MT in 2019, and a third phase, which adds additional capacity of 60,000 MT to operations, reaching a total of 180,000 MT.
- On June 29th, SQM celebrated its 50th anniversary, making a half century of work and commitment of thousands of people who form part of the past, present



Inauguration of "El Puerto Cowork" facilities in Tocopilla

and future of our Company. As part of the anniversary celebrations, the Company presented a new corporate image, with new blue and green colors and a round logo, under the slogan "Solutions for human progress."

- On September 21st, SQM celebrated 25 distinguished years on the New York Stock Exchange. As part of the SQM Day, the Company was paid homage at the NYSE. On this occasion, CEO Patricio de Solminihac was congratulated by the Bank of New York and invited to sign the guest book and ring the traditional opening bell to open the markets.
- In December, SQM entered its "Tente en el Aire" (TEA) project into the Environmental Impact Assessment System (SEIA). This project, located in the Tarapacá Region, will modify the Nueva Victoria site, incorporating new mine areas for the production of iodide, iodine

and nitrate salts, resulting in an increase in the total extraction of caliche ore and seawater use for these projects, as well as expanded production of iodide, iodine and nitrate salts.

- The "M1" Lean work methodology has been implemented at SQM in 89% of the Company and in its commercial offices in the US and Spain. The commercial offices in Belgium have recently begun the implementation process. For SQM, "M1" has meant a significant boost in production, reduction in accidents, implementation of technology and cost cutting.

CORPORATE

GOVERNANCE POLICY

DISCLOSURE 102 – 18/ 102 - 19

SQM has corporate governance guidelines that are designed to guide the board in exercising its duties with the Company and its shareholders. These guidelines are not intended to serve as a set of legal obligations, but rather a flexible framework that guides the work of the board. This policy can be modified by the board as needed or required by the laws and regulations that govern the Company.

The board of SQM S.A. must exercise its best judgment in order to act in line with what it reasonably believes to be in the interests of the Company and its shareholders. Upon accepting this obligation, SQM directors are authorized to rely on the honesty and integrity of the Company's senior executives, advisors and independent auditors. The directors may also request that the Company contract civil liability insurance under reasonable market conditions in the name of its directors and executives to the greatest extent possible in keeping with current legislation.





Board members at Nueva Victoria operations, Tarapacá Region

ORGANIZATION

AND CORPORATE GOVERNANCE

DISCLOSURE 102 – 18/ 102 – 19/ 102 – 20/ 102 – 22/ 102 – 23/ 102 – 24/ 102 – 27/ 102 – 32/ 102 – 33/ 102 – 35/ 102 – 36/

BOARD OF DIRECTORS

The board of directors of SQM has eight full members. There are no alternate board members. Board members are elected for three-year terms at the annual shareholder meeting. The board can assign replacements for vacancies that arise between elections. If there is a vacancy, the entire board should be elected or re-elected at the next annual shareholder meeting. The current board of directors was elected for a three-year term at the annual shareholder meeting held on April 27, 2018. On this date, the following directors were elected: Alberto Salas M, chairman of the board and director; Patricio Contesse, vice chairman and director; Hernán Büchi, director; Mark F. Fracchia, director; Laurence Golborne, director; Gonzalo Guerrero, director; Arnfinn F. Prugger, director and Darryl Stann, director.

In addition, the board has three committees: Audit and Financial Risk Committee, Corporate Governance Committee and Safety, Health and Environment Committee.

Article 9 of the bylaws indicates that the Company will be managed by the board of directors, composed of 8 members. Series A shareholders will elect 7 directors and Series B shareholders will elect one. Directors may or may not be shareholders. At least one of the eight directors must be independent, as indicated under the Corporations Law. The chairman is elected by absolute majority vote of the directors present and, in the event of a tie, a new vote will be held in which only directors elected by Series A shareholders may participate.

DISCLOSURE 102-23

The efforts of the board and its committees help to fortify SQM's corporate governance and reinforce best practices at the Company. No board member holds a managerial position within the Company.

DISCLOSURE 102 – 21/ 102-30/ 102-32/ 102- 33

The board is responsible for managing the Company and its main duties include:

- Developing the Company's vision, strategy and objectives.
- Hiring and continuously evaluating the Chief Executive Officer and top-ranking executives.
- Identifying potential replacements for the Company's CEO and other senior executives who have the skills, knowledge, conditions, experience and vision required for each position. This is done to ensure that a succession plan is in place for the Chief Executive Officer and other top-ranking executives in the event of unforeseen absence in order to minimize impact on the Company.
- Approving new investment over US\$ 5 million. This does not include capital expenses for maintenance included in the investment plan approved annually by the board.



Iris accommodation facilities, Nueva Victoria operations in Tarapacá.

- Approving the annual budget.
- Reviewing and approving the quarterly and annual financial statements.
- Approving the investment and financing policies to be presented for shareholder consent at the annual shareholder meeting.
- Reviewing and approving the sustainability report as well as examining perceptions of the Company's relevant stakeholders regarding its usefulness and acceptance.
- Reviewing and approving annual reports filed by the Company in Chile and analyzing and evaluating the convenience, timely filing and relevance of these reports in order to continuously improve information disclosed by the Company.

The chairman of the board's main duties include:

- Chairing board meetings.
- Chairing shareholders' meetings.
- Casting the tie-breaking vote at board meetings.

**DIRECTORS
MUST ACT IN
ACCORDANCE WITH
THE COMPANY'S
CODE OF ETHICS**

RESPONSIBILITY RELATED TO RISK AND INTERNAL CONTROLS

DISCLOSURE 102 – 19/ 102-20

In addition to the areas mentioned above, the board is responsible for determining the nature and scope of any significant financial risks that the Company may assume to reach its strategic targets and for soundly and effectively managing financial risks and internal control systems.

DISCLOSURE 102-20/ 102 – 21/102 - 24/ 102-30/102 -26/ 102-27/ 102 -28/ 102-29/ 102 -30/ 102 -31

When named to the board, all new directors receive orientation on the Company's lines of business, risks, policies, procedures, main accounting criteria, sustainability and the legal framework applicable to the Company and its board.

Within 60 days of electing a new board, members receive a copy of certain documents on the Company: Bylaws, Code of Ethics, Manual for Managing Market Sensitive Information, Sustainability Report, 20-F and the most recent annual report. Along with the 20-F, the board receives a list with all material contracts and a complete copy of the prior year's financial statements.

The board of directors has access to the Company's website, through which it can access pertinent Company information including financial statements, recent press releases and the most important corporate policies. The board of directors meets with directors and the appropriate members of management to review business risks, including those related to sustainability, site visits and

other informational sessions, as appropriate. The board is provided a description of relevant stakeholder groups in the sustainability report and meets with the Sustainability Manager, who explains each group's importance and expectations in the interest of maintaining stable, long-term relationships.

A formal training procedure is in place to foster the board's professional development. The board completes an evaluation each year designed to promote efficiency and continuous improvement of the board and evaluate its processes and performance. The evaluation may also be conducted by a third party. As part of this process, the board evaluates itself, the chairman and Chief Executive Officer on the following aspects:

- Any area it feels should be examined to improve the efficiency of the board and the Company.
- Any area that its members could strengthen in order to continue enhancing their personal performance on the board.
- Any organizational, social or cultural barriers that could be inhibiting the natural diversity of capabilities, visions, characteristics and conditions that could have existed within the board without these barriers.
- Considerations related to any change in the board's organization or functioning in crisis situations.

- Any improvement related to the Company's implementation of policies and procedures, ensuring that disclosures are easy for the public to understand and published in a timely manner.

At the end of this evaluation, the board identifies specific training measures that it believes it should carry out. This process includes advising by an external consultant to detect and implement potential improvements.

Annually, the board or a board committee reviews the Corporate Governance Policy.

As part of this process, the board examines corporate governance best practices implemented by other local and international entities.

DISCLOSURE 102 – 32/ 102 - 30

The board is responsible for approving the Company's annual report and sustainability report. Thus, ongoing training is designed to keep directors informed of all relevant changes to local and international regulations on inclusion, diversity, sustainability and risk management. The board requests meetings with internal and external counsel, as necessary, to explain the most important court decisions, administrative resolutions or rulings related to the duties of care, prudence, loyalty, diligence and reporting that have been issued in local and international markets or that could impact the Company.

The board also makes a reasonable effort to hold at least one meeting a year at or close to operational facilities.

The board visits at least one plant in order to have a better idea of the state and functioning of that facility, the main duties and concerns of those working at the office or plant and any recommendations and improvements that, according to the people responsible for those offices and facilities, would help improve operations.

According to article 17 of the bylaws, directors are to be compensated for their services. Compensation for each director and committees will be proposed annually by the board for subsequent shareholder approval at annual shareholder meetings. Board stipends shall be customary, reasonable and competitive.



AUDIT AND FINANCIAL RISK COMMITTEE

The objective of the Audit and Financial Risk Committee is to help the board fulfill its duties with respect to control and financial reporting matters. The committee works to control the Company's maximum exposure to financial risk in accordance with defined policies.

The committee is composed of three directors. Independence requirements under Chilean and NYSE regulations must be taken into consideration in selecting committee members.

This committee must meet at least four times per year. After each meeting, the committee will report on its activities to the board.

The committee acts in accordance with article 50 bis of Law 18,046, which states that the Audit and Financial Risk Committee is responsible for, among other duties:

- Examining and issuing an opinion on risk reports from external auditors and the financial statements prior to presenting them for final approval from the board and shareholders.
- Making proposals to the board regarding the external auditors, risk rating agencies and account inspectors to be presented for shareholder approval at the shareholders' meeting.
- Analyzing and preparing a report on the transactions contained in Section XVI of the Corporations Law, which regulates transactions between related parties.
- Examining the salary and compensation plans for the Company's senior executives and employees.

The Audit and Financial Risk Committee is also responsible for, among other duties:

- Analyzing Company policy related to assessing and managing financial risk, including an analysis of key financial risks and mitigation measures.
- Maintaining procedures for policies and controls for identifying, evaluating and defining the degree of exposure of the Company's financial risk.
- Meeting with the internal audit manager at least twice a year, and more if necessary, to review the annual audit schedule or plan, recommendations, among other items.

SAFETY, HEALTH AND ENVIRONMENT COMMITTEE

The purpose of the Safety, Health and Environment Committee (SHEC) is to assist the board in fulfilling its duties by reviewing and recommending policies related to social, safety, health, environmental and sustainability matters affecting the Company.

The SHEC is composed of three directors, who meet at least four times a year, or more frequently if necessary.

Its responsibilities include:

- Periodically reviewing safety, health, environment and sustainability policies for the Company and recommending changes to these policies to the board or management. The board works to ensure that policies, indicators and reports are defined in accordance with international standards such as the "Global Reporting Initiative" guidelines or other equivalent standards.

- Receiving and reviewing, at least once a year, management's reports on compliance with the Company's safety, health, environmental and sustainability policies and applicable standards.
- Reviewing management's monthly reports to the board for mention of any safety, health or environmental incident that must be reported to the appropriate regulatory authorities. If deemed necessary, committee members may call a meeting with the personnel involved in order to gather additional information about the nature of the incident and a description of the remedial measures taken.
- Reviewing the Company's handling of emergency response planning procedures involving safety, health and environmental matters.
- Receiving and reviewing, at least once a year, a report on the detected organizational, social or cultural barriers that could inhibit the natural diversity that would have existed without those barriers.

The SHEC will periodically report key findings to the board.

CORPORATE GOVERNANCE COMMITTEE

DISCLOSURE 102 - 19


The purpose of the Corporate Governance Committee is to assist the board in fulfilling its duties by reviewing and recommending policies related to corporate governance matters affecting the Company.

It is composed of three directors. It meets at least twice a year, or more frequently if necessary.

The committee's responsibilities include:

- Reviewing the corporate governance policy once per year and recommending any changes it deems necessary.
- Reviewing compliance with the corporate governance policy once per year and ensuring that applicable regulatory requirements are being met. As part of this process, the board will examine corporate governance best practices implemented by other local and international entities.
- This committee will ensure the Company has a proper succession plan in place for the CEO and other senior executives. This will include a list of possible candidates available to replace the CEO if the board decides to remove him or in the event of an emergency. This list should take into consideration the skills, experience, independence and knowledge required for the new position.
- The Corporate Governance Committee will also ensure that there is a proper succession plan for the chairman of the board based on the skills, experience, independence and knowledge required for the position. The committee will do its best to identify possible, suitable candidates to be proposed to the board.
- At management's request, it will review modifications to communications intended for the Company's shareholders, including institutional shareholders and analysts as well as potential shareholders.
- Reviewing any directors' and officers' liability policy before it is contracted by the Company.

This committee will periodically report key findings to the board.



The Company is in constant dialog with institutional shareholders and analysts, as well as potential shareholders or investors.

The spokespeople for the market, specifically communications media, are the Chief Executive Officer and the Finance Senior Vice-President. However, the Investor Relations and Communications departments facilitate delivery of information that SQM must provide certain people and the communities where it operates. Specifically, the Investor Relations team manages the formal program of presentations to update institutional analysts and shareholders on the Company's performance, its business, main risks as well as legal, financial and economic standing.

The Company also publishes quarterly financial results. These results, presentations and other press releases by the Company are available on SQM's website.

The Company has an Investor Relations team, whose members speak advanced English to respond to queries from non-Spanish speakers.

The board regularly receives summaries and feedback on meetings held as part of the investor relations program and reports from Company analysts.

The Company regularly meets with institutional investors and analysts throughout the year. These include road shows with international investors, presentations at industry conferences, participation in activities with sell-side analysts and meetings with individual investors. Several senior executives attend these events.

Investors can access all publicly available information through SQM's website. In accordance with the rights and

responsibilities inherent to the position of shareholder, the Company ensures that the legally mandated information on the Company's economic, legal and financial position is provided to shareholders and the general public in Spanish and English. Specifically, the Company's website includes its social responsibility and sustainable development policies. The board analyzes and evaluates the convenience, timeliness and relevance of annual reports filed in Chile and in the United States in order to improve information disclosed by the Company to the market. The board approves all material event filings or has the option to delegate this responsibility to the CEO. All other press releases issued by the Company must be reviewed by the Disclosure Committee, which is composed of key members of senior management.

In order to provide additional information on its social and environmental performance, SQM also publishes a separate sustainability report, which identifies relevant stakeholders, the factors behind group classification and the social responsibility and sustainable development indicators tracked by the Company.

SQM's complete Corporate Governance Policy is available on the Company's website WWW.SQM.COM.



ORGANIZATION

THE FOLLOWING INDIVIDUALS SERVE ON SQM'S BOARD:



CHAIRMAN

ALBERTO SALAS M.

- Mining Engineer
- Universidad de Chile
- Chilean National ID: 6.616.233-0

Board member since April 2018.

Mining Engineer, Universidad de Chile He is a member of the boards of Cía. Minera Valle Central, CAP Minería, ENAEX S.A. and Amerigo Resources Ltd. He is also the president of the Universidad de Chile Mining Engineering Foundation, the Chilean Pacific Foundation, the Interamerican Mining Society and the Latin American Mining Organization. He is currently the chairman of INACAP and on the board of ABAC.



VICE CHAIRMAN

PATRICIO CONTESSE F.

- Lawyer
- Universidad Católica de Chile
- Chilean National ID: 15.315.085-0

Lawyer, Pontificia Universidad Católica de Chile; vice-chairman of the following boards: Sociedad de Inversiones Pampa Calichera S.A., Potasios de Chile S.A, Sociedad de Inversiones Oro Blanco S.A. and Norte Grande S.A. He also serves on the board of Nitratos de Chile S.A. and previously served on the board of SQM from April 2013 to April 2015.



BOARD MEMBER

HERNAN BÜCHI B.

- Civil Engineer
- Universidad de Chile
- Chilean National ID: 5.718.666-6

Civil engineer, Universidad de Chile. He served on SQM's board for several years until April 2016. He is currently on the boards of Quiñenco S.A. and S.A.C.I. Falabella, among other companies. He also chairs the board of Universidad del Desarrollo.



*On January 24, 2018, Joanne L. Boyes and Robert A. Kirkpatrick presented to the board of directors their resignations as directors of SQM. On the same day, Darryl Stann was appointed director, replacing Joanne L. Boyes. On February 19, 2018, Mr. Mark F. Fracchia was appointed to SQM's board of directors, replacing Mr. Kirkpatrick.

The current board of directors was elected for a three-year period at the annual shareholder meeting held on April 27, 2018.



BOARD MEMBER

LAURENCE GOLBORNE R.

- Industrial Engineer
- Universidad de Chile
- Chilean National ID: 8.170.562-3

Industrial engineer, Universidad Católica de Chile. He is current on the boards of Ripley Corp. S.A. and Aventura S.A. (Peru), an advisor to the boards of Sociedad Inversiones Arrigoni S.A. and Metalúrgica Arrigoni S.A., and the chairman of Tavamay S.A. (Paraguay). Previously, he served as a minister of the Chilean government from 2010-2012, and before that was CEO of Cencosud S.A. and Corporate CFO of Gener S.A., among other positions in diverse companies.



BOARD MEMBER

GONZALO GUERRERO Y.

- Lawyer
- Universidad de Chile
- Chilean National ID: 10.581.580-8

He was legal counsel and alternate director of Integramédica SA for over seven years and on the board of Inversiones Oro Blanco S.A. and VNT S.A. (Vantrust Capital Asset Management), among other companies, until April 2016. Currently, he is on the executive board of Guerrero y Asociados, and the board of directors of Sanasalud S.A., Club Deportivo Palestino SADP and SMA Clínica Internacional S.A. (Peru).



BOARD MEMBER

ARNFINN F. PRUGGER.

- Geoscientist
- University of Saskatchewan
- Chilean National ID: 48.187.981-7

He is the former vice-president of technical services at PotashCorp., predecessor of Nutrien. With that company for over 25 years, he has broad, high-level experience in mining, mining operations and potassium exploration.

The board of directors was elected at the annual shareholder meeting held on April 27, 2018. In addition to current board members, Mark Fracchia and Darryl Stann were also elected but then presented their resignations on December 5, 2018. As a result of the resignation of Messrs. Stann and Fracchia, the full board will be elected at the next annual shareholder meeting on April 25, 2019.

As established in the Company's corporate governance framework, anyone may contact the directors by email at directores@sqm.com.

ORGANIZATION

SQM'S SENIOR MANAGEMENT CONSISTS OF:



— CHIEF EXECUTIVE OFFICER

RICARDO RAMOS R.

- Industrial Engineer
- Universidad Católica de Chile
- Chilean National ID: 8.037.690-1



— FINANCIAL SENIOR VICE- PRESIDENT AND CFO

GERARDO ILLANES G.

- Industrial Engineer
- Universidad Católica de Chile
- Chilean National ID: 13.904.120-8



— LEGAL SENIOR VICE- PRESIDENT

GONZALO AGUIRRE T.

- Lawyer
- Universidad Católica de Chile
- Chilean National ID: 13.441.419-7



— POTASSIUM AND NITRATES COMMERCIAL SENIOR VICE- PRESIDENT

FRANK BIOT

- Master's in Applied Economics
- University of Antwerp, Belgium
- National ID: BEL592009828/2054



— NITRATES AND IODINE OPERATIONS SENIOR VICE- PRESIDENT

CARLOS DÍAZ O.

- Industrial Engineer
- Universidad Católica de Chile
- Chilean National ID: 10.476.287-5



— LITHIUM AND IODINE
COMMERCIAL SENIOR VICE-
PRESIDENT

PABLO ALTIMIRAS C.

- Industrial Engineer
- Universidad Católica de Chile
- Chilean National ID: 13.657.862-6



— POTASSIUM AND LITHIUM
OPERATIONS SENIOR VICE-
PRESIDENT

JUAN CARLOS BARRERA P.

- Industrial Engineer
- Universidad Católica de Chile
- Chilean National ID: 10.528.182-K



- PEOPLE AND PERFORMANCE
SENIOR VICE-PRESIDENT

JOSÉ MIGUEL BERGUÑO C.

- Industrial Engineer
- Universidad Católica de Chile
- Chilean National ID: 10.903.992-6



— INTERNAL AUDITING

RAÚL PUERTO M.

- Industrial Engineer
- Pontificia Universidad Javeriana de Colombia
- Chilean National ID: 14.757.436-3



— RISK MANAGEMENT AND
COMPLIANCE

ANDRÉS YAKSIC B.

- Industrial Engineer
- Universidad Católica de Chile
- Chilean National ID: 15.313.670-K

LEGAL AND

OWNERSHIP STRUCTURE

DISCLOSURE 102-5

SQM S.A. is a publicly traded corporation with shares listed on the Santiago, Chile, and New York, U.S., stock exchanges.

As of December 31, 2018, the Company's majority shareholders are:

SERIE A + SERIE B	NO. OF SHARES	% SHARE
Inversiones TLC SPA	62,556,568	23.77%
Sociedad de Inversiones Pampa Calichera SA	54,987,306	20.89%
The Bank of New York Mellon ADRS(1)	35,254,267	13.39%
Potasios de Chile SA	18,179,147	6.91%
Banco de Chile on behalf of non-resident third parties	10,719,499	4.07%
Inversiones Global Mining Chile Limitada	8,798,539	3.34%
Banco Itau Corpbanca, on behalf of Foreign Investors	8,085,730	3.07%
Banco Santander on behalf of Foreign Investors	7,138,685	2.71%
Banchile Corredores de Bolsa SA	4,556,703	0.73%
Inversiones La Esperanza Chile Limitada	3,758,098	1.43%
Larrain Vial SA Corredora de Bolsa	2,742,246	1.04%
BTG Pactual Chile S,A, Corredores de Bolsa	2,680,393	1.02%
SUBTOTAL 12 LARGEST SERIES A AND B SHAREHOLDERS	219,457,181	83.38%
TOTAL SERIES A AND B SHARES	263,196,524	100%

1) The Bank of New York Mellon is the depositary bank for the Company's ADSs that trade on the New York Stock Exchange, Information on the holders of the Company's ADSs is presented at the end of this section,

Total Series A Shares 142,819,552 100%,

Total Series A Shares	142,819,552	100%
Total Series B Shares	120,376,972	100%
Total Series A and B Shares	263,196,524	100%

As of December 31, 2018, the 12 largest Series A shareholders were:

SERIES A	NO. OF SHARES	OWNERSHIP INTEREST (%)
Inversiones TLC SPA	62,556,568	43.80%
Sociedad de Inversiones Pampa Calichera SA	44,894,152	31.43%
The Bank of New York Mellon ADRS ⁽¹⁾	18,179,147	12.73%
Potasios de Chile SA	8,798,539	6.16%
Banco de Chile on behalf of non-resident third parties	3,711,598	2.60%
Inversiones Global Mining Chile Limitada	781,429	0.55%
Banco Itau Corpbanca, on behalf of Foreign Investors	737,057	0.52%
Banco Santander on behalf of Foreign Investors	528,092	0.37%
Banchile Corredores de Bolsa SA	488,294	0.34%
Inversiones La Esperanza Chile Limitada	227,550	0.16%
Larrain Vial SA Corredora de Bolsa	217,113	0.15%
BTG Pactual Chile SA Corredores de Bolsa	194,959	0.14%
SUBTOTAL 12 LARGEST SERIES A SHAREHOLDERS	141,314,498	98.95%
TOTAL SERIES A SHARES	142,819,552	100%

As of December 31, 2018, the 10 largest Series B shareholders were:

SERIES B	RUT	NO. OF SHARES	OWNERSHIP INTEREST (%)
Sociedad de Inversiones Pampa Calichera SA	96,511,530-7	10,093,154	8.38%
Banco Itau on behalf of Foreign Investors	97,023,000-9	8,085,730	6.72%
Banco Santander on behalf of Foreign Investors	97,036,000-K	7,138,685	5.93%
Banchile Corredores de Bolsa SA	96,571,220-8	4,028,611	3.35%
Larrain Vial SA Corredora de Bolsa	80,537,000-9	2,676,018	2.22%
BTG Pactual Chile SA Corredores de Bolsa	84,177,300-4	2,616,515	2.17%
Tanner Corredores de Bolsa SA	80,962,600-8	2,217,359	1.84%
Bolsa de Comercio de Santiago Bolsa de Valores	90,249,000-0	2,212,594	1.84%
Euroamerica Corredores de Bolsa SA	96,899,230-9	1,600,778	1.33%
BCI Corredores de Bolsa SA	96,519,800-8	1,467,591	1.22%
SUBTOTAL 10 LARGEST SERIES B SHAREHOLDERS		88,095,114	73.18%
TOTAL SERIES B SHARES		120,376,972	100%

(1) The Bank of New York Mellon is the depository bank for the Company's ADSs that trade on the New York Stock Exchange, Information on the holders of the Company's ADSs is presented at the end of this section,

PRINCIPLES

DISCLOSURE 102-16

Through our actions, we hold ourselves to values that are reflected in our dealings with shareholders, employees, customers, suppliers, the environment and the community.



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.



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, within a framework of the highest standards of integrity.





EXCELLENCE

- We are an organization that is constantly striving to achieve better results, for the purpose of creating shared value with shareholders, associates, customers, suppliers and communities.
- We strive to be creative, agile and innovative in our work and daily challenges.
- 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 M1 methodology.
- We foster and value internal meritocracy as the main path of professional growth, thereby favoring equality of opportunity, inclusion and diversity. We seek to create opportunities for professional development so that people achieve their maximum potential.



SAFETY

- Caring for people's safety is a priority commitment at the Company that motivates us daily to develop safe and accident-free operations.
- We are responsible for creating conditions under which each job can be performed safely and also for promoting conduct that favors the physical safety and psychological wellbeing of everyone who works at SQM.
- Each person at the organization is responsible for taking care of him/herself and other members of the team with an uncompromising commitment to safe conduct. We promote open and ongoing feedback in order to identify opportunities to improve safety.

INTEGRIDAD

- Each day, we seek to do our job with the high standards of integrity described in the internal Code of Ethics. At the same time, we are open to and interested in identifying and implementing better ways to work that ensure and facilitate compliance with those standards.
- We promote respect and fulfillment of each of the commitments made to shareholders, customers, employees, regulators, communities, suppliers and authorities.

ETHICS AND

COMPLIANCE

CODE OF ETHICS

DISCLOSURE 102 – 16/ 102 – 17/ 102-25/ 205 -2

SQM has a Code of Ethics that emphasizes the commitment made by the board, management and all Company employees to ethical and transparent business practices. This document is essential to SQM and sets the standards that we should follow when conducting business around the world to ensure compliance with the Code. As a Company, we ensure that we are doing our job correctly with the right people and in a way that makes us proud, creating value for our people, communities, business partners and shareholders.

**100% OF OUR EMPLOYEES
RECEIVE THE CODE OF ETHICS
WHEN STARTING WITH THE
COMPANY,**
as well as the necessary
training to understand it and
apply it.

Acting ethically starts with the basic commitment that all SQM employees must comply with the law. **At SQM, we have zero tolerance for any type of corruption.** This includes any payment or benefit provided directly or indirectly to public and private officials.

Our Code applies to everyone equally; senior executives, board members, managers, full-time and part-time employees, without exception. In addition, SQM has a Code of Conduct for Business Partners, which sets the integrity standards that our business partners must meet when conducting any business with us.

The Ethics and Compliance Department is responsible for updating and implementing the Code. Those who work in this department are also called upon to answer questions about the Code and the correct way to do things. It is their job to provide employees with resources to help them make the right decisions regarding application of the Code and applicable laws. The full text of SQM's Code of Ethics is available on the Company's web page:

WWW.SQM.COM



THE ETHICS AND COMPLIANCE DEPARTMENT

is responsible for managing any possible conflict of interest between employees, directors and third parties.

HUMAN RIGHTS

At SQM, we comply with all laws regarding fair working conditions, salaries, maximum hours, child labor and forced labor. Doing business correctly means that we promote integrity at all our operations and we support positive human rights practices that are free from worker exploitation. To clarify, we prohibit child labor, forced labor and any other similar practice. Working hours must be in line with the corresponding laws and employees must receive fair compensation for their labor. Any human rights violation must be reported immediately to initiate corrective measures.



ETHICS AND COMPLIANCE PROGRAM

[DISCLOSURE 102-16/ 102-17/ 205-2/415-1](#)

SQM has developed an Ethics and Compliance Program that establishes a set of policies and procedures that support the standards contemplated in the Code. This set of policies and procedures is designed to establish a culture of integrity at SQM. This program and the Code establish a framework for our way of working and making business decisions for SQM and therefore **ARE NOT NEGOTIABLE.**

This program applies to employees, executives and contractors and is shared through trainings and internal communication channels with all SQM employees. In addition, SQM developed a Policies and Procedures Archive containing all documents that employees must be familiar with. Program compliance is monitored regularly by the Ethics and Compliance Department.

The program contains a set of policies and procedures, such as the Anti-Bribery and Anti-Corruption Policy, which indicates that SQM has zero tolerance for corruption and prohibits any type of political contribution; the Free Competition Policy, the Donation and Contribution, Business Courtesy, Sponsorship and Membership Policy; procedures that regulate relationships with public officials; and the necessary due diligence policies and procedures for starting new business relations with external partners, mergers, joint ventures; and due diligence procedures for hiring third parties, such as suppliers, agents or distributors.





To ensure and safeguard compliance with the Code of Ethics and the Ethics and Compliance Program, SQM has:

- An Ethics and Compliance Department, responsible for maintaining the Ethics and Compliance Program and the Code of Ethics. This department falls under the Risk Management and Compliance Division, whose manager reports to the Chief Executive Officer, with direct access to the Directors' Committee.
- A compliance officer, who is responsible for overseeing and monitoring policy and procedure execution and has the means and powers to do so.
- A Compliance Department, charged with managing the ethics and compliance program.
- A Policy on Compliance Oversight, which lists the responsibilities of various positions related to implementation and maintenance of the program.
- An Ethics and Compliance Committee, composed of members of management, whose mission is to ensure the ongoing and appropriate application of internal standards related to the ethics and compliance program and contribute to the development of a corporate ethics culture.
- An Ethics and Compliance Council, composed of members of senior management, whose mission is to ensure the ongoing and appropriate application of internal standards related to the value of integrity and contribute to the development of a corporate ethics culture.
- An internal policy to regulate complaints received. The policy establishes the support and complaint channel available to all SQM employees around the world as well as third parties, in accordance with applicable legislation.
- A policy on internal investigations that regulates how internal investigations must be conducted and includes sanctions for violations of internal standards, in accordance with applicable legislation.
- An Internal Audit area that is independent of SQM management and acts as a third line of defense.

1) The Ethics and Compliance Committee is composed of: the Risk Management and Compliance Officer, the Finance Senior Vice-President - CFO, and a lawyer from the office of the Legal Senior Vice-President, designated by the Legal Senior Vice-President, as established in the bylaws of the Ethics and Compliance Committee.

2) The Ethics and Compliance Council is composed of the Chief Executive Officer, Risk Management and Compliance Officer, and the Legal Senior Vice-President, as established in the bylaws of the Ethics and Compliance Council.

SUPPORT AND COMPLAINT CHANNEL

DISCLOSURE 406-1/ 205-3

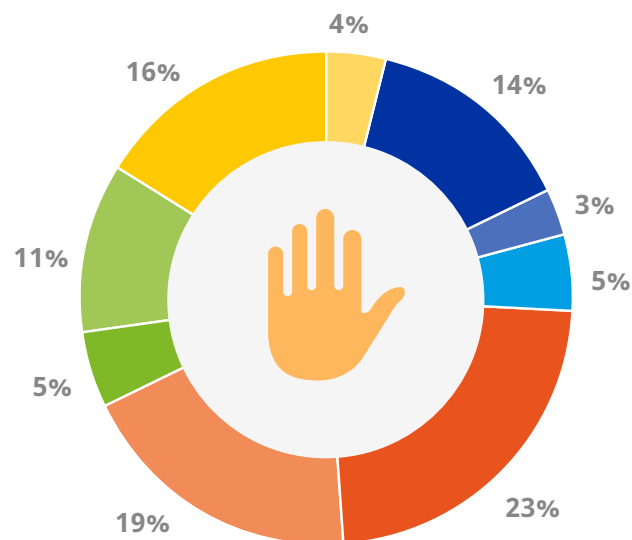
At SQM, we have a support and complaint channel available to all SQM workers around the world and also to third parties. Reports can be made to the channel through the website: <https://sqm.ethicspoint.com> or by calling the numbers available in the countries where we have our main commercial offices.

If an employee, contractor or third party sees a situation that could infringe on our Code of Ethics or Program, he/she has the duty to report it. In 2018, 59 complaints were received, all of which were reviewed by the Ethics and

Compliance Department before continuing through the regular channels established in the internal investigation procedure. SQM takes every report seriously and treats each report confidentially based on SQM policies and procedures. When allowed under local laws, reports can be made anonymously. In 2018, no complaints were made regarding cases of discrimination or human rights abuses.

The Ethics and Compliance Department is responsible for following up on all reports of possible violations of the Code and SQM's internal guidelines.

Complaints by Type



<https://sqm.ethicspoint.com>



- Corruption
- Compensation and benefits
- Conflicts of interest
- Violation of internal policies
- Harassment
- Falsification of records
- Improper conduct
- Other

COMPLIANCE INITIATIVES

DISCLOSURE 102-15/ 102-17/ 205-1/ 205-2

Employee training addressing the Code of Ethics, applicable anti-corruption laws and program policies and procedures is a fundamental part of our Ethics and Compliance Program.

In 2018, we held in-person trainings with a significant number of employees. The Ethics and Compliance Department visited all SQM sites in Chile and our commercial offices. We also conducted training via e-learning for all employees who did not receive in-person training and who have an e-mail address and computer assigned to them. A training video was used for employees without an assigned e-mail account. In addition, trainings via e-learning were held with SQM's high-risk suppliers and contractors.

The Ethics and Compliance Department held in-person training with all SQM board members. This department is responsible for keeping all directors informed about the Company's main policies and procedures.

In addition, and in order to strengthen the Ethics and Compliance Program, we offer distribution channels specifically for the Compliance department and have created interactive videos to communicate concepts and ideas related to business ethics. Our on-line trivia contests, which present challenges and questions related to our Code of Ethics and the program's policies and procedures, feature prizes and have high employee participation rates. The Ethics and Compliance Department is responsible for



providing permanent guidance to all SQM workers and interested third parties.

The Ethics and Compliance Department monitors and tests implementation and effectiveness of our Ethics and Compliance Program, to minimize the risks associated with Law 20,393 and the FCPA, such as bribery between private parties, bribing a public official, manipulating accounting records. In 2018, 36 events were monitored in Chile and abroad, and these resulted in visits to 3 commercial offices.

To foster integrity, SQM has joined forces with Fundación Generación Empresarial, an organization that promotes principles, values and best business practices, supporting companies in the management of a business ethics culture. In 2018, we participated in the "Barometer on Values and Business Ethics," with over 500 employees participating.



TRAINING ON CODE OF ETHICS, APPLICABLE ANTI-CORRUPTION LAWS AND POLICIES AND PROCEDURES

939

EMPLOYEES

received
in-person training.

893

EMPLOYEES

trained through
e-learning or video sessions.

SQM PARTICIPATED IN THE “2018 BAROMETER ON VALUES AND BUSINESS ETHICS” ORGANIZED BY FUNDACIÓN GENERACIÓN EMPRESARIAL



Dania Cervantes T.

OPERADOR LITO

JENDERY SOSA GATUR

OPERADOR LITO

MARJORITH TREBERTON

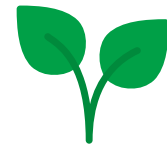
SUSTAINABLE DEVELOPMENT

POLICY

DISCLOSURE 102 – 11/ 102 - 16

SQM is committed to sustainably developing its business, integrating concern and respect for its employees and contractors, the environment, the community and its clients. Optimum performance in these areas is key to the success of its operations and future development. Therefore, SQM commits to the following actions across all business lines (specialty plant nutrition, iodine, lithium, potassium and industrial chemicals) at its sales and production facilities in Chile and abroad:

- 1.** Abiding by the current laws and regulations applicable to its activities, products and services, as well as meeting voluntary agreements and standards to which it has committed.
- 2.** Implementing preventative measures and controls needed, in a timely manner, to minimize the risk of injury and harm to the health of our employees and those of contractors and subcontractors, thus promoting active participation of all workers in risk prevention matters.
- 3.** Minimizing the potential environmental impact of its activities by incorporating environmental variables into its operations from the design stage, thus implementing control and mitigation measures and avoiding contamination by properly managing waste and emissions.
- 4.** Promoting responsible and efficient use of natural resources and production inputs in line with national and international standards and good practices in this area.
- 5.** Providing its customers with high quality products that meet committed standards and assistance and service to ensure a mutually beneficial, long-term relationship.
- 6.** Maintaining good neighbor relations and participating in the development of the communities near our operations, supporting projects and activities designed to improve their quality of life, emphasizing education, culture and environmental protection.
- 7.** Maintaining open and ongoing communication with its employees, contractors, customers, shareholders, neighbors and authorities, periodically informing them of its performance.
- 8.** Promoting continual improvement in its performance in terms of safety, health, the environment, quality and community relations.
- 9.** Training, developing and evaluating its employees and personnel from its contractors as active agents responsible for effectively implementing this policy throughout our business.





STATEMENT OF SUSTAINABILITY

In keeping with the principle of constant improvement, the company's work is aligned with the commitments that it has made to its shareholders, customers, employees and partners as well as neighboring communities to carry out its commercial and productive work in harmony with the environment. SQM will take steps to protect people and the environment in order to make its business sustainable. Everyone who works for and collaborates with the company shares in this responsibility. In accordance with this sustainable development policy, SQM continuously reviews and outlines new challenges that allow it to further advance its performance in all areas.

SQM OPERATES IN THE HEART OF THE ATACAMA DESERT

DISCLOSURE 102-4 / 205-3

The Atacama Desert, specifically in the Tarapacá and Antofagasta regions, is abundant in mineral reserves of incomparable magnitude and quality. The iodine and nitrate reserves in the caliche ore fields are the largest on the planet and the Salar de Atacama contains brine reserves with the highest concentrations of lithium and potassium in the world.

SQM's development strategy is to be a selectively integrated mining operator that processes and markets products in order to efficiently supply industries that are essential for human development such as health care, food and technology. The development plan is built on five cornerstones:

- Ensuring availability of key resources to sustain current plans and medium and long-term growth.
- Consolidating an M1 culture of excellence throughout the organization, from operations to commercial and support areas.
- Significantly boosting sales of nitrate in all its forms and ensuring consistency with the commercial strategy for iodine.
- Maximizing the margins of each business line by applying appropriate pricing strategies.
- Successfully implementing all of the Company's lithium expansion projects, and acquiring more lithium and potassium assets to generate a competitive portfolio.

These cornerstones are based on the following three key concepts:

- Strengthening an organization that sustains the development of the Company's strategic plan with a focus on developing critical capacities and applying corporate values of excellence, integrity and safety.
- Developing a robust control process for risk mitigation in order to actively manage risk in our lines of business.

- Making strides in stakeholder management with a focus on establishing community ties, rebuilding reputation and communicating SQM's contribution to Chile and the world.

Offices in Chile



Operations in Chile



OFFICES AND PRODUCTION FACILITIES AROUND THE WORLD

DISCLOSURE 102-2/102-3/102-4

SQM serves markets in North, Central and South America, Europe, Africa, Asia, Southeast Asia and Australia, bringing its products to customers in the public and private sector. Its customers are large and medium-sized farmers, agricultural associations, farming co-operatives, distributors and supply manufacturers. Several products are used by pharmaceutical, lubricant and technology industries, among others.



JOINT VENTURE / PRODUCTION PLANTS / COMMERCIAL OFFICES

- Lima / Peru (office)
- Trujillo / Peru (plant)
- Paranagua / Brazil
- Candeias / Brazil
- Rio Grande / Brazil
- Atlanta / USA
- Abu Dhabi / UAE
- Dubai / UAE
- Andhra Pradesh–Kakinada / India
- Qingdao / China
- Chaosengsao / Thailand
- Antalya / Turkey
- Terneuzen / The Netherlands
- Kajovka / Ukraine
- Sicily / Italy

COMMERCIAL OFFICES

- Atlanta / USA
- Antwerp / Belgium
- Barcelona / Spain
- Guadalajara / Mexico
- Guayaquil / Ecuador
- Florence / Italy
- Bangkok / Thailand
- Beijing / China
- Johannesburg / South Africa
- Tokyo / Japan
- Seoul / South Korea
- Shanghai / China

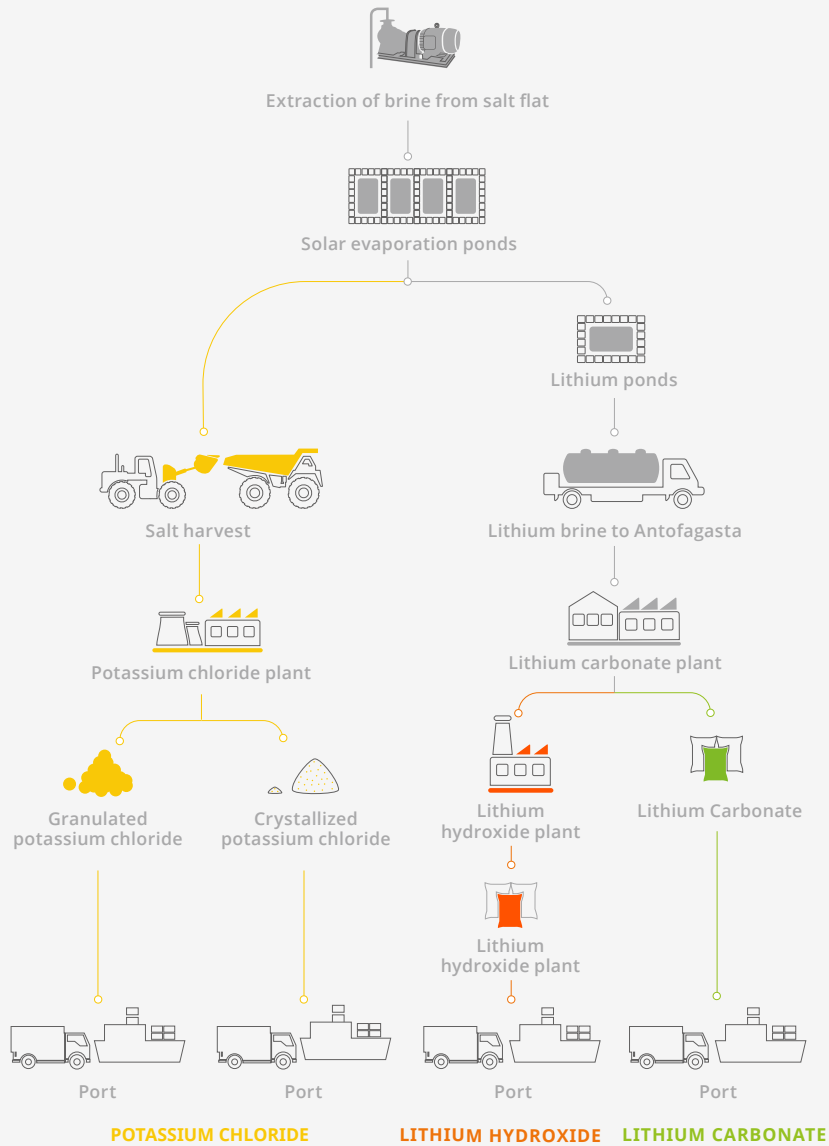
PRODUCTION PLANTS

- Jackson / USA
- Topolobampo / Mexico
- Manzanillo / Mexico
- Veracruz / Mexico
- Cadiz / Spain
- Durban / South Africa
- Cape Town / South Africa
- San Antonio / Chile

PRODUCTION

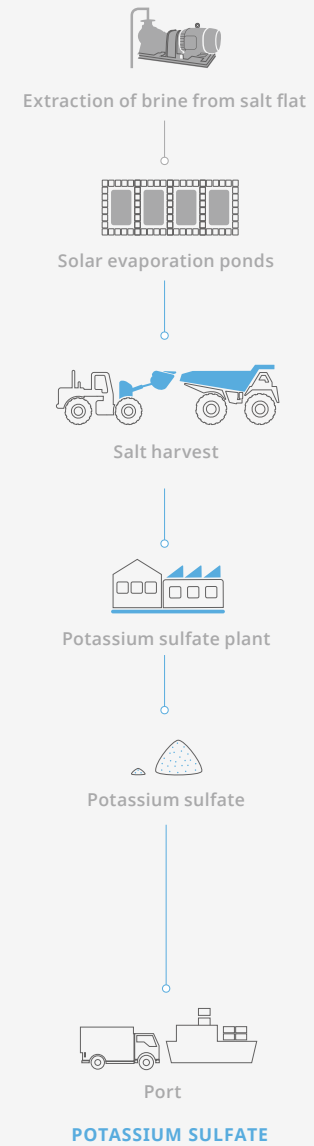
PROCESSES

LITHIUM/POTASSIUM CHLORIDE PROCESSES



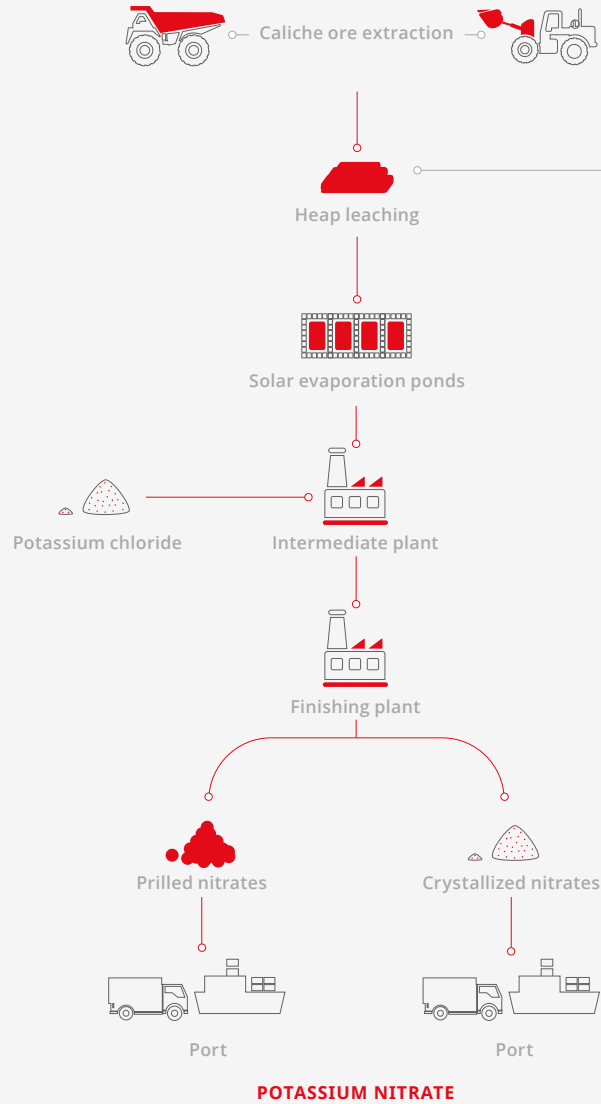
Processes carried out fully or partially in: Salar de Atacama and Salar del Carmen.

POTASSIUM SULFATE PROCESS



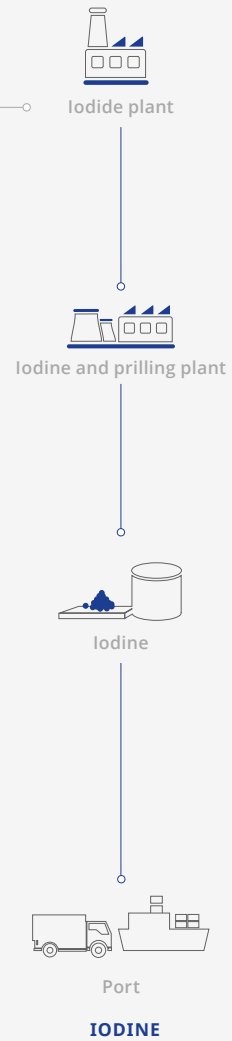
Processes carried out in: Salar de Atacama.

NITRATES PROCESS



Processes carried out fully or partially in:
María Elena, Pedro de Valdivia and Nueva Victoria.

IODINE PROCESS



Processes carried out fully or partially in:
María Elena, Pedro de Valdivia, Coya Sur and Nueva Victoria

OUR

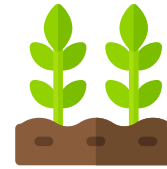
PRODUCTS

DISCLOSURE 102-2

SQM is a global company focused on a variety of strategic industries for human development, such as health, food, clean energy and the technology that moves the world.

Our innovative business model is based on the use of efficient technology to obtain a variety of products from the mineral resources it mines. These products are sold through a broad, efficient distribution and sales network that meets the needs of very diverse markets all around the world.

We are a global leader in each of our five business lines: Specialty Plant Nutrition (SPN), Iodine and Derivatives, Lithium and Derivatives, Potassium, and Industrial Chemicals.



SPECIALTY PLANT NUTRITION

Sodium nitrate, sodium potassium nitrate and potassium nitrate from natural sources, with the lowest possible carbon footprint, chlorine free and 100% soluble.

Uses:

- **Crop fertilizer**
- **Coupled with expertise provided by SQM with balanced nutritional programs**



LITHIUM AND DERIVATIVES

Uses:

- In electrochemical materials for batteries
- Frits for ceramic and metal surfaces
- Heat-resistant glass
- Ceramic glass
- Powders for continuous casting for steel extrusion
- Chemical substances for air conditioning
- Pharmaceutical products and lithium derivatives
- Raw material in the lubricant industry and certain cathodes for batteries
- Aluminum
- Cement
- Adhesives
- Dyes



IODINE AND DERIVATIVES

Uses:

- Antiseptic, germicide, disinfectant, bactericides, fungicides
- Contrast media for X-ray exams
- Povidone-iodine
- Synthesizing pharmaceuticals
- Nylon industry
- Water repellent
- Polarizing film for liquid crystal screens (LCD and LED)
- Fluids for construction
- Pharmaceutical industry
- Raw materials or catalysts in the formulation of products such as contrast media for X-rays
- Pharmaceutical intermediaries
- Chemical products
- Organic compounds and pigments
- Iodized table salt to prevent iodine deficiencies

OUR

PRODUCTS



POTASSIUM

Potassium nitrate, potassium sulfate and potassium chloride

Uses:

- Nutrient with multiple industrial uses
- It prevents diseases such as high blood pressure, cerebrovascular complications and cognitive impairment
- In plants it improves resistance to stressors such as extreme temperatures, droughts, parasites and other elements



INDUSTRIAL CHEMICALS

Nitrates, potassium chloride

Uses:

- Explosives
- Thermal energy storage
- Metals treatment
- Lubricant for oil extraction
- Fire retardant



ONE OF THE MOST RECENT INDUSTRIAL APPLICATIONS OF POTASSIUM AND SODIUM NITRATES

is thermal energy storage in solar power plants. Concentrated solar power (CSP) plants equipped with a molten salt storage system store solar energy in the form of heat, enabling 24/7 continuous operation for power generation.





OUR PEOPLE

4



OUR

PEOPLE

DISCLOSURE 102- 7

At SQM, it is imperative to uphold and foster good labor conditions and leadership practices that help maintain a positive work environment.

EMPLOYEE PROFILE

Our Company is made up of a diverse, multidisciplinary team of operators, technicians and professionals, both men and women of different ages, each of whom contributes their individual capacities and skills to the Company's development.

DISCLOSURE 202 - 2

The different positions within the Company are organized into: general staff, supervisory staff and executive staff. These groups of workers make up multidisciplinary teams and carry out duties at different production, commercial and administrative facilities.



5,214

Individuals SQM employs
in Chile and the world as of
December 2018.



Total employees by employment contract, gender and region as of December 31, 2018

REGION	EXECUTIVES				SUPERVISORS				GENERAL				
	OPEN-TERM CONTRACT		FIXED-TERM CONTRACT		OPEN-TERM CONTRACT		FIXED-TERM CONTRACT		OPEN-TERM CONTRACT		FIXED-TERM CONTRACT		
	MEN	MUJERES	MEN	WOMEN	MEN	MUJERES	MEN	WOMEN	MEN	MUJERES	MEN	WOMEN	
Metropolitan	71	16	0	0	251	140	4	2	70	38	1	1	
Tarapacá	10	0	0	0	152	23	6	1	779	17	31	11	
Antofagasta	29	5	0	0	594	170	17	9	2,085	214	86	35	
Other regions	1	0	0	0	26	15	0	0	10	14	2	1	
Foreign	4	0	0	0	131	107	1	2	28	3	1	0	
TOTAL	115	21	0	0	1,154	455	28	14	2,972	286	121	48	5,214

*The Company has three employees with part-time, open-term contracts. Two work in Antofagasta (one man and one woman) and one man works outside Chile. The 5,214 employees reported include 46 employees of Ajay SQM Chile S.A.

Total employees by employment contract and percentage

TYPE OF CONTRACT	NO. OF EMPLOYEES	%
Open-term contract	5,003	96%
Fixed-term contract	211	4%
TOTAL	5,214	



Total employees by category, gender and percentage as of December 31, 2018

TOTAL SQM	NO. OF EMPLOYEES	%
Men	4,390	84.2%
Women	824	15.8%
TOTAL	5,214	

EXECUTIVES	NO. OF EMPLOYEES	%
Men	115	84.6%
Women	21	15.4%
TOTAL	136	

SUPERVISORS	NO. OF EMPLOYEES	%
Men	1,182	71.6%
Women	469	28.4%
TOTAL	1,651	

GENERAL	NO. OF EMPLOYEES	%
Men	3,093	90.3%
Women	334	9.7%
TOTAL	3,427	



87% of our employees in Chile

or 4,274 workers, work in the Tarapacá and Antofagasta regions.

DISCLOSURE 202-2

Origin of executives that work at the Company's significant operations in the Tarapacá and Antofagasta regions.

REGION	ORIGIN
Tarapacá	3
Antofagasta	30
Metropolitana	8
Other regions	3
TOTAL	44
% of executives that work in and originate from Antofagasta and Iquique regions	75%
% of executives that work in and originate from Metropolitan Region	100%

EMPLOYEE STATISTICS AS OF DECEMBER 2018

SQM provides an annual average of 11,721 jobs in Chile and around the world, including Company personnel and contractors.

- The Company has 5,214 direct workers, of which 4,937 are based in Chile and 277 are located abroad. Contractors accounted for a monthly average of 6,507 workers in 2018.
- 4,274 employees (87%) work in the Tarapacá and Antofagasta regions, while 594 workers (12%) are based in the Metropolitan Region.
- Senior management or executives are local employees who live in the regions where our main production centers and offices are located. Thus, 75% of our executives are from and work in the Tarapacá and Antofagasta regions, while 100% of the executives at the Santiago office are from the Metropolitan Region.
- Of all employees (in Chile and abroad), 96% have open-term contracts and 4% are employed for a fixed term.



11,721

Jobs



4,937

SQM employees in Chile



824

Women work at SQM in Chile and around the world

DISCLOSURE 405- 1/ 413 - 1

Personnel in Chile and overseas by age group, gender and geographic distribution as of December 31, 2018

DISTRIBUTION	TARAPACÁ		ANTOFAGASTA		METROPOLITAN		OTHER REGIONS		FOREIGN		NUMBER OF EMPLOYEES	%
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN		
Under 30	109	13	448	107	76	36	1	5	15	16	826	15.8%
Between 30 and 40	362	25	928	185	142	80	11	12	68	43	1,856	35.6%
Between 40 and 50	282	10	770	94	106	56	18	6	58	37	1,437	27.6%
Over 50	225	4	665	47	73	25	9	7	24	16	1,095	21.0%
TOTAL											5,214	

SQM employees by category in Chile and overseas

EXECUTIVES	NO. OF EMPLOYEES	%
Men	115	84.6%
Women	21	15.4%
TOTAL	136	

SUPERVISORS	NO. OF EMPLOYEES	%
Men	1,182	71.6%
Women	469	28.4%
TOTAL	1,651	

GENERAL	NO. OF EMPLOYEES	%
Men	3,093	90.3%
Women	334	9.7%
TOTAL	3,427	

DISCLOSURE 401-1

DISTRIBUTION BY AGE, TURNOVER AND ABSENTEEISM

As of December 2018, 48.6% of our employees in Chile and overseas were over the age of 40. This mixture of experience and new generations gives the Company a solid foundation and vitality.

The absenteeism rate reached 2.8%. Broken down by gender, the rate was 2.9% for men and 3.0% for women.

Turnover rate in Chile for employees with fixed-term contracts in 2018

DISTRIBUTION	MEN	WOMEN	
Under 30	18.0%	24.1%	
Between 30 and 40	12.4%	20.2%	
Between 41 and 50	9.1%	7.5%	
Over 50	5.3%	7.7%	
TOTAL	10.8%	16.6%	11.6%

People who left the company in Chile in 2018 by age group and gender

DISTRIBUTION	MEN	WOMEN	
Under 30	245	83	
Between 30 and 40	108	13	
Between 41 and 50	44	7	
Over 50	221	83	
TOTAL	618	185	803

*Considers employees with fixed and open-term contracts

People who joined the company in Chile in 2018 by age group and gender

DISTRIBUTION	MEN	WOMEN	
Under 30	189	57	
Between 30 and 40	120	17	
Between 41 and 50	60	7	
Over 50	83	19	
TOTAL	452	100	552

*Considers employees with fixed and open-term contracts

PARTICIPATION AND INCLUSION OF WOMEN

In 2018 we focused efforts on fostering inclusion in different positions within the Company. We have an open policy for searching for talent and skills with no discrimination of any kind. This criterion enables both men and women to fill positions with different requirements and characteristics, such as: laboratory analysts, heavy-duty machinery drivers, administrative workers, executives and plant managers, among others.

Women represent 15.8% of SQM employees in Chile and overseas in aggregate.

During 2018 we promoted important initiatives to encourage women in our workforce, such as:

- Participating in a working group in Santiago organized by the ministries of mining and women and gender equity, which culminated with the signing of the “Ten Commandments of the Mining Industry for Incorporating Women and Balancing Work, Family and Personal Life.” SQM’s senior management participated in and supported this initiative.
- Playing an active role in gender working groups coordinated by the Antofagasta and Tarapacá Regional Mining Agencies to design a regional strategy on the issue.
- Providing benefits for mothers of small children who work at our María Elena facility, such as in-town housing accommodations so they can be near their infant (under the age of 2 years) during their shift.
- Outfitting a daycare facility in María Elena, scheduled to open in 2019, to care for children of workers from Monday to Sunday during their shifts or work week.
- Organizing campaigns to raise awareness among human resource staff regarding gender equity and workplace and sexual harassment.



48.6%

Of our employees in Chile and overseas as of December 2018 were over the age of 40

- Building and implementing a lactation room and diaper changing stations at our corporate building in Santiago.
- Implementing performance indicators regarding the percentage of female candidates in the recruitment area for all selection processes.
- Participating in various forums and sessions on gender equity and equal opportunity organized by ICARE, ministries, WIM and Red EG and in different types of work fairs for women in Antofagasta.
- Taking part in a study entitled “Work Opportunities for Women and Young People at Mining Companies in the First Region” conducted by the Universidad de Chile Industrial Engineering Department’s Center for Organizational Engineering. This study gathered qualitative and quantitative data on the conditions under which women and young people enter the labor market and data related to the conditions and characteristics of employment in the mining sector in the Tarapacá Region.

In terms of inclusion:

- We have hired the company Open Cluster to advise us on Law 21,015 and the assessment and accreditation process for our employees.
- We are currently in the process of analyzing conditions for our employees so they can stay in good health, reviewing topics such as diet, physical space and psychological wellbeing and thereby improving quality of life for our workers.
- We have made infrastructure improvements such as adapting our Antofagasta offices to make them universally accessible and creating an inclusive restroom in Santiago.
- Participating in dialogues on inclusion coordinated by SOFOFA, ICARE and other organizations.
- In 2018 we also worked on a Diversity and Inclusion Policy, which we plan to publish for the entire Company in 2019. This policy will serve as a framework of reference for creating a culture of inclusion.

SQM does not engage in wage discrimination based on condition or gender. Salaries are determined for each position based on factors such as education, experience, job responsibilities, etc. We review salaries and compare these factors with equivalent industries on an annual basis.

DISCLOSURE 406-1/ 411-1

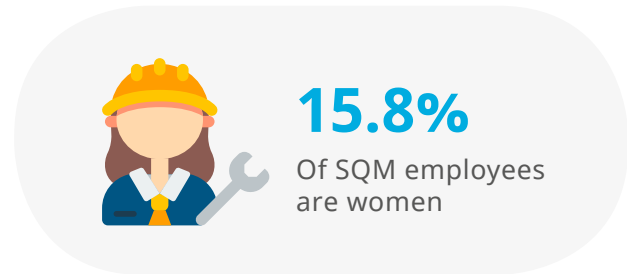
During the reporting period, no cases of discrimination at the Company were reported and evaluated.

No incidents of violations involving rights of indigenous people were identified either.

DISCLOSURE 401-3

PATERNITY AND MATERNITY LEAVE IN 2018	
Maternity leave	28
Paternity leave	35

*Only women used this leave in 2018.



WE REGULARLY REVIEW THE BENEFITS

we offer our personnel in order to detect opportunities to improve our facilities and the direct benefits received by all employees and their families

EMPLOYEE RELATIONS

DISCLOSURE 102-37/ 102 - 41 / 403 – 4/ 407 -1

Concerned with maintaining and fostering smooth relations and a sense of collaboration, the Company meets with its employees on a regular basis. It also engages in collective bargaining processes to address diverse topics such as wage adjustments and benefits and other matters of interest to workers and the Company.

As of December 31, 2018, the Company had 20 unions, which represent 65% of all employees, primarily at its main production centers: María Elena, Pedro de Valdivia, Coya Sur, Salar de Atacama, Salar del Carmen, Nueva Victoria, Tocopilla, Antofagasta and Santiago.

The Company protects and promotes its workers' freedom of association and encourages non-discriminatory policies. As of December 2018, 66% of SQM's employees in Chile were covered by a collective bargaining agreement.

DISCLOSURE 403-4

SQM considers safety to be a right its workers are entitled to and an obligation and duty that the Company must fulfill at all times.

Consequently, most of these agreements do not incorporate safety issues as benefits.

SQM has implemented plans covering safety issues and provides regular training sessions regarding safety. One hundred percent of the Company's employees receive health care benefits.

DISCLOSURE 402-1

The Company has a general policy of meeting periodically with unions to explain the origin and expected effect of any operating changes that may affect workers and their compensation. Notice is given based on the degree to which the change may affect them. In the event of a significant change, notice is usually given more than two months in advance.

The Company completed ten collective bargaining processes in 2018. There were no strikes or operation shutdowns at SQM throughout the period.



BENEFITS

DISCLOSURE 102 -36 / 401-2/ 201-3

Out of concern for our employees' wellbeing, the Company provides a variety of benefits to employees with open-term contracts. Some of these benefits are legal obligations while others are given at the Company's initiative or are optional for employees.

- National holiday and Christmas bonuses.
- Special bonuses: education, funeral assistance, marriage and birth.
- Special leave: death, marriage, moving and to have mammograms or prostate exams.
- Life insurance for each employee that covers natural or accidental death and disability.
- Supplementary health insurance.
- Catastrophic health insurance.
- Dental insurance.
- Termination benefits in case of employee resignation with varying benefits based on position.
- University scholarships for children of employees who demonstrate academic excellence.
- University and graduate-level scholarships for outstanding employees.
- Group Voluntary Retirement Savings (APVG) Agreement to encourage employees to save for retirement. SQM partially matches employee contributions.
- Gift upon the birth of a son or daughter for employees with open-term contracts.
- Special celebrations (Father's Day, Mother's Day, Women's Day, Secretary's Day, Mining Day and Labor Day).
- Box of traditional Christmas foods for each employee and his or her family.
- Christmas gifts for sons/daughters and/or dependents under 12 years of age.
- Birthday gifts for all employees with open- or fixed-term contracts.
- The Company adjusts salaries each year based on a comparative compensation study of companies from comparable industries. This ensures fair and transparent salaries for non-unionized employees.



WE EVALUATE OUR FACILITIES ON AN ANNUAL BASIS

In order to implement improvements in infrastructure, safety, services and quality of life for our employees.

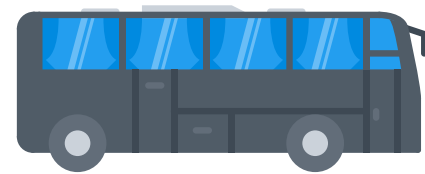
WORK SITE LIVING STANDARDS AND COMFORT

SQM is concerned with providing good living conditions for our workers, especially while performing their roles at the Company's facilities. In this spirit we are constantly improving the infrastructure and services provided at operational facilities, accommodation facilities and offices.

Improvements in 2018 include:

Employee transportation

More than 400 workers at our facilities in Coya Sur, Pedro and María Elena now benefit from the new corporate bus service offered by the Company. The measure is designed to prevent problems that employees often incur with commercial bus services such as delays or losing tickets. These corporate buses connect María Elena with Arica, stopping along the way in Iquique, Alto Hospicio and Pozo Almonte, and with Santiago, picking up and leaving passengers in Chañaral, Caldera, Vallenar, La Serena, Coquimbo, Ovalle, Los Vilos and La Calera.



Deportivo salar inaugurates new field

Located in northern Antofagasta, the first field for the sports club Deportivo Salar was inaugurated in 2018. The new facilities will benefit dozens of boys and girls that participate in soccer academies directed by Richard Olivares, a well-known soccer player and idol from Club de Deportes Antofagasta and supported by Club Deportivo SQM Salar. The team, made up of workers from the Salar de Atacama and Salar del Carmen facilities, has positioned itself as one of the strongest teams in the adult category among regional corporate teams in Antofagasta, always reaching the finals at tournaments and earning several cups that are currently awaiting display cases to be exhibited.



SQM'S SCHOLARSHIP PROGRAM BENEFITED 109 STUDENTS IN 2018

Given the priority the Company places on the professional and educational development of its employees and their children, the Company launched the SQM Excellence Scholarship program 13 years ago, in which time it has provided 807 scholarships.

Our team stands out because of its culture of continuous improvement. In this spirit, we are motivated by the conviction that these scholarships make a valuable contribution to the development of the SQM family.

In 2018, 109 scholarships were awarded to undergraduate and graduate students: 64 scholarships were given to children of employees and 45 were given to employees for continuing education. Selection criteria included academic records and the degree of personal and professional motivation demonstrated.



109
SCHOLARSHIPS

Awarded in 2018

64
SCHOLARSHIPS

Awarded to children of employees

45
SCHOLARSHIPS

Awarded to SQM employees

807
SCHOLARSHIPS

Granted to employees and their children as of december 2018



168 STUDENTS COMPLETED PROFESSIONAL INTERNSHIPS AT SQM

SQM welcomed 168 students from various universities throughout Chile to do a professional internship at one of its many production centers and offices.

To highlight the presence of these new professionals, our Company celebrated Intern Day. The idea behind this celebration is to gather experiences from the students to create favorable conditions to improve their introduction to the job world.

A total of four events were held in Antofagasta, Coya Sur, Nueva Victoria and Santiago that reached most of the students.

In general, the students emphasized the importance of the opportunity they had been given and the caliber of tasks they were performing.

In 2018 SQM was evaluated by its interns through the FirstJob platform, placing sixth among the Best Companies for Internships in Chile. Over 1,500 young professionals from 30 companies participated in the evaluation. The measurement is based on the opinion of summer interns (January-March) in the dimensions of learning, experience, infrastructure, supervisors, among others.



INTERNAL MOBILITY PROGRAM

We recognize and provide growth opportunities for SQM employees according to their competencies, skills and experience.

SQM has been working on its internal mobility program for the past eight years. This initiative allows general employees and supervisors to apply for promotions or lateral moves within the Company. The benefits to organizational culture include:

- Encouraging good performance and meritocracy.
- Retaining and rewarding the best talent.
- Reinforcing commitment and motivation.
- Favoring opportunities for personal development.
- Increasing employability by providing learning opportunities within the organization.
- Enriching the Company through collaboration among areas.
- Strengthening the idea that people are valuable assets for the Company.

SQM believes that mobility and the development of people are possible when complemented by training and recognition.

“LEND A HAND TO YOUR COMMUNITY” SPORT GRANTS

For the first time ever, as part of the 2018 Sport Grant program, known as “Lend a Hand to Your Community”, SQM invited its workers and interested sports clubs to present projects in four areas: instructional, recreational, competitive and high performance.

The competition received applications from workers from different operations in the Tarapacá, Antofagasta and Metropolitan regions, as well as children of employees and sports organizations.

In the end, 22 projects were awarded funds, which directly benefited different groups and athletes throughout Chile with extensive track records and strong prospects.

Over 29 million pesos were given to athletes who practice soccer, motocross, roller hockey, baseball, open water swimming, tennis, mountain biking, women’s basketball, triathlon, sandboarding, fencing and golf.

Given last year’s large number of applicants, SQM announced a new version of the sport grant program for March 2019. This year’s competition will also include athletic organizations whose members work for the company, those in which family members of employees participate and individual athletes at the competitive level including both SQM employees and their legal dependents.



22 Projects were awarded funds to develop sports programs.

WORKPLACE TRAINING

DISCLOSURE 404 – 1/ 404-2

Employee training was key for the Company to support its workers' professional development and help reach operational excellence in 2018:

3,779

Total employees

trained in Chile.

83,456

Training

hours.

MUS\$709,2

Invested

in training.



Average training hours per employee and category

EMPLOYEE CATEGORY	TOTAL TRAINING HOURS, ALL EMPLOYEES, 2018	NO. OF EMPLOYEES 2018	INDICATOR
Operators	33,619	1,926	17.5
Administrative staff	1,708	109	15.7
Executives	1,771	113	15.7
Professionals	21,631	1,498	14.4
Technicians	24,727	1,522	16.2
TOTAL	83,456	5,168	16.1

EMPLOYEE CATEGORY	TOTAL TRAINING HOURS, ALL EMPLOYEES, 2017	NO. OF EMPLOYEES 2017	INDICATOR
Operators	22,353	1,935	11.6
Administrative staff	626	134	4.7
Executives	1,620	158	10.3
Professionals	18,805	1,257	15.0
Technicians	18,429	1,392	13.2
TOTAL	61,833	4,876	12.7

EMPLOYEE CATEGORY	TOTAL TRAINING HOURS, ALL EMPLOYEES, 2016	NO. OF EMPLOYEES 2016	INDICATOR
Operators	16,905	1,341	12.6
Administrative staff	912	187	4.9
Executives	987	127	7.8
Professionals	12,598	1,195	10.5
Technicians	20,789	1,860	11.2
TOTAL	52,191	4,710	11.1

Average training hours per female employee and category

EMPLOYEE CATEGORY	TOTAL TRAINING HOURS, FEMALE EMPLOYEES, 2018	NO. OF FEMALE EMPLOYEES 2018	INDICATOR
Operators	1,688	82	20.6
Administrative staff	998	66	15.1
Executives	242	21	11.5
Professionals	5,418	430	12.6
Technicians	1,663	220	7.6
TOTAL	10,009	819	12.2

EMPLOYEE CATEGORY	TOTAL TRAINING HOURS, FEMALE EMPLOYEES, 2017	NO. OF FEMALE EMPLOYEES 2017	INDICATOR
Operators	366	42	8.7
Administrative staff	271	86	3.2
Executives	382	25	15.3
Professionals	4,428	320	13.8
Technicians	1,614	250	6.5
TOTAL	7,061	723	9.8

EMPLOYEE CATEGORY	TOTAL TRAINING HOURS. FEMALE EMPLOYEES. 2016	NO. OF FEMALE EMPLOYEES 2016	INDICATOR
Operators	132	18	7.3
Administrative staff	522	118	4.4
Executives	240	23	10.4
Professionals	3,249	299	10.9
Technicians	800	233	3.4
TOTAL	4,943	691	7.2

Average training hours per male employee and category

EMPLOYEE CATEGORY	TOTAL TRAINING HOURS. MALE EMPLOYEES. 2018	NO. OF MALE EMPLOYEES. 2018	INDICATOR
Operators	31,931	1,844	17.3
Administrative staff	710	43	16.5
Executives	1,529	92	16.6
Professionals	16,213	1,068	15.2
Technicians	23,064	1,302	17.7
TOTAL	73,447	4,349	16.9

EMPLOYEE CATEGORY	TOTAL TRAINING HOURS, MALE EMPLOYEES, 2017	NO. OF MALE EMPLOYEES, 2017	INDICATOR
Operators	21,987	1,893	11.6
Administrative staff	355	48	7.4
Executives	1,238	133	9.3
Professionals	14,377	937	15.3
Technicians	16,815	1,142	14.7
TOTAL	54,772	4,153	13.2

EMPLOYEE CATEGORY	TOTAL TRAINING HOURS, MALE EMPLOYEES, 2016	NO. OF MALE EMPLOYEES, 2016	INDICATOR
Operators	16,773	1,323	12.7
Administrative staff	390	69	5.7
Executives	747	104	7.2
Professionals	9,349	896	10.4
Technicians	19,989	1,627	12.3
TOTAL	47,248	4,019	11.8

Some of the topics addressed in the training sessions include: Risk prevention (legal certification and corporate standards, technical skills and skill matrices, e-learning orientation, skill development, technology and languages).



DISCLOSURE 412-1/ 412-2/ 408-1/ 409-1

In terms of human rights training, SQM uses the M1 Program, which is based on the Lean system. This methodology enables the Company to identify good practices and opportunities for improvement on which our employees receive ongoing training. It has been implemented in 89% of the Company thus far. This program teaches principles such as close and fair leadership, listening and generating agreements, fair treatment of people, explaining the purposes of each job and features a recognition program based on values that dignify people and their work, all aimed at instilling at SQM a new culture focused on collaboration within and among teams, built on trust towards coworkers and leaders.

In addition to these M1 principles, employees are also trained on the Code of Ethics, which addresses work-related matters, prohibits child and forced labor and emphasizes the importance of fair compensation. SQM's internal regulations establish privacy standards for personal data, fair treatment and compliance with Chilean laws, while completely prohibiting harassment and discrimination. All of these documents and programs address and protect principles contained in the Universal Declaration of Human Rights.



PERFORMANCE EVALUATION PROGRAM

DISCLOSURE 404 -3

As part of our standards, we perform annual evaluations of our personnel's performance in their different roles.

Evaluations start in the month of January for supervisors and executives, followed by general staff employee evaluations in April.

4,391
Employees
 were
 evaluated
 in 2018

Percentage of employees evaluated by category and gender in 2018

PERFORMANCE EVALUATION	INDIVIDUALS EVALUATED	% EVALUATED
Total evaluated	4,391	97%
Supervisors and executives	1,489	92%
General	2,902	99%
Men	3,776	97%
Women	615	93%
Supervisors, male	1,103	93%
General, male	2,673	99%
Supervisors, female	386	90%
General, female	229	97%

*Table based on employees eligible for evaluation.



**SQM'S TEAM IS THE
FOUNDATION OF OUR
DEVELOPMENT.**

We encourage and value their achievements and recognize their merits as a path to professional growth that favors equality of opportunity.

RECOGNIZING OUR PEOPLE

In 2018, we continued to carry out our “VIVO” recognition program. Launched in 2017, this is one of several initiatives aimed at advancing on our path to excellence. The program involves recognition of peers and supervisors, people in other areas and in other locations, etc. The pillars of the program and motives for recognition are: people development, continuous improvement, common objective and efficient processes.

Employees are recognized via public boards, online and via a smart phone application. We currently hold periodic recognition ceremonies to publicly highlight efforts in each area.

The Company also gives an annual award for the “best workers” and recognizes employees who have provided 10 or more years of service and commitment to the Company.



**IN 2018 A TOTAL OF
8,252 AWARDS OR
RECOGNITIONS WERE
GIVEN IN DIFFERENT
CATEGORIES**

Recognition given in 2018

RECOGNITION PROGRAM	INDIVIDUALS RECOGNIZED	MEN RECOGNIZED	WOMEN RECOGNIZED
Recognitions	2,578	2,245	333
Recognition for years of service	265	233	32
Recognition for best worker	80	71	9



WORKPLACE SAFETY 2018

The fundamental importance we place on the safety and care of each person at SQM and its contractors has led us to develop a work system that controls risks to the health and safety of individuals and the work team. We promote a risk prevention culture and incorporate actions that encourage safety into our daily operations. We also aim to integrate this safety culture into our workers' families.

Operational Risk Management System (SISGRO)

Our work is based on application of the Operational Risk Management System (SISGRO), which involves a series of activities that each worker must perform each day.

All these activities are integrated into the M1 Operational Excellence Program, which standardizes our Risk Management System with M1 Lean tools, thereby obtaining better results in risk management.

The risk prevention department participates in performance dialogs, role confirmations, problem solving and operational standards, among others. All of this enables us to detect, assess and control the dangers and risks of the tasks performed in each work area, coordinating production and prevention and facilitating cultural change at all levels.

Preventative tools such as "ABC" and "Prevention Dynamic" have also been incorporated, which has enabled each worker, his or her team and supervisors to detect and immediately resolve substandard actions or conditions that could lead to injury to people or damage to equipment or the environment.

13 dimensions to operate safely within the safety management system:

- Leadership
- Behavior-based prevention
- Joint committees
- Reporting and investigating incidents
- On-site activities
- Compliance
- Contractor oversight
- Personal protective equipment
- Occupational hygiene and health
- Emergency plans
- Training
- Order and cleanliness
- Audits

We strive to encourage safe work through programs with individual goals, such as the one for supervisors, consisting of periodic reviews of critical inventory, work procedures, observation and inspection of activities and visible leadership.

We are committed to ensuring full compliance with direct and indirect operational controls established in our 14 Basic Safety Rules. Each rule identifies the specific preventative controls for each job that must be carried out by workers to avoid incidents with a high potential to harm people. These are also integrated into the Company's different preventative tools such as critical inventory reviews, job procedures, standards, instruction manuals and other similar measures.

DISCLOSURE 403 – 1/ 403 – 2/ 403-3

Since 2012, SQM has been a member of the Chilean Safety Association (ACHS), which provides medical attention in the event of accidents and advises member companies, working to ensure ongoing compliance with health and safety standards in our organization. The Company applied the Organizational Culture Diagnostic Instrument (OCDI) for the second time ever in 2018. It was conducted by DEKRA Insight, an international leader in organizational safety and strategic partner of the Chilean Safety Association, through Behavioral Science Technology (BST). Through a 74-point questionnaire organized into four general dimensions and 11 specific sub-dimensions, the entire organization evaluated the organizational culture regarding safety at our Company. The results were very promising since all dimensions (organizational, team, health and safety and reportability) improved over the 2014 measurement. The tool identified new challenges and gaps that we must address as an organization in order to make safety an inherent part of our culture, always aiming towards the goal of zero accidents at all operations.

We continue to apply the medical surveillance programs mandated by the Ministry of Health. These protocols are applied at difference stages ranging from an initial or “qualitative assessment” to establish whether workers from a certain area are exposed to the agent to be measured by the protocol (silicon dioxide, noise, musculoskeletal disorders, etc.); to—if exposure to the measured agent does exist—measurements or “quantitative assessments” to determine the exposure level and, if the risk is medium or high, to establish a surveillance program for exposed workers.

Health Ministry (MINSAL) surveillance protocol at SQM production facilities

PROTOCOL	COYA SUR – PEDRO DE VALDIVIA	NUEVA VICTORIA	SALAR DE ATACAMA	SALAR DEL CARMEN	TOCOPILLA	ANTOFAGASTA	SGSA
Silicosis	N/A	100%	100%	N/A	N/A	100%	N/A
Occupational noise exposure	100%	100%	100%	100%	100%	100%	2019*
Musculoskeletal disorders	2019 *	94%	100%	100%	100%	2019*	2021*
Manual handling of loads	2019*	2019*	2019*	2019*	2019*	2019*	2019*
SO ²	N/A	100%	N/A	N/A	N/A	N/A	N/A
Psychosocial	2019*	2022*	2022*	2022*	2019*	2022*	2019*

* This will be reevaluated based on the new laws and regulations and/or the results of programs implemented in the past.

COMMITTEES AND COMMISSIONS

SQM, its employees and the unions that represent them have a shared concern for the safety of people and quality of life at camp accommodation facilities. In this spirit, they work together to reach agreements and make improvements, resulting in the creation of committees and commissions to address risk prevention, health and quality of life at camps. Company-employee participation mechanisms include:

- Safety, Food, Health and Camp Facility Commissions.
- Joint Committees on Hygiene and Safety.
- Worker representation in accident inspections and investigations.
- Identification of situations in violation of standards.
- Coordination with risk prevention departments at each site.

The Safety and Food Commissions are composed of worker representatives and members of the Company's management. They are responsible for verifying that workers have the correct workplace safety standards in place to do their jobs and that food served on site meets high standards.

Thanks to these commissions, agreements have been reached between management and workers that help our personnel perform their job in a clean, safe and comfortable environment.

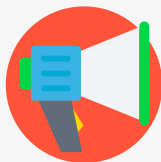
DISCLOSURE 403-1

Joint committees on hygiene and safety

We support the work of the 12 Joint Committees on Hygiene and Safety (JCHS) that represent 100% of SQM workers in Nueva Victoria, María Elena, Coya Sur, Pedro Valdivia, Tocopilla, Salar de Atacama, Salar del Carmen, Antofagasta, Iquique and Santiago.

These committees are models on safety matters and play an important role in promoting best practices for workplace safety among all workers. They also offer educational activities for employees and their families regarding risk prevention matters such as drug prevention, first aid and fire extinguisher use.

Their objective is to ensure that safe practices are applied across the entire organization.



12 JOINT COMMITTEES,
all supported by the company, represent 100% of
SQM's workers

Worker Representation in Formal Joint Management-Worker Health and Safety Committees

FACILITY	NUMBER OF SAFETY COMMITTEES	NAME OF SAFETY COMMITTEES	NO. OF EMPLOYEES REPRESENTED BY COMMITTEE	% OF WORKERS REPRESENTED
Salar del Carmen	1	JCHS SALAR DEL CARMEN	517	100%
Salar de Atacama	1	JCHS SQM SALAR	1,223	100%
Nueva Victoria	3	JCHS NV MINE	459	100%
		JCHS NV PILES AND PONDS	400	100%
		JCHS NV PLANT	170	100%
Coya Sur	1	JCHS COYA SUR	769	100%
Pedro de Valdivia	2	JCHS IODINE PEDRO DE VALDIVIA	51	100%
		JCHS INDUSTRIAL PV	213	100%
Antofagasta	1	JCHS ANTOFAGASTA	201	100%
Hospital Cruz del Norte	1	JCHS HOSPITAL CRUZ DEL NORTE	35	100%
Tocopilla	1	JCHS SIT S.A.	261	100%
Santiago	1	JCHS SANTIAGO	491	100%
TOTAL JCHS	12		4,790	100%

Stressing safety

We carried out a variety of activities to promote preventative action at our operations in 2018:

- Salar de Atacama organized the 1st Summit of Rescue and Emergency Brigades, which brought together representatives from the Company's numerous emergency brigades. Twenty-five volunteers from the brigades in Nueva Victoria, Pampa (María Elena, Coya Sur and Pedro de Valdivia), Tocopilla, Salar del Carmen and the host brigade, Salar de Atacama, participated in the event.

- At the Nueva Victoria operations, the old first aid room was converted into a new polyclinic to care for patients in the event of workplace emergencies. Polyclinic staff is also responsible for carrying out a preventative health program that includes training, diagnosing illnesses, identifying and controlling pathologies and helping improve quality of life for workers at Nueva Victoria.
- At the Port of Tocopilla, the Company incorporated a modern FIT2000 system. Resembling an ATM, this machine takes quick, non-invasive measurements of fatigue and drowsiness levels for drivers transporting cargo to and from the port. This system is designed to detect conditions that could lead to traffic accidents before the drivers start their route.
- In Coya Sur, workers at the crystallization plant and the emergency brigade took part in an intensive course on handling corrosive substances. The training was intended to equip workers, who are exposed on a daily basis to substances like ammonia, with tools and knowledge to develop their capacities on the job so they can follow effective procedures and action plans to respond to and control any emergency that may occur.
- Workers at Salar del Carmen organized a contest entitled "Painting Safety," to integrate and motivate children of employees at this site to depict how they see safety, extending prevention and safety efforts to both workers and their families.
- In 2018, the Chilean Safety Association recognized several SQM divisions for their safety management efforts. These included: Tocopilla Port Operations Division, Project Division, Technical Division, Pedro de Valdivia Production Division and Nueva Victoria Production Division (all these divisions report to the Nitrates and Iodine Operations Senior Vice President). Also distinguished with this recognition were the Salar de Atacama Production Division and the Hydrogeology Division (these report to the Potassium and Lithium Operations Senior Vice President), which had no lost-time injuries (LTI) for more than 12, 14 and in one case, 27 months, thanks to their prevention practices. This recognition motivated each division to continue along this path in 2019.

DISCLOSURE 403 - 2

Health and safety indicators

In 2018 SQM achieved an internal safety record with a lost-time injury rate (LTIR) of 0.49. This accomplishment is the result of the effort and commitment of its workers, supervisors, executives and contractors throughout 2018. The challenge for 2019 is to continue along this path that frames our core value safety.

To grasp the true meaning of this progress, the result must be compared with the Company's LTIRs of 1.50 and 1.28 in 2016 and 2017, respectively. In other words, LTIR fell 62% last year, which is uncommon but can be explained.

The first factor was the progress and maturity of the different M1 program tools made available for safety management efforts; the presence, recognition and visibility of different safe conducts; internalization of the concept of "Safe Production"; the re-launch and unrestricted adherence to the Basic Safety Rules (the new version includes controls to carry out after a job has been done).

Other contributing factors were the strategic safety program, a joint effort with the Chilean Safety Association, which seeks to make on-site leadership by supervisors and executives more effective, increasing the visibility of potential exposures and

safe behaviors; an increase in reportability and the change brought about by M1, which not only focuses on reporting but becoming part of the solution; improvements in operating controls, which were made more specific and effective: proactive, on-site leadership, all accompanied by the risk prevention areas, which have focused on being change agents for a safe culture.

However, everyone agrees that the key to this achievement lies in the Company's workers' commitment to self-care and wellbeing.

DISCLOSURE 403 - 2

Accident Type and Lost-Time Injury Rate

SQM, MEN					
REGION	LT	NLT	FATAL	LTIR	DLR
Tarapacá	0	8	0	0.00	138
Antofagasta	3	32	0	0.50	38
Metropolitana	0	0	0	0.00	0
OVERALL TOTAL SQM	3	40	0	0.35	59

CONTRACTORS, MEN					
REGION	LT	NLT	FATAL	LTIR	DLR
Tarapacá	0	3	0	0.00	0
Antofagasta	7	20	0	0.91	56
Metropolitana	0	0	0	0.00	0
OVERALL TOTAL CONTRACTORS	7	23	0	0.73	45

SQM + CONTRACTORS, MEN					
REGION	LT	NLT	FATAL	LTIR	DLR
Tarapacá	0	11	0	0.00	73
Antofagasta	10	52	0	0.73	48
Metropolitana	0	0	0	0.00	0
OVERALL TOTAL GENERAL	10	63	0	0.55	51

*LT: Lost time; NLT: No lost time; FATAL: Deaths from workplace accidents; LTIR: Lost-time injury rate; DLR: Days lost rate.

SQM WOMEN					
REGIÓN	LT W	NLT	FATAL	LTIR	DL
Tarapacá	0	1	0	0.00	0
Antofagasta	0	2	0	0.00	0
Metropolitana	0	1	0	0.00	0
OVERALL TOTAL SQM	0	4	0	0.00	0

CONTRACTORS, WOMEN					
REGIÓN	LT W	NLT	FATAL	LTIR	DL
Tarapacá	0	2	0	0.00	0
Antofagasta	0	9	0	0.00	0
Metropolitana	0	0	0	0.00	0
OVERALL TOTAL CONTRACTORS	0	11	0	0.00	0

SQM + CONTRACTORS, WOMEN					
REGIÓN	LT W	NLT	FATAL	LTIR	DL
Tarapacá	0	3	0	0.00	0
Antofagasta	0	11	0	0.00	0
Metropolitana	0	1	0	0.00	0
OVERALL TOTAL GENERAL	0	15	0	0.00	0

SQM TOTAL					
REGIÓN	LT W	NLT	FATAL	LTIR	DL
Tarapacá	0	9	0	0.00	133
Antofagasta	3	34	0	0.44	33
Metropolitana	0	1	0	0.00	0
OVERALL TOTAL SQM	3	44	0	0.31	52

CONTRACTORS TOTAL					
REGIÓN	LT W	NLT	FATAL	LTIR	DL
Tarapacá	0	5	0	0.00	0
Antofagasta	7	29	0	0.82	50
Metropolitana	0	0	0	0.00	0
OVERALL TOTAL CONTRACTORS	7	34	0	0.66	41

*LT: Lost time; NLT: No lost time; FATAL: Deaths from workplace accidents; LTIR: Lost-time injury rate; DLR: Days lost rate.

SQM + CONTRACTORS, TOTAL					
REGIÓN	LT W	NLT	FATAL	LTIR	DL
Tarapacá	0	14	0	0.00	68
Antofagasta	10	63	0	0.65	43
Metropolitana	0	1	0	0.00	0
OVERALL TOTAL GENERAL	10	78	0	0.49	46

*LT: Lost time; NLT: No lost time; FATAL: Deaths from workplace accidents; LTIR: Lost-time injury rate; DLR: Days lost rate.

** This statistic does not include minor accidents.

*** There were no fatal accidents during the period.

**** Days lost is counted from the day of the accident or based on medical clearance to resume work issued by the Chilean Safety Association.

DISCLOSURE 403 – 2/ 403 -3

We do not have any workers or work sites controlled by the Company where people are engaged in occupational activities with a high incidence or high risk of certain diseases.

The rules used for recording and filing information on accident statistics are based on: Law 16,744 Rules on Workplace Accidents and Professional Illnesses; DS 101, Approves Regulation to Apply Law 16,744, Rules on Workplace Accidents and Professional Illnesses; DS 67 Approves Regulations to Apply Articles 15 and 16 of Law 16,744, on Exemptions, Discounts and Surcharges for Differentiated Additional Social Security Payments; DS 132 Regulations on Mining Safety.

SQM is committed to both good work and safe work, which is why its risk prevention policy applies to all personnel and contractors. Therefore, the Company gathers information regarding entry protocols for contractors and performs audits.

Review and compliance with current regulations or health and safety codes

Reviews of the applicable regulations, made by the authority in the different operations and areas of the company	21	Inspections
Non-compliance with regulations that result in fines or penalties	2	Fines
Non-compliance with regulations that result in warnings	4	Sanitary proceedings
Non-compliance with voluntary codes	0	

VALUE CHAIN

DISCLOSURE 102-9/204-1/ 308 – 1/ 308-2/ 416 - 1

A significant portion of SQM's workforce consists of contractors who work at our Tarapacá and Antofagasta region locations and our offices in Iquique, Antofagasta and Santiago. During 2018 an average of 6,507 contractors worked each month at our operational facilities and on projects.

All contractors and employees must comply with the same SQM standards, particularly in the areas of safety, labor rights and ethical behavior, which must be in accordance with the principles that guide how SQM conducts business.

SQM periodically engages in oversight activities in order to verify that all contractors comply with labor and social security requirements.

Contractor companies are also audited on matters such as health and safety, basic sanitary and environmental conditions in the workplace, the health and safety management system, and the existence and functioning of joint committees and compliance with labor laws.

Preserving our values

When contractors of any size begin working at any SQM site, they receive a copy of our Contractor and Subcontractor Regulations. These regulations inform them of the Company's standards, including obligations and responsibilities regarding the protection of the life and health of all workers. In addition, SQM organized several training sessions focused specifically on safety matters for contractors as part of its efforts to contribute to risk prevention and align workers with our Sustainable Development Policy and other standards.

DISCLOSURE 416-1

SQM's purchasing strategy takes safety and labor regulation elements into account for its procurement processes. Essential requirements include: membership in a safety association (mutual in Spanish), accident rate certificates, authorization to subcontract, health examinations, compliance with labor laws and employment contracts, personnel skills, equipment certifications, among others.

DISCLOSURE 308-1/ 308-2

Suppliers are evaluated in diverse ways such as visiting their facilities to observe aspects such as trash separation, noise pollution, industrial waste and water consumption.

We also have a Procurement Procedure designed to regulate and standardize the purchasing process by defining an effective, efficient methodology for managing and controlling products acquired. This process includes making a purchase request, selecting from possible supply sources, analyzing alternatives, placing an order, generating and monitoring purchase orders and paying suppliers.

DISCLOSURE 414 – 1/ 414-2

Suppliers are key to the development of our products. Therefore, SQM seeks to promote and strengthen the development of businesses located in or near the districts where our main production facilities are located or in the capital cities of these regions.

Every year, the Company works with industrial associations in Antofagasta and Iquique on supplier development programs whereby local suppliers are invited to submit bids to our Company. This practice helps increase the number of local companies in our supplier portfolio. In 2018 the Company met with the main companies that provide services at the Nueva Victoria operations in the district of Pozo Almonte to encourage them to hire local residents, especially women and persons with disabilities, as a way to foster inclusion and generate new local job sources.

In addition, SQM participated in the third version of the Tarapacá International Mining Conference (CIMIT), which is organized by the Tarapacá Regional Mining Agency and the Iquique and El Tamarugal Industrial Associations. Over two thousand people attended the event. The Company played an important role by presenting on its M1 program at a seminar, staffing a stand at the mining fair and actively participating in B2B meetings to identify new suppliers.

SQM PRESENT AT TARAPACÁ DAY

Promoting the Tarapacá Region as a hub of commercial, logistical and tourism development was the objective of the first “Tarapacá Day”, organized by the Iquique Industrial Association in conjunction with the Chilean Federation of Industry (SOFOFA).

The activity, held in Santiago at the SOFOFA Convention Center, was designed to attract investors from other parts of the country and foreign markets to learn more about the region’s advantages as a hub of development and its opportunities for investment.

SQM was present with a stand describing its operations in the Tarapacá Region.



DESCRIPTION OF SUPPLIERS 2018

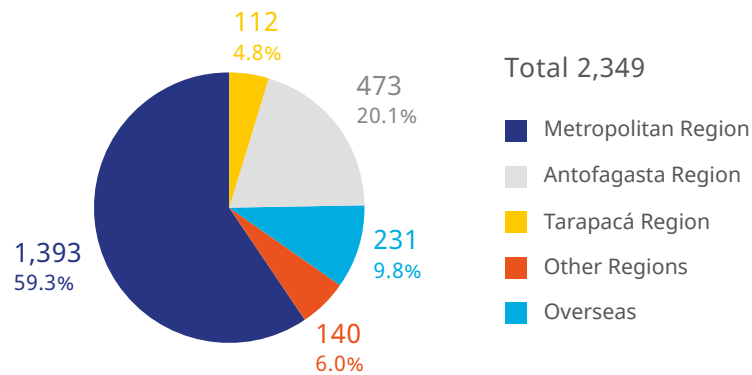
DISCLOSURE 102-9

Products and Services

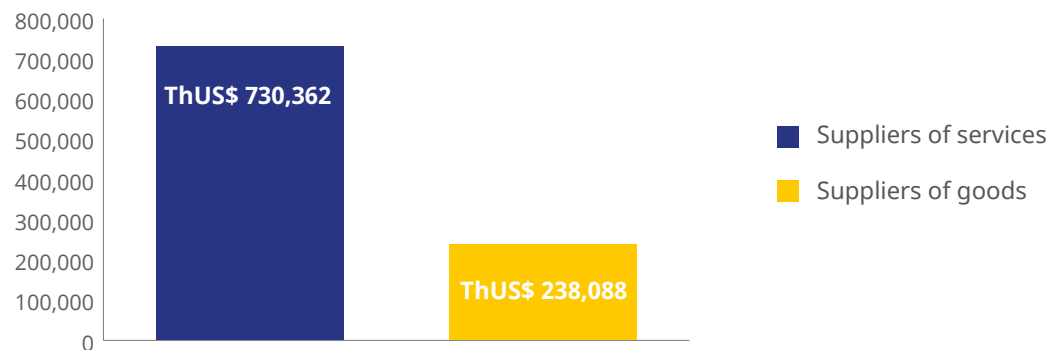
Products and Services	NO. OF SUPPLIERS	FOREIGN	LOCAL
Equipment for plants and mines	265	29	236
Supplies for production	56	23	33
Operational, maintenance, transport and support services	1,649	142	1,507
Miscellaneous materials and spare parts	379	37	342
TOTAL	2,349	231	2,118

DISCLOSURE 204-1

Geographic distribution of suppliers



Expenditure on suppliers of goods and services



OUR COMMITMENT

WITH OUR PEOPLE

ISSUE	2018 COMMITMENTS	COMPLIANCE
OUR PEOPLE	Continue second phase of implementing “VIVO” program, which includes periodic recognition ceremonies to publicly highlight employees’ efforts in each area.	100%
	Continue SQM training program based on results of survey to identify needs, and based on requirements established in the M1 continuous improvement system.	100%
	Continue developing and training our personnel, aiming for continuous improvement of workers, supervisors and executives.	100%
	Continue to carry out the scholarship program for SQM workers and their sons and daughters.	100%
	Implement the “SQM Volunteer Program” and the “Employee Sport Grant Program”	100%

2018 ACTIVITIES AND ACHIEVEMENTS

2019 COMMITMENTS

Consolidated the "VIVO" awards and recognition system throughout the Company. This system is used to recognize workers in the areas of: common goal, continuous improvement, efficient processes and personal development. Organized periodic recognition ceremonies that have also been publicized in internal communications in order to stress the importance of this activity and its awardees.

Continue the "VIVO" recognition program and periodically hold recognition ceremonies in each area. Evaluate improvements we can make to this system based on new needs detected.

Completed implementation of M1 in 89% of the Company, successfully concluding the process at commercial offices in the US and Spain. Developed SQM training program based on requirements established in the M1 continuous improvement system.

Continue implementing the training program as scheduled and based on needs detected in the M1 program. Finalize program implementation in SQM's commercial office in Belgium, which began in 2018.

Completed personnel training and development efforts as planned, aiming for continuous improvement of workers, supervisors and executives. During the period, we trained a total of 3,779 employees in Chile, providing 83,456 training hours at an investment of US\$709,200.

Continue developing and training our personnel, aiming for continuous improvement of workers, supervisors and executives.

Complied with plan for scholarship program, awarding 109 scholarships to undergraduate and graduate students: 64 scholarships were given to children of employees and 45 were given to employees for continuing education. Selection criteria included academic records and the degree of personal and professional motivation demonstrated.

Carry out the scholarship program for SQM workers and their sons and daughters.

Carried out corporate volunteer program "Lend a Hand to Your Community" in all towns near SQM production centers and offices, recruiting 175 employee volunteers, who took part in 151 initiatives and donated 1,957 hours of work. Organized the first edition of our "Employee Sport Grant Program" where interested SQM employees and sports groups present projects in four areas: training, recreational, competitive and high performance. The initiative distributed Ch\$ 29 million among 22 projects that applied for grants.

Continue to carry out our corporate volunteer program "Lend a Hand to Your Community" in all towns near our operations in order to support a larger number of institutions that need help from volunteers and increase the number of employee volunteers. Organize a new version of the "Employee Sport Grant Program", to be launched in March 2019, in order to continue supporting and promoting healthy lifestyles and sports among employees and supporting outside institutions that need resources to develop their activities and sports tournaments.

OUR COMMITMENT

WITH OUR PEOPLE

ISSUE	2018 COMMITMENTS	COMPLIANCE
HEALTH AND SAFETY	Continue making progress towards “zero accident” goal in operations and improving prior year results. The Company set a reference goal of attaining a lost-time injury rate (LTIR) less than or equal to 1.22.	100%
	Maintain the Operational Risk Management System (SISGRO), obtaining over 98% compliance in regulatory aspects.	100%
	Continue to improve reporting of incidents, encouraging the use of existing tools and continuously analyzing the need for new tools to improve the system.	100%
	Implement action plans developed based on the results of the OCDI survey.	100%
	Continue timely follow-up of risk prevention audits.	100%

2018 ACTIVITIES AND ACHIEVEMENTS

2019 COMMITMENTS

Reduced lost-time injury rate (LTIR) by 62%, from 1.28 in 2017 to 0.49 in 2018.

In 2018, total lost-time accidents fell 55% and severity decreased as well. Non-lost-time injuries increased 32%.

Continue making progress towards “zero accident” goal in operations, maintaining or improving prior results. The Company set a reference goal of attaining a lost-time injury rate (LTIR) less than or equal to 1. It also established a reference goal for the accident rate (LTIR + NLTIR), of 4.24.

Achieved SISGRO System compliance of 99.38%, which was obtained in the annual audit carried out between July and September on each operating division at SQM.

Maintain the Operational Risk Management System (SISGRO), obtaining over 98% compliance in regulatory aspects. Incorporate new assurance to strengthen compliance by these areas with internal and external regulations.

Maintained improvements made in 2017 in relation to reporting compliance with oversight activities, completing corrective measures and issuing a report on the type of incident reported each month. Changed the current preventative system (SISGRO) to a new web-based preventative management system called ZYGHT, which will allow work to be managed directly on site using mobile devices such as cell phones, tablets, etc.

Continue to improve reporting of incidents, encouraging the use of existing tools and the new ZYGHT preventative management system throughout the Company.

From the results of the Safety Organizational Culture survey (OCDI), the Company executed work plans for strategic safety in partnership with our safety association, including: LDI (Leadership Diagnostic Instrument), LWS (Leading With Safety) and Safe Align, in different leadership levels at our production sites.

Continue implementing action plans at SQM facilities in 2019, incorporating and preparing more leadership at each site in the LDI, LWS and Safe Align programs. Launch implementation of Serious and Fatal Injuries (SFI) program, which will help our organization identify conditions that lead to accidents with serious and fatal injuries in order to prevent them from happening. Implementation should take three years.

Carried out all scheduled audits and reviews in “go and see” mode, which is part of the M1 operational excellence program.

Continue conducting scheduled audits and reviews on site in “go and see” mode, complying with our risk prevention monitoring plans.

OUR COMMITMENT

WITH OUR PEOPLE

ISSUE	2018 COMMITMENTS	COMPLIANCE
	<p>Maintain ongoing control of contractors through P3 audits, track compliance with D594, monitor functioning of joint safety committees and hold monthly safety management meetings.</p>	100%
	<p>Continue incorporating contractors into all Lean methodology tools developed under M1 in the SQM areas that have already implemented M1.</p>	100%
CONTRACTORS	<p>Maintain and strengthen fluid and direct communication with contractors in order to ensure that their work is aligned with SQM's health and safety objectives.</p>	100%
	<p>Control contractors by obtaining information on them using ADCAM IT system.</p>	100%

2018 ACTIVITIES AND ACHIEVEMENTS

2019 COMMITMENTS

In 2018, P3 audits were conducted on all contractors hired for periods longer than 30 days, conducting 91 audits in all. Tracked compliance with D594 with an annual total of 324 verifications. Held one safety meeting each month with all contractors at each facility.

Maintain ongoing control of contractors through P3 audits, track compliance with D594, monitor functioning of joint safety committees and hold monthly safety management meetings. Incorporate initial assurance of Contractor Entry (P2) in 2019 using the ADCAM IT system for all companies awarded contracts with SQM.

In 2018, additional contractors (with contracts for periods longer than 30 days) were incorporated into Performance Dialogues and the ABC tool in the offices of the Nitrates and Iodine Operations Senior Vice President and the Nitrates and Potassium Commercial Vice President, as well as prevention dynamics in the office of the Potassium and Lithium Operations Senior Vice President.

Continue incorporating contractors into all M1 (Lean) methodology tools developed under M1 in the SQM areas that have already implemented M1.

Hold one safety meeting each month with all contractors that work at our facilities. Perform periodic evaluations and audits of compliance with external and internal regulations. Strengthen contractor participation in Performance Dialogues and Prevention Dynamics, which are held daily.

Maintain and strengthen fluid and direct communication with contractors in order to ensure that their work is aligned with SQM's health and safety objectives. Improve document submission by contractors in P2 tender processes using the ADCAM IT system and conduct new e-learning courses: New Hire Orientation and Defensive Risk Prevention.

Upload all contracts to ADCAM system when executed on site and cross check with Sercol labor audit. Check that personnel entering and leaving facilities are under contract and have up-to-date social security payments.

Use ADCAM WEB as a platform for managing documentation on service providers and facility access. Work with Service and Administration Area to provide support for flow and testing of new ADCAM web platform, which will improve traceability of information on contracts, personnel access, P1 validation, P2 (standards that must be met by contractors), etc. Should be operable in 2019.
Enable system for generating and managing contracts. Work with Legal Senior Vice President and the Corporate IT Department on a system to create, approve and digitally sign contracts that can be accessed by suppliers and SQM. Maintain a Sharepoint site for consultations on all documents generated for a contract (contract, addendum, pay statement, etc.)





OUR NEIGHBORS

5



NEIGHBORS

DISCLOSURE 413-1/ 413-2

SQM builds close, trust-based relationships with our neighbors. We work with them to create programs that improve their quality of life and preserve their traditions.

SQM's operations are located in the desert regions of Tarapacá and Antofagasta in northern Chile, where human settlements are few and far between. The distances between regional capitals are long and the main form of transportation is over land.

The small towns around our operations find their livelihood in farming, tourism, mining or port operations. One of these communities, María Elena, was home to a nitrates office and is

positioning itself as a service provider for the mining industry and a future tourist attraction. Settlements of different indigenous communities of Atacameña origin is noteworthy, particularly in the municipality of San Pedro de Atacama.

Given the geographic location of our production centers, we interact with communities and neighboring municipalities as follows:

Communities near SQM operations

TARAPACÁ				
OPERATION	MUNICIPALITY/ TOWN	DESCRIPTION	POPULATION	EDUCATION
Nueva Victoria	Iquique	Regional capital, Capital of the Province of Iquique, Municipality: Population: 191,468 No. of households: 66,986 Men: 94,897 Female: 96,571	Population density: 83.70 Masculinity index: 98.3 Average age: 34.3 Indigenous peoples: 18%	Avg. schooling for head of household: 12.3 years Elementary school attendance: 95% Preschool attendance: 53% Middle school attendance: 75% Begin higher education: 38% Complete higher education: 74% Avg. schooling for indigenous peoples: 10.3 years
	Pozo Almonte: -La Tirana -Pintados	Capital of the Province of Tamarugal, Municipality: Population: 15,711 No. of households: 8,926 Men: 8,987 Female: 6,724	Population density: 1.14 Masculinity index: 133.7 Average age: 32.2 Indigenous peoples: 43%	Avg. schooling for head of household: 10.0 years Elementary school attendance: 86% Preschool attendance: 55% Middle school attendance: 56% Begin higher education: 20% Complete higher education: 78% Avg. schooling for indigenous peoples: 8.6 years
	Alto Hospicio	Municipality: Population: 108,375 No. of households: 33,178 Men: 54,206 Female: 54,169	Population density: 188.86 Masculinity index: 100.1 Average age: 28.8 Indigenous peoples: 31%	Avg. schooling for head of household: 10.4 years Elementary school attendance: 95% Preschool attendance: 56% Middle school attendance: 71% Begin higher education: 16% Complete higher education: 65% Avg. schooling for indigenous peoples: 8.6 years

Communities near SQM operations

ANTOFAGASTA				
OPERATION	MUNICIPALITY/ TOWN	DESCRIPTION	POPULATION	EDUCATION
Puerto de Tocopilla/ María Elena/ Coya Sur/ Salar de Atacama/ Salar del Carmen	Antofagasta	Regional capital, Capital of the Province of Antofagasta, Municipality: Population: 361,873 No. of households: 112,451 Men: 181,846 Female: 180,027	Population density: 11.79 Masculinity index: 101.0 Average age: 33.3 Indigenous peoples: 8%	Avg. schooling for head of household: 12.1 years Elementary school attendance: 96% Preschool attendance: 49% Middle school attendance: 74% Begin higher education: 36% Complete higher education: 73% Avg. schooling for indigenous peoples: 10.6 years
	Port of Tocopilla	Capital of the Province of Tocopilla, Municipality: Population: 25,186 No. of households: 10,670 Men: 12,481 Female: 12,705	Population density: 6.25 Masculinity index: 98.2 Average age: 34.5 Indigenous peoples: 8%	Avg. schooling for head of household: 10.5 years Elementary school attendance: 94% Preschool attendance: 52% Middle school attendance: 76% Begin higher education: 18% Complete higher education: 74% Avg. schooling for indigenous peoples: 9.1 years
María Elena / Coya Sur	María Elena:	Municipality: Population: 6,457 No. of households: 1,959 Men: 4,092 Female: 2,365	Population density: 0.52 Masculinity index: 173.0 Average age: 35.4 Indigenous peoples: 13%	Avg. schooling for head of household: 11.2 years Elementary school attendance: 95% Preschool attendance: 46% Middle school attendance: 79% Begin higher education: 27% Complete higher education: 81% Avg. schooling for indigenous peoples: 10.5 years
	-Quillagua			
Salar de Atacama	San Pedro de Atacama:			
	-Rio Grande -Solor -Toconao -Talabre -Camar -Socaire -Peine -Machuca -Catarpe -Quitor -Soncor -Larache -Yaye -Sequitor -Cucuter -Coyo	Municipality: Population: 10,996 No. of households: 4,144 Men: 6,161 Female: 4,835	Population density: 0.47 Masculinity index: 127.4 Average age: 34.3 Indigenous peoples: 52%	Avg. Schooling for head of household: 11.1 Years Elementary school attendance: 93% Preschool attendance: 53% Middle school attendance: 73% Begin higher education: 35% Complete higher education: 82% Avg. Schooling for indigenous peoples: 9.1 Years

* The demographic data in this table is taken from the results of the 2017 Census, conducted by the National Institute of Statistics, www.censo2017.cl.

DISCLOSURE 413-1

At SQM, our community engagement generally focuses on three areas, which serves as a guide for deciding where to focus our efforts. These areas are:

- Education and Culture
- Social Development
- Historical Heritage

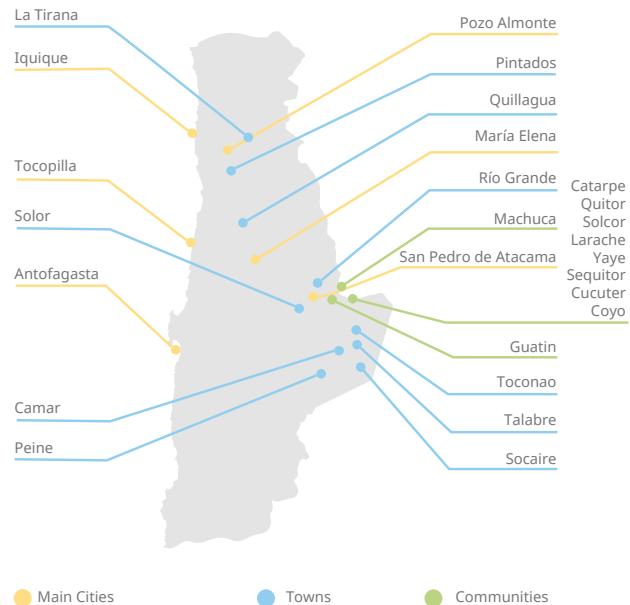
We use impact indicators to regularly assess our programs as well as their performance and acceptance. For the last two years, we have worked with an independent consultant to apply a study called, "Comparative Analysis and Assessment of SQM CSR Programs". Designed to provide a qualitative and quantitative perspective, the study gives an account of each program's impact and community-perceived value in order to measure projections and impact. SQM professionals work in the field, interfacing directly with the community and constantly meeting with residents and program beneficiaries. Consequently, they immediately observe the impact of each effort first-hand.

All our operations and expansion projects are subject to environmental assessment in accordance with current regulations, which includes measuring the impact of operations on neighboring communities. In that context, SQM personnel invite citizen participation and conduct consultations and other community outreach initiatives that set our Corporate Social Responsibility program apart.

We work with the community in the different areas where our operations are located to support important social, educational, cultural and production initiatives and

projects. To ensure optimal execution, the projects are accompanied by written collaboration agreements that establish the objectives and expected results as well as each party's commitments and responsibilities. For each project, we seek support from specialist institutions, foundations and corporations.

Geographic location of cities, towns and indigenous communities near SQM's operations in the Tarapacá and Antofagasta regions.



WE SUPPORT AND PARTICIPATE IN DIFFERENT WORKING GROUPS IN THE COMMUNITIES WHERE WE OPERATE

These groups create initiatives and programs that reflect the opinions and aspirations of our neighbors.



DISCLOSURE 413-1

Community working groups and multi-sector coordination in neighboring towns

WORKING GROUPS	MUNICIPALITY
Public-private Working Group "Agricultural and Commercial Improvements for the Farmers of Pintados"	Pozo Almonte
Victoria Neighborhood Council Working Group	Pozo Almonte
María Elena/Pedro de Valdivia Tourism Board (PLADETUR)	María Elena
"Toconao Sustainable Tourism Project" Working Group	San Pedro de Atacama
Toconao Atacameña Community Working Group	San Pedro de Atacama
Socaire Atacameña Community Working Group	San Pedro de Atacama
Talabre Atacameña Community Working Group	San Pedro de Atacama
Lickanantay High-Altitude Winemakers' Cooperative Working Group	San Pedro de Atacama
Toconao Wine Harvest-Cultural Fair Working Group	San Pedro de Atacama
Lickanantay Agricultural School Working Group	San Pedro de Atacama
District Civic Prevention and Emergency Committee (COE)	San Pedro de Atacama

*In 2018, within the framework of the SQM Environmental Impact Study (EIA) for "Tente en el Aire", we began conversations with the coastal communities of Cádiz, Caramucho and Chanavayitain in the Province of Iquique in the Tarapacá Region to create joint working groups in 2019.

EDUCATION

AND CULTURE

In education we aim to ensure that students have the best tools with which to deploy their full potential to reach their goals and achieve their dreams.

MATHEMATICS ASSISTANCE PROGRAM

This is our sixth year working with the Crea+ Foundation on the Mathematics Assistance Program. In 2018, the program benefited more than 1,700 students and their families with educational improvements in the municipalities of Pozo Almonte, María Elena and San Pedro de Atacama.

Following record increases in standardized testing scores (SIMCE) in 2018 in María Elena (24 points in fourth grade and 17 points in eighth grade) SQM signed a partnership with the Municipality of María Elena to expand the program to all levels at Arturo Pérez Canto School. Ivannia Leyton was one of the heroines behind these results. She was one of two recipients of SQM scholarships to attend the Teacher Development Program in Finland.

The second scholarship was awarded to the Director of San Pedro de Atacama Elementary School, Marcela Moro. For the second straight year, her school showed significant improvements in SIMCE scores for fourth graders, adding 52 points to their math scores, well surpassing other schools in the same socioeconomic group.

Toconao schools also performed well. The 308 points earned by fourth graders put these students on par with private schools in the Antofagasta Region. The same was true for tenth graders, whose scores rose 20 points to 290 in the last year.

The Crea+ program also adds value to the communities that interact with SQM in the towns of Quillagua, Solor, Socaire, Peine and Camar.

The results reflect first-rate work where problem solving is a teaching priority and an essential twenty-first century skill. Teachers are trained using Universidad de Chile's ARPA methodology, which focuses on active problem solving in the classroom, and motivates elementary school students with an audio-visual series called "Renata y las matemáticas".

In the spirit of constant innovation, we implemented a curricular integration pilot unit at Oasis en el Desierto School in Pintados, Pozo Almonte in 2018. The program draws on lessons learned in Finland and integrated teaching of mathematics, science and technology (STEM).



IN 2018, THE MATH ASSISTANCE PROGRAM BENEFITED

1,700

700 Students and their families in the Tarapacá and Antofagasta regions

STUDENTS PARTICIPATING IN MATHEMATICS ASSISTANCE PROGRAM:

700 2016 1,300 2017 1,700 2018

School programs in neighboring communities

SCHOOL	TOWN	MATHEMATICS ASSISTANCE PROGRAM	PSYCHO-PEDAGOGICAL PROGRAM	SUPPORT FOR CULTURAL INITIATIVES	CHRISTMAS CELEBRATION	EXTRACURRICULAR WORKSHOPS	ENGLISH WORKSHOP	HERITAGE WORKSHOP	SUPPORT FOR THE ENVIRONMENTAL TRAILBLAZERS NETWORK	INSTALLATION VERTICAL GARDENS
Oasis en el Desierto School	Pintados	○		⊙	⊙	○				
Quillagua Primary School	Quillagua	○		⊙	⊙		✱			
Arturo Pérez Canto School D-133	María Elena	○								
Bernando O´ Higgins School	Tocopilla							•		
Domingo Latrille School	Tocopilla							•		
República de los Estados Unidos School	Tocopilla							•		
Pablo Neruda School	Tocopilla							•		
Gabriela Mistral School	Tocopilla							•		
Arturo Prat Chacón School	Tocopilla							•		
Carlos Condell School	Tocopilla							•		
Sagrada Familia School	Tocopilla							•		✱
School E-26	San Pedro de Atacama	○	●							
Jurike Program Center	San Pedro de Atacama				⊙					
Toconao Educational Complex	Toconao	○		⊙		○				
School G-30	Socaire	○		⊙		○				
School G-27	Peine	○		⊙		○				
School G-22	Camar	○		⊙		○				
School G-15	Solor	○		⊙		○				
Río Grande School	Río Grande	○				○				

SAN PEDRO DE ATACAMA

Helping improve the Toconao educational complex

The Parents' Association at the school presented the need for facility improvements at the Toconao Educational Complex in order to offer better learning conditions for students.

Thanks to SQM's support, the roof was fixed, the school was repainted, the plumbing and bathrooms were repaired and the school was cleaned.

The Parent's Association played an active role in introducing and managing the initiative, which resulted in improvements to the school that benefit the entire community.



Multi-grade games give new life to atacameña traditions in the community of Río Grande

For more than a decade, the Multi-Grade Games have brought together different multi-grade schools from the municipality of San Pedro de Atacama. The SQM-sponsored multicultural activity seeks to share all the cultural heritage of the Lickanantay people with future generations.

A hundred children from the communities of Camar, Solor, San Roque de Peine and Río Grande participated in this year's Multi-Grade Games hosted by Andina School G-28 in Santiago de Río Grande.

At the three-day long event, first through sixth graders who share a classroom and teacher commemorated Evaristo Rojas Sánchez, an education professor who spent a great portion of his life working with and supporting educators from multi-grade schools.

Students paid tribute to the professor with different cultural expressions, folklore exhibitions, artistic displays, culinary tastings and artisan expositions, bringing new life to Atacameñan ancestral traditions.





80

PEOPLE BENEFITED.

With support from SQM and the La Semilla Foundation, an education equivalency program for adults and young people was offered in San Pedro de Atacama. The program certified their knowledge according to current curriculum for adult and school-age education, as appropriate.

TOCOPILLA

Encouraging sports in Tocopilla with the Ganamos Todos Foundation

We have been working with the Ganamos Todos Foundation to implement sports projects for three years. This year in Tocopilla we started baseball classes to complement our existing soccer and basketball league teams. In total, about one hundred children participated in the lessons.

In May, we supported Sporting Tocopilla's Family Fun Run commemorating the 100th anniversary of the club, with which SQM has enjoyed a collaborative relationship for years.

Environmental trailblazers plant life in Tocopilla

Children from Tocopilla who participate in the Environmental Trailblazers Network began 2018 focused on rescuing and expanding the scarce green areas at the city's educational facilities. The initiative, backed by the municipality and SQM, also seeks to shape future farmers specialized in hydroponics.

More than one hundred children met the challenge of preserving the environment and raising environmental awareness as they undertook a series of ecological initiatives involving the school community. SQM supplied the Trailblazers with gardening supplies and tools, including: wheelbarrows, shovels, rakes, planting soil, seeds and special hoses so that volunteers could implement a drip irrigation system in order to optimize local water resources. The Company also donated different plants and trees as well as the supplies and technical support necessary to create hydroponic beds.





Children from the ViLTI program in Tocopilla attract international interest

Supported by SQM, the Research and Talent Development Center at Universidad Católica del Norte and the Municipal Department of Education Administration of Tocopilla, the ViLTI SeMANN program is in its fourth year in Tocopilla.

The initiative aims to strengthen local education with innovative teaching methods and strategies that optimize the cognitive development of the 80 students participating in the different modules.

Four grade-level specific modules are offered. Preschool students focused on scientific exploration through cross-curricular activities related to water, earth and the stars. The second group is composed of first graders, who are already showing signs of cognitive evolution. This group worked on physics and aquaponics.

The third group, seven-year-olds, addressed topics related to kinematics and robotics. The last group, composed of eight- and nine-year-old students, constructed knowledge through projects that aimed to solve several problems impacting the Tocopilla community.

New green areas for Tocopilla

Students from Tocopilla partnered with SQM, the La Semilla Foundation and Verdical to create new green areas in the form of vertical gardens at La Sagrada Familia School.

The “Seeders”, agents of change at La Sagrada Familia School, were in charge of creating 10 m² of gardens. During the first phase of the initiative, students participated in different environmental and entrepreneurial workshops. Thanks to their training, the students also created two water filters to recover gray water generated at the school for use in the gardens they planted. The purification process uses gravel, sand and coal to filter the water.



MARÍA ELENA

Recycling Center in María Elena

Schools in María Elena implemented a robust environmental education program that aims to create a recycling culture among the townspeople. Backed by SQM, the Mr. Barber Foundation and the Municipality of María Elena, the initiative includes installation of recycling centers and 16 smaller collection points around town. The idea is to bring recycling closer to the community and promote a chain of active recycling driven by the people of María Elena.

“Recycling from the Classroom and Home” is the name of the educational program that aims to develop skills and technical-practical knowledge so that students understand the municipality’s challenges and how they can contribute, from their surroundings, to sustainable development in María Elena.

POZO ALMONTE

12 Years of growth with the Oasis en el Desierto School

Our close relationship with Oasis en el Desierto School in Pintados began 12 years ago with initiatives to improve the curriculum and offer workshops including tutoring, folk dance and music. SQM also contributes to celebrations on special dates, like Christmas, or educational activities, such as World Book Day. The 2018 World Book Day celebration included a donation of books, furnishings, tables and bean bag chairs to the school library; and a storyteller activity to welcome children to the world of reading. This is in addition to the important support provided by the More Mathematics Program.

Technical professional school programs in neighboring communities

SCHOOL	TOWN	MOTIVATIONAL TALKS	PROFESSIONAL/ TECHNICAL TALKS	FACILITY TOURS	PROFESSIONAL INTERNSHIPS	DONATIONS OF MATERIALS
Alcalde Sergio González Gutiérrez School	Pozo Almonte	○	⊙	⊙	○	
William Taylor Methodist School	Alto Hospicio				○	
Diego Portales Polytechnic School	Tocopilla	○	⊙	⊙	○	
Oscar Bonilla School	Antofagasta	○	⊙	⊙	○	•
Humanities and Science Professional Technical High School in María Elena	María Elena	○	⊙	⊙	○	
Don Bosco Industrial Technical School	Antofagasta	○	⊙	⊙	○	
Don Bosco Industrial Technical School	Calama	○		⊙		
Lickan Antai School	San Pedro de Atacama				○	•
Toconao Educational Complex	Toconao	○				



250

TEACHERS

in Iquique, Pozo Almonte, Pintados, Mamiña, María Elena and San Pedro de Atacama participated in “El Norte de la Educación”, a seminar where they discussed the various paths for the Chilean education system.

Since 2015, we have offered the Environmental Education Program at the Center for Environmental Education (CEDAM) in the Pampa de Tamarugal National Reserve in the Tarapacá Region. We also support school and institutional visits. This program is part of the environmental education objectives developed by the National Forestry Corporation (CONAF) in the Tarapacá Region.



CORPORATE

VOLUNTEERING

“LEND A HAND TO YOUR COMMUNITY” CORPORATE VOLUNTEER PROGRAM

In 2017, SQM committed to a collaborative corporate volunteer program. In addition to the social volunteering efforts, the program contributes to social good by optimizing technical-professional education.

The nature of the efforts is diverse and varies according to the requirements of each community, the characteristics of each territory, the needs detected and partnerships formed with foundations and corporations, for example: Hogar de Cristo, Choshuenco Foundation, Miradas Compartidas, La Semilla Foundation, Diego Portales School in Tocopilla, Óscar Bonilla School in Antofagasta, Humanities and Technical High School in Maria Elena, William Taylor Methodist School in Alto Hospicio and Alcalde Sergio González Gutiérrez School in Pozo Almonte.

JUST TWO YEARS OLD, THE VOLUNTEER PROGRAM

Had outstanding results in 2018, with:

175
VOLUNTEERS

1,957
HOURS OF WORK

TYPE OF VOLUNTEERING AND VOLUNTEERS	SOCIAL VOLUNTEERING	EDUCATIONAL VOLUNTEERING	TOTAL
Organizations where we have volunteered	18	7	25
No. of volunteer events	108	43	151
Participating volunteers	114	61	175
Volunteer hours	1,522	435	1,957
Direct beneficiaries	4,811	1,250	6,061



VOLUNTEER SUPPORT FOR TECHNICAL PROFESSIONAL EDUCATION IN ANTOFAGASTA AND TARAPACÁ

For the second straight year, SQM has supported collaboration agreements with technical high schools in María Elena, Tocopilla, Calama, Pozo Almonte, Antofagasta and Alto Hospicio. These partnerships aim to optimize training for future professionals with technical advising, motivational and technical talks, on-site visits, equipment and by bringing outstanding students into the Company for professional internships.

SQM's strong outreach program culminated in 168 internships at different SQM operations for students from technical high schools in the regions of Antofagasta and Tarapacá.

Demonstrating its commitment to education, SQM signed a collaboration agreement with the following technical high

schools: Diego Portales in Tocopilla, Óscar Bonilla in Antofagasta, the Humanities and Technical High School in María Elena and William Taylor Methodist School in Alto Hospicio, Don Bosco in Antofagasta and Calama, and Alcalde Sergio González Gutiérrez School in Pozo Almonte.

The initiative is led by outstanding SQM employees whose training is related to the interns' specialties and who participate in the education area of the "Lend a Hand to your Community" volunteer program. Their drive to teach, combined with the experience and knowledge they have accumulated at the Company, are keys to contributing to the technical training of teachers and future professionals.

VOLUNTEER SUPPORT FOR TECHNICAL PROFESSIONAL EDUCATION

SALAR DE ATACAMA

The first corporate volunteer activity in Salar de Atacama brought more than 15 SQM employees together with parents, professionals and patients to join efforts and improve the facilities at the Jurique Rehabilitation Center in San Pedro de Atacama.

Volunteers from SQM in Salar de Atacama made improvements to the Jurique Rehabilitation Center. Under the slogan, "New Colors for Jurique", volunteers painted walls, varnished perimeter fencing and repaired rooms.

Founded in 2006, the center started as a municipal program to serve children with different types of disabilities. The institution currently cares for 58 patients of all ages. Volunteers also: Repaired facilities at Simón Benítez Senior Citizens' Home in San Pedro de Atacama; offered a journalism and photography course for all the young people from the Alto de Jama neighborhood council; and collaborated on Christmas celebrations for preschoolers in San Pedro de Atacama and Toconao.



SANTIAGO

SQM workers in Santiago took part in a social volunteering initiative at Choshuenco Educational Foundation's Ángel de la Guarda Preschool in the La Bandera neighborhood in the municipality of San Ramón. Twenty-two employees and thirty neighborhood residents volunteered to build and improve school infrastructure. In 2018, they worked on an outside mural, indoor and outdoor green areas and the children's play patio.

This La Bandera initiative is designed to benefit 150 children between 3 months and 5 years of age.

MARÍA ELENA

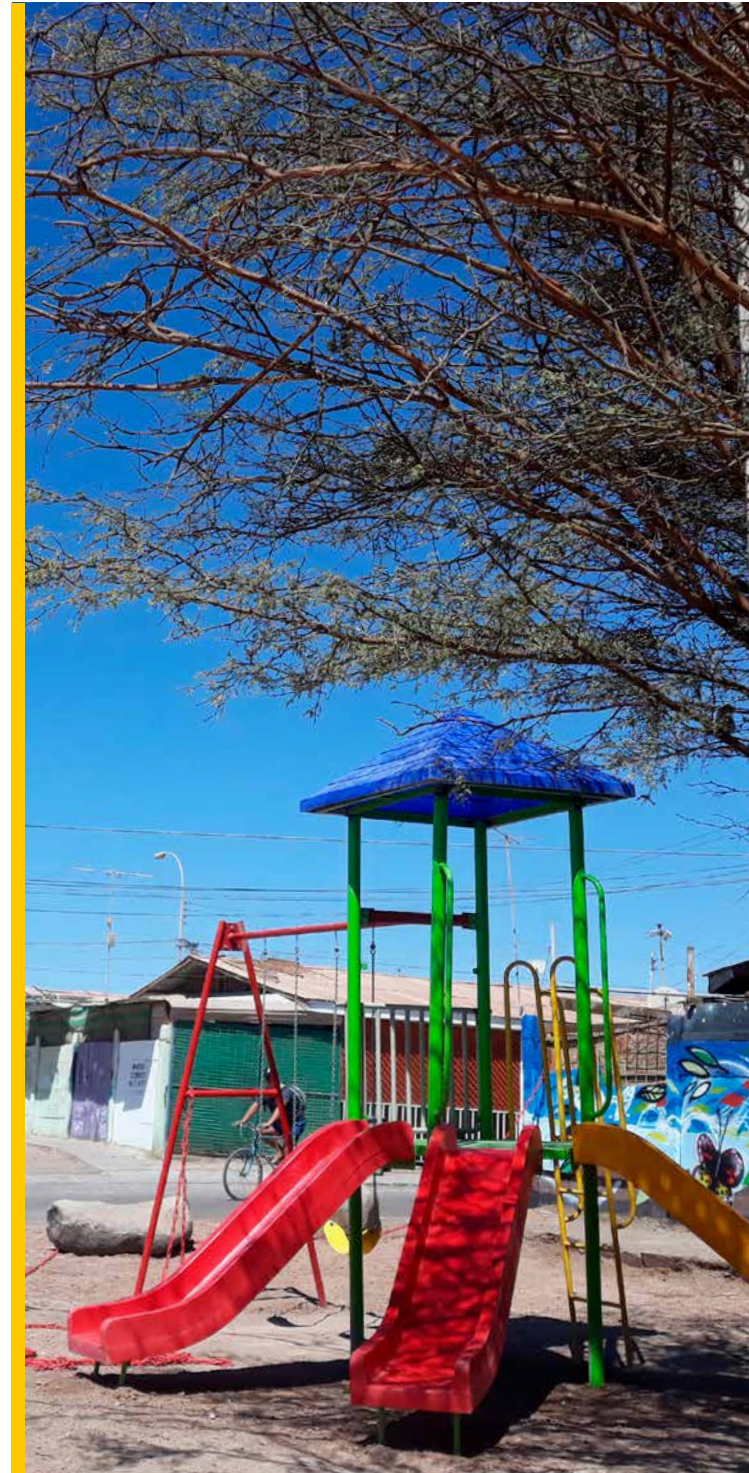
Two social volunteer initiatives were undertaken in María Elena. The first seeks to eradicate micro dumps in conjunction with the María Elena neighborhood council. The second is supported by the Peace and Justice Service (SERPAJ).

With assistance from SQM and the Municipality of María Elena, residents of the Villa Toconao neighborhood in María Elena reclaimed an abandoned site and transformed it into a welcoming green recreation area.

Children, young people and area residents participated in the project, working as a community to design the recreation space they envisioned.

This was in addition to projects undertaken by students at the local school and the Environmental Academy at the Humanities and Technical High School in María Elena, who cleaned and eliminated trash from micro dumps less than 50 meters from both institutions. They built and painted pergolas and benches made with recycled materials and, finally, planted native trees.

SQM volunteers coordinated to make improvements for SERPAJ, a program that works with SENAME and serves 80 children. Volunteers restored a nitrates-era heritage property to serve children and their families. The improvements made it possible to protect the beneficiaries.



SAN PEDRO DE ATACAMA

In 2018, we continued supporting the launch of the “Tourism Development Plan for the towns of Pedro de Valdivia and María Elena”. As part of this initiative, SQM employees and former inhabitants of Pedro de Valdivia participated in activities such as a talk by Patricio Díaz, Director of Heritage at the Santiago Humberstone nitrates office. The opportunities sought to train SQM volunteers and former residents of Pedro de Valdivia to replicate the successful management model implemented at Humberstone, the former nitrates office in the Tarapacá Region. Friends of the Pampa Heritage, the volunteer program from Pedro de Valdivia, is an SQM-supported initiative that organizes actions that add value to the former nitrates office.

It seeks to reclaim different spaces and landmark buildings in Pedro de Valdivia in an effort to recover stories, traditions, objects, toys, utensils, tools, photographs, furnishings, etc.

In 2018, the program included planning, outreach, awareness, cleaning and recovery phases. During the latter, volunteers visited the town every Saturday to begin reclaiming different spaces of the former nitrates office town.

TOCOPILLA

As part of the social volunteering program in Tocopilla, parents, teachers and volunteers came together to build a school garden inside Patroncitos Preschool; teach an astronomy program at Javiera Carrera Preschool; and restore green spaces around Carlos Condell School, including the pergolas in the preschool and school areas. Materials for a school garden were also provided.

ALTO HOSPICIO

A group of SQM volunteers from the Nueva Victoria operations converted an abandoned space inside the Hogar de Cristo Foundation's Camino al Sol Preschool in Alto Hospicio into a beautiful play area with recycled materials.

The three-week volunteer project benefited the 150 children between three months and four years of age who attend the establishment.

Volunteers created a music wall, sandboxes, hanging gardens, climbing toys made of tires and motor skills games. To ensure the project's success, an architect was hired to create a playground from recycled products.



ANTOFAGASTA

We have two social volunteering programs in Antofagasta. One of them is the soccer school for children with different cognitive abilities led by the Miradas Compartidas Foundation. The school takes place at Antofagasta's Autoclub, where SQM employees attend practices and participate in the soccer league against other institutions and companies. The volunteers in Antofagasta have also made a commitment to Elmo Fúnex School, where they have undertaken significant efforts to paint, clean, repair and restore spaces and improve the condition of the school.

POZO ALMONTE

As part of the heritage volunteer program and within the context of Heritage Day, a group of SQM employees and community representatives restored one of the oldest buildings in Pozo Almonte, the clergy house next to the Sagrado Corazón de Jesús Church downtown. The volunteers donated their time and dedication to restoring this 114-year-old fragment of history. They worked on the façade, which was typical of the nitrates era, coming together to sand, clean and restore the building where the Catholic community of Pozo Almonte has been gathering since it was built.



SOCIAL

DEVELOPMENT

DISCLOSURE 413-1

SAN PEDRO DE ATACAMA

EXPERT APPRENTICES FOR SQM

For the first time this year, SQM committed to developing an apprentice program at the Salar de Atacama operations, led by SQM supervisors and operators who had been trained as a “trainer of trainers”. This program brought together 26 apprentices—men and women from the communities of Toconao, Peine and San Pedro de Atacama—who have joined different areas of the operations on open-term contracts.

Participants rotated through 9 modules in 3 months, acquiring soft skills and technical tools. At the end of the apprenticeship, they were offered open-term contracts in different areas of the operation.



MARÍA ELENA

PLANT OPERATOR CERTIFICATIONS MARÍA ELENA

As part of efforts to promote and support social development in our communities, 32 members of the María Elena community earned Plant Operator certification. The initiative—supported in conjunction with Fundación Chile, Industrial and Mining Training Center (CEIM) and SOFOFA—aims to contribute to the growth and competitiveness of people in María Elena who seek to build mining careers.

PROGRAM TO BE A “TRAINER OF TRAINERS”



26
Apprentices
trained for 3
months

TOCOPILLA

THE FIRST SPACE FOR COLLABORATION AND ENTREPRENEURS IN TOCOPILLA

In conjunction with La Semilla Foundation in Tocopilla, we opened the first co-working space, called The Puerto Cowork. The state-of-the-art facility gives entrepreneurs a place to build sustainable businesses while receiving technical assistance from experts and sharing experiences with other start-ups.

The Puerto Cowork aims to create a culture of innovation and entrepreneurship, providing training on topics including drafting proposals, financing, experience transfer and the chain of production. Users have access to fully equipped work rooms, wifi, computers, meeting rooms and mentorships. The co-work facility offers online courses and workshops on innovation, programming, robotics and prototypes.

“ATRÉVETE Y EMBÁRCATE” PROGRAM.

150 REGISTERED

TARGETED TOWARDS STUDENTS IN TOCOPILLA

92 APPLICATIONS

46 PROPOSALS SUBMITTED

21 PROPOSALS FUNDED

154 APPLICATIONS SUBMITTED IN SECOND ROUND

“EL PUERTO COWORK”

32 participants

In the “Desafíate” Program for students from the municipality.

3 PROJECTS FUNDED.



SUPPORT FOR THE FISHERMEN OF TOCOPILLA

Members of the Tocopilla Fishermen's Independent Union received modern equipment with which to renew their work tools. This initiative arose from an SQM working group with the fishermen.

The arrival of the La Niña current triggered unusual fishing bans on some shellfish and fish traditionally caught in the area, putting the farmers in a complex situation that was further complicated by frequent swells hitting the Chilean coast.

To support the fishing sector, SQM provided 18 wet suits and 80 fishing nets, which benefited the 115 members of the Tocopilla Fishermen's Independent Union.

The donation was made after a three-year-long processes with the fishermen. SQM began working with the fishermen during the 2016 remodeling of their union headquarters. Then, this new initiative took shape thanks to a survey of the sector's immediate needs.

The partnership seeks to strengthen its working group, which also includes the Simón de Ciriene Foundation, which is responsible for surveying needs and channeling resources in order to continue agreeing upon collaborative initiatives.



POZO ALMONTE

PREPARING OUR NEIGHBORS FOR THE WORKING WORLD

SQM psychologists led employability workshops in different towns. The first workshops took place in the Pintados Agricultural Colony, where SQM employees explained how to prepare for a job interview and how to write a résumé. The workshop was replicated in Pozo Almonte and La Tirana, in the Tarapacá Region. Job applications were also accepted at the workshop.

These workshops also aim to increase community outreach surrounding SQM operations. To that end, we have worked with the Municipal Labor Inclusion Offices from different municipalities, like Pozo Almonte and Alto Hospicio, to incorporate townspeople at SQM mining operations.



We supported the Antofagasta Fire Department for the second straight year during their “Bomberotón” event to “improve the emergency coordination system”. We also supported the Iquique Firefighters with funds to purchase firefighting supplies.

THROUGH DIFFERENT INITIATIVES, WE PROVIDE OUR NEIGHBORS WITH TOOLS TO PROMOTE THEIR EMPLOYABILITY

and entrance into the mining world as well as opportunities to begin their career at SQM.

The SQM team is constantly attending job fairs organized by the municipalities and universities, where participants submit résumés and available job vacancies are publicized in surrounding communities.



SQM provided two ambulances to the Municipality of Pozo Almonte. One will be permanently stationed in the town of La Tirana; the second will serve difficult-to-reach rural areas.

AGRICULTURE PROGRAMS

TIERRA FÉRTIL PRODUCTION DEVELOPMENT PROGRAM

DISCLOSURE 413-1

Since 2008, we have been working with public and private entities to implement an agribusiness development plan that emphasizes innovation and profitability.

The program was implemented in Quillagua, San Pedro de Atacama, Toconao, Talabre, Camar and Socaire. It is supported by the Antofagasta regional government (FIC projects), Ministerial Secretariat of Public Works of Antofagasta (Directorate of Hydraulic Works), Ministerial Secretariat of Agriculture of Antofagasta, Foundation for Agricultural Innovation (FIA), SERCOTEC, National Corporation for Indigenous Development (CONADI), National Institute for Agricultural Development (INDAP), as well as associations and indigenous communities in the areas surrounding our operations.

The program features a multidisciplinary team of professionals including agronomists, oenologists, viticulturists to provide the technical assistance to implement the farmers' crop and production projects. While respecting cultural aspects and characteristics of ancestral Aymara and Atacameñan agriculture, the program provides tools for innovation to improve crops and sales of high-quality, value-added products.





SAN PEDRO DE ATACAMA

GARLIC PRODUCTION AND RECOVERY PROGRAM

For more than 10 years, farmers in Santiago de Río Grande, a town 90 kilometers from San Pedro de Atacama, have faced a series of difficulties producing garlic, broad beans and vegetables. Crops are down 80%. In 2018, the technical team from SQM Atacama Tierra Fértil Program (ATF) advised the farmers on how to reverse the situation. Working directly with 16 area families, they implemented a substrates management plan. This initial stage sought to identify the origin of and solutions to the problem in order to strengthen farming in the community.

Soil intervention and healing began with application of a series of products in specific areas. Mycorrhizae and trichoderma, fungi that contribute to the biological control of treated land, were also supplied. These measures provided nutrients, strengthened the root system and protected roots from disease and pathogens.

Thanks to this intervention, more than 70% of the crops planted were harvested in January, marking a significant change in the community's agricultural progress.



Ayllu

*Vinos
de las alturas
del saber de
Atacama*

Chile

AYLLU WINE, THE FLAVOR OF THE DESERT

As part of the SQM Atacama Tierra Fértil Program, a group of 20 farmers from Celeste, Toconao and San Pedro de Atacama produce high-altitude wine at more than 2,400 meters above sea level. At the beginning of the SQM Atacama Tierra Fértil Program, the winemaking economy in Toconao and the surrounding area supported 1,600 vines distributed among several farmers and terroirs. Today, 22,000 vines of País, Pinot Noir, Malbec, Petit Verdot, Syrah and Chardonnay varieties have been planted. The seventh harvest produced 9 tons of grapes for a total of 7,500 bottles in 2018.

Thanks to a series of joint efforts between producers, the Atacama Tierra Fértil Program and government entities such as Sercotec, ProChile and the Agricultural and Livestock Service (SAG), the first wine cooperative in the region and in northern Chile was consolidated, launched and registered as the Lickan Antay Rural Cooperative (Cooperativa Campesina Lickan Antay). The milestone will help standardize processes behind the creation of this cooperative-produced wine. Under SAG supervision, a new laboratory was equipped to analyze Chile's highest altitude wine, ensuring its safety and quality.

This synergy between the community, Company and government has positioned Ayllu Wine as a model of innovation in environmental terms. It stands out for its energy efficiency, lower production costs as well as use of automatic, solar-powered irrigation to improve water use in the production process. It also features cutting-edge lab equipment in response to market demands.

10,000 PEOPLE PARTICIPATED IN TOCONAO HARVEST FESTIVAL VI

The Toconao Heritage and Harvest Festival, held in the town of Toconao, was two days of celebration during which 10,000 people experienced the richness of Atacameña culture at an initiative that is positioning itself as one of the most significant cultural encounters in northern Chile. This is a joint effort between the community, SQM and local and regional authorities. Convened by the Likanantay Winemakers Cooperative—composed of 20 Ayllu Wine producers—they officially launched a blend of the Malbec and Syrah varieties, melded to obtain a single Ayllu wine. This powerful brew has positioned itself as a high quality, high-altitude wine.



MORE THAN

8,000

BOTTLES SOLD

at the Toconao Heritage
and Harvest Festival IV



LICKANANTAY HIGHSCHOOL AND SQM

SQM's Atacama Tierra Fértil (ATF) Program is celebrating 10 years of ongoing collaboration and technical assistance in the development and training of students at Lickanantay High School in San Pedro de Atacama.

Continuing their work, they developed the curriculum and Annual Production Plan to connect young people with farming and provide tools that generate opportunities for entrepreneurship while keeping Atacameña ancestral traditions alive. ATF also supports other teaching specialties, creating opportunities and spaces such as professional internships.

In 2018 and thanks to the partnership with SQM, La Semilla Foundation and High School C-30, students and San Pedro de Atacama residents had the opportunity to learn about permaculture, a farming method that promotes agricultural, social and economic development by incorporating several ecological techniques, such as compost and water recycling.

Other highlights for agricultural students were the 12th grade technical studies trip to the Valparaíso Region to

study the area's agricultural environment and see the creation of a demonstration vegetable garden on school grounds.

In addition to technical support, SQM provides supplies and tools. This year, it donated a diesel tiller and provided training on its use and planted a demonstration farm with several crops planted in soil and others using hydroponic techniques.

One of this year's major accomplishments was the transfer of 10,000 m² of land on which to implement a new farm school where young people from all specialties can interact and develop as future technicians in the municipality of San Pedro de Atacama.

In 2018, Likan Antai Agricultural High school earned certification for environmental excellence from the National System for Environmental Certification of Educational Establishments, (SNCAE) for its Annual Environmental Management Program.



ATACAMA TIERRA FÉRTIL PROGRAM AT EXPO AGRÍCOLA

DISCLOSURE 413-1

Drawing a large crowd, farmers from the municipality of San Pedro de Atacama, who are part of SQM's successful Atacama Tierra Fértil Program, promoted and sold their products at the fifth Agricultural Expo in the region's capital.

This event featured about twenty stands from the municipalities of San Pedro de Atacama, Ollagüe, Calama, Antofagasta and Taltal. Organized by the Regional Ministerial Secretariat of Agriculture and the PROLOA Corporation, the event aims to position the area's farmers in the regional market, showcasing the progress they have made in agricultural practices.



QUILLAGUA

HYDROPONICS IN QUILLAGUA

For the past five years, as part of a project co-sponsored by the Quillagua Rural Hydroponics Cooperative involving 11 farmers, we have worked to grow lettuce in a 1,000 m² greenhouse connected to an NCRE system powered by solar energy panels.

In 2018 and as part of an SQM commitment, the farmers from the cooperative were given a truck with a cold chamber that enables them to sell their products to different supermarkets and food service companies in northern Chile. This SQM-backed initiative is supported by Sercotec and the La Semilla Foundation and also includes a new research greenhouse.

The new 120 m² research greenhouse has interior climate control— a complex feat in the middle of the world's driest desert. Furthermore, the facility improved the

irrigation system used for lettuce after concluding that the floating roots system is better in these special geographic conditions. The result: optimization, increased production and softer, larger lettuce.

The Quillagua Tierra Fértil Program proposed installing the same type of greenhouse in the 1,000m² facility built in 2012. SQM committed to providing operating supplies, maintaining the inverse osmosis plant and co-funding the Innovation in Agrifood Marketing project backed by the Minister of Agriculture's Foundation for Agricultural Innovation (FIA).

The cooperative also consolidated a business partnership with Aramark, a food services company, which purchased nearly 500 heads of lettuce each week as of March 31.



QUILLAGUA'S DREAM OF AGROFORESTRY AND TOURISM TAKES SHAPE

SQM donated machinery and training that will enable the Indigenous Agroforestry Association in the oasis of Quillagua to add value to one of the valley's most important resources: the Algarrobo tree and its derivatives. The program seeks to harness the potential of its wood to manufacture charcoal and crafts, which residents have already begun to make.

The plan included training for residents affiliated with the Quillagua Agroforestal Association on the use of the SQM-donated equipment: four electric chain saws and all the clothing necessary to do the work safely.

SQM professionals participated in both processes, organizing the trainings and providing assistance.

The top-of-the-line Algarrobo wood charcoal and crafts are the first phase of a project that aims, in the medium term, to partner with food-based entrepreneurial endeavors that are already opening in the oasis. Thus, visitors will find a wide variety of food offerings and products inspired by the area's indigenous crafts.



POZO ALMONTE

DISCLOSURE 413-1

PROMOTING AGRICULTURE IN PINTADOS – POZO ALMONTE

Since 2009, SQM has continued to play an active role in the Working Group for Agricultural Production Development in the town of Pintados. The municipal government of Pozo Almonte took part in this initiative along with the National Institute for Agricultural Development (INDAP), the Pozo Almonte Local Action Development Program (PRODESAL), Teck-Quebrada Blanca and local farmers. The process resulted in the definition of a strategy and projects that benefit farmers from local organizations: Asociación Indígena Aymara Tierras de Jehová, Asociación Indígena Aymara Juventud del Desierto and Cooperativa Agrícola Nuevo Amanecer.

This initiative benefits 50 farmers from the three groups.

In 2018, SQM worked directly with a group of farmers, focusing on innovation to improve irrigation infrastructure and the plant nutrition program led by SQM professionals. They worked on new farming techniques, such as planting melons in coconut fiber and planting the first grapevines, as a pilot program for producing wine in Colonia de Pintados.





POZO ALMONTE AGRICULTURE RESEARCH AND DEVELOPMENT CENTER

SQM has invested more than Ch\$350 million in the agricultural and livestock community of Pozo Almonte, through the Pozo Almonte Agriculture Research and Development Center. The initiative is outlined in the agreement signed by the Municipality of Pozo Almonte and SQM. The only one of its kind in the Tarapacá Region, it aims to develop hydroponic crops and produce cheeses to supply the entire zone.

Part of the SQM Tamarugal Tierra Fértil Program, the more than 1,150 m² center is located on the Los Pinos campground and features two enclosures: one for hydroponic farming and the other for cheese production. In addition to the infrastructure, SQM provides technical advising and supplies.

The project seeks to train entrepreneurs who want to grow their own hydroponic crops or make cheese. It guides area farmers, serving as a pilot plant used to identify the best business processes and production

techniques, with monthly projections of 3,500 heads of lettuce and goat cheese.

State institutions, like Indap, SAG and the regional government are also interested in supporting the Agriculture Research and Development Center in order to replicate the initiative in other places.

One of the first trainings offered to farmers was on production of refined goat cheeses. The goal is to elevate this local industry to a standard of excellence with clean, efficient processes that provide added value and produce a unique local cheese with a denomination of origin.

For the second straight year, SQM supported the Tamarugal livestock and agricultural fair, hosting a stand that showcased the progress of regional projects and elements from the Pozo Almonte Agriculture Research and Development Center, scheduled to open in La Tirana in 2019.

HISTORICAL

HERITAGE

We have worked with the Humberstone and Santa Laura Nitrates Museum Foundation, the Chacabuco Nitrates Museum Foundation, the Pedro de Valdivia Nitrates Museum Foundation and the Huanchaca Ruins Foundation for more than 11 years and maintain a steady presence on each of their boards.

As the natural heirs of the nitrates industry era, we are motivated to promote and preserve all forms of historic heritage.

We support initiatives that aim to showcase and reclaim the nitrates industry in the regions of Tarapacá and Antofagasta. Examples of these efforts include: donations to operations at the Santiago Humberstone and Santa Laura nitrates offices; the Chacabuco Nitrates Museum Foundation, and the “Industrial Life in the Nitrates Industry: Legacy of Culture and Development” exhibit in the Huanchaca Ruins Foundation’s Desert Museum in Antofagasta. This is in addition to complementary efforts completed in 2017, such as lighting the Huanchaca ruins and designing and installing exhibits at the María Elena Museum.

In 2018, at the inauguration of the new Nitrates Interpretation Center, located inside the Humberstone Nitrates Museum, the Nitrates Museum Foundation unveiled a plaque recognizing SQM, among other institutions, for contributing to preserving nitrates heritage since its founding. The ceremony was led by former President Michelle Bachelet. It is worth noting that SQM serves on the board of the foundation and has done so since its beginning. In addition to supporting institutional management, it supports different projects such as the launch of the Humberstone market, cleaning the industrial area of the historic nitrates office and showcasing Santa Laura.

Once again in 2018, SQM worked with the Nitrates Museum Foundation to offer “El Cielo de la Pampa se viste de Colores” a celebration of the Chilean national holidays in the Pampa. Participants enjoyed traditional creole games at the Santiago Humberstone nitrates office. The event was designed to showcase traditional games such as rayuela, sack races, marbles and yincana, among others. This year 1,200 people attended, surpassing expectations and reaffirming the event as a hallmark of the Chilean national holiday celebration in the north.

We also promoted activities and workshops that highlight and preserve intangible heritage. For eight years, we have worked with the Hijos del Salitre Foundation in the Tarapacá Region to support “Nitrates Week” in the month of November. The 2018 theme was focused on the role of women in the nitrates industry and the Pampa.

For the sixth straight year, we offered the Tin Flowers Workshop to make the tin flower wreaths historically used to adorn grave sites at old nitrate offices. In 2018, 92 participants attended these workshops, hosted in Pozo Almonte, María Elena, Tocopilla and Quillagua. The workshops in each town ended, as is tradition, with pilgrimages to the surrounding cemeteries on November 1. The colorful wreaths adorn the graves, the majority of which are not regularly visited.

We continue to keep thorough records, documented by archaeological groups, on the pre-Hispanic and historical ruins found near SQM operations and implement preventative and mitigation measures to protect them, especially around the Nueva Victoria operations.

SQM SUPPORTS SEVERAL INITIATIVES TO RECOVER THE TRADITIONS OF NEIGHBORING COMMUNITIES. EXAMPLES INCLUDE CELEBRATIONS FOR PEDRO DE VALDIVIA NITRATES OFFICE DAY AND THE QUILLAGUA COMMUNITY’S EFFORTS TO MAINTAIN ITS DEEP RELIGIOUS IDENTITY, SUCH AS THE SAN MIGUEL ARCHANGEL AND CORPUS CRISTI FESTIVITIES.

SAN PEDRO DE ATACAMA

NEW LOOKOUT POINTS FOR TOURISTS IN TALABRE

At the foot of the Lascar Volcano, more than 3,000 meters above sea level, the indigenous community of Talabre saw a dream come true: Two lookout points for tourists were opened in the Saltar and Talabre Viejo areas. The SQM-supported initiative sought to encourage tourism as a means of diversifying the economy, which has been sustained by livestock and farming since the dawn of the settlement.

Built of local rock so as not to impact the infrastructure or heritage value of the town, the lookout points feature benches, a wind-breaking wall, a table and informational signage. The Talabre community actively participated in the design and construction process, working with SQM to create a space with a panoramic view of the area and the Lascar Volcano.



In conjunction with the Nitrates Museum Foundation and the Toconao Atacameña Community, SQM co-funded a technical diagnostic study to identify the strengths and weaknesses of the project to restore the Toconao Church to use.

TOCONAO CELEBRATES THE TRADITIONAL ANDEAN MUSIC CARNIVAL

In the town of Toconao, the “The First Lakita Encounter: Ckoi Nisaya Ckhuri or The Voice of the Wind”, organized by the Lakitas Renacer Andino musical group and sponsored by SQM. The event attracted more than 100 performers of lakita, a traditional musical genre, turning Toconao Plaza into a real party, overflowing with colors and melodies.

This project aims to promote and transfer the Atacameño legacy to the area’s new generations.

For more than six hours, the crowd enjoyed the carnival led by Ckuri Ticka and Estrella Andina de San Pedro de Atacama; Lakitas del Carmen de Conchi Viejo; Hijos del Norte de Río Grande; Lakitas Amautas del Valle de Lasana and Kamac Mayu de Calama. The hosts from Toconao, Renacer Andino, and special guests, Our Lady of Los Remedios of San Juan de Quillaques, Argentina also performed.



THE WEAVING HOUSE OPENS ITS FIRST TEXTILE ART DOCUMENTATION CENTER IN TOCONAO

The new facilities of the Textile Art Documentation Center (CeDoc) in Toconao complement the work of the 70 women who have been laboring since December 2017 on an initiative, backed by SQM and the ONA Foundation, to preserve the textile heritage of the people of the municipality of San Pedro de Atacama.

The new CEDOC in Toconao, features a library of primary and secondary sources, an audiovisual archive and a special digital research space. A series of equipment and instruments facilitate recovery and showcasing of the Atacameña cultural heritage and textiles created by project participants. The project expects to receive material from different universities, research centers and indigenous communities around the world.

Students will be able to complement their ancestral culture – passed down orally or through families – with

knowledge from written sources or new technology, thereby promoting preservation as well as the opportunity to rediscover themselves, connect with different cultural expressions and maximize the value of art in their communities.

The project includes participants from the towns of Toconao, Socaire, Talabre and Larache, who meet every afternoon to knit or weave in llama fiber, just as their ancestors did.

SQM also supported the Global Artisans Initiative, along with CORFO, Aguas Antofagasta and Minera El Abra. This initiative worked with 60 Antofagasta Region artisans to boost their entrepreneurship skills. The challenge of this project was to provide new tools, training and transform the entrepreneurs' crafts into a product for export.



MARÍA ELENA

PROMOTING PLADETUR AND HERITAGE TOURISM

The Tourism Development Plan (PLADETUR) was created in 2015 to promote tourism as a municipal development alternative in María Elena and the old Pedro de Valdivia office. It was created by working groups involving SQM, the Municipality of Maria Elena and community organizations working to recover the heritage of the nitrates industry.

Academics from the University of Antofagasta offered several courses to strengthen the technical abilities and soft skills of those participating in the working group. The six modules covered disciplines such as: geography and the environment, the prehistoric Pampa, tourism and history of the nitrates industry, natural and cultural heritage, special interest tourism and museums as facilitators. Participants were from the Pedro de Valdivia Nitrates Museum, the Children of Pedro de Valdivia Center, and the Ladies of Pedro de Valdivia Center, among other social organizations from the community.

ARTISANS OF MARÍA ELENA CRAFTS

For the second time, a group of women from Maria Elena came together in a workshop to recreate elements that were part of everyday life in the glory days of the nitrates industry.

In the workshop, they brought traditional Pampa techniques and crafts back to life, making fabrics, trousseaus, table decorations and toys.

Participants in the Codecein Mental Health Workshop learned to make the crafts as a life-long therapeutic activity.

The exposition put on at the end of the workshop provided an opportunity for the community to rediscover the memories and anecdotes that had been made into beautiful weavings, table decorations and magical toys. The women also received a certificate recognizing their participation in the workshop.



THE “TIRANA CHICA” DOCUMENTARY IN MARÍA ELENA

Groups of religious dancers from Pedro de Valdivia and María Elena collaborated with SQM to represent the Pampa at the La Tirana festival and also showcase the important Tirana Chica festival, put on by the nitrates offices.

The Company developed an 8-episode documentary to record the Pampa fervor for the next generation and show the process of preparing to pay homage to the virgin in northern Chile’s most important religious festival and then

take center stage hosting the Tirana Chica festival, which featured 23 religious dances from María Elena and Pedro de Valdivia in 2018.

Nevertheless, what was most appreciated was SQM’s contribution to improving the standard of the facilities in the town of La Tirana where the dance troops stay during the festival.

LITERARY PUBLICATIONS

SQM has supported various publications and literary contests. In 2018, it celebrated its 50th anniversary by presenting the book *La Reinvention de la Industria del Salitre in Antofagasta*. Written by Patricio García Méndez, it recounts the history of the nitrates industry and SQM, from their beginnings, portraying operations, production processes and the history of the Company as well as how it has remained at the forefront and reinvented itself over the years.

In parallel, as part of Heritage Day in María Elena, SQM employee Nelson Codoceo launched his book *Escrito a Puño y Letra en la Mies de la Pampa Salitrera* with support from the Company. The author, who lives in María Elena and is originally from what was formerly the Francisco Vergara nitrates office, narrates brief stories featuring the Pampa nitrates office and its people as the main characters.



SUPPORTING OUR NEIGHBORS IN EMERGENCIES

Northern Chile was hit by intense rains in the altiplano in the summer of 2019. As we implemented emergency protocols at each SQM operation, we also supported neighboring towns. Teams from the community and SQM operations came together to clear routes, make potable water and home protection materials available and distribute animal fodder.

On-site efforts began in late January. Altiplanic rains first hit San Pedro de Atacama and the towns located in the Salar de Atacama basin, then the regions of Arica and Parinacota and Tarapacá. The rains were strongest in Calama and the towns of Alto El Loa and Atacama la Grande.

As a preventative measure in Tarapacá, specifically the municipality of Pozo Almonte, two bulldozers and a front loader were made available to build a temporary rainwater

collection and accumulation system to prevent flooding in La Tirana. The Company also donated 500 bottles of water directly to the Municipality of Pozo Almonte for townspeople from inland communities.

On the coast, specifically in the fishing village of Chañavallita, the Port of Tocopilla operations donated 72-10x5 meter tarps to protect the homes of the fishermen. In Calama, the same operation donated 300 maxisacks that were filled with sand and piled to protect against possible river or canal overflow.

In Quillagua, we worked with the Municipality of María Elena to restore electricity and distribute plastic to protect the houses



SQM workers from Salar de Atacama helping the community.

RECOGNITION IN 2018

- The Nitrates Museum Foundation recognized SQM with a commemorative plaque, unveiled by former President Michelle Bachelet, as part of the inauguration of the grocery store exhibit in the Humberstone museum.
- In Antofagasta the seventy-sixth anniversary of professional technical education was commemorated. SQM won two awards for strengthening the educational process of future professionals in the region.
- SQM was awarded an SHE Excellence Gold Medal by the International Fertilizer Association in recognition of its ongoing commitment to the principles of safety, health and environment promoted by the association.
- The Humanities and Science Professional High School in María Elena recognized SQM for its support of Professional Technical Education.
- Antofagasta Firefighters recognized the Company for its support during the “Bomberotón” fund raising campaign.
- The Antofagasta Industrial Association and CODETIA recognized SQM for its participation in 2018 Building Shared Value: Quality Human Capital beginning in Infancy.
- The Tarapacá Hydroponics Association distinguished SQM for its support of the Machaq Mara Andean Festivities in La Huayca in Pozo Almonte.
- In 2018, the Chilean Safety Association (ACHS) recognized several SQM divisions for their safety management efforts. These included: Tocopilla Port Operations Division, Project Division, Technical Division, Pedro de Valdivia Production Division and Nueva Victoria Production Division. Also distinguished with this recognition were the Salar de Atacama Production Division and the Hydrogeology Division, who had no lost-time injuries (LTI) for more than 12, 14 and in one case, 27 months, thanks to their prevention practices.
- In September, the Joint Committee from SQM Salar de Atacama received the CORESEMIN 2018 award for the second time in four years. This committee was recognized for its effort and dedication to the safety and occupational health of the workers at these operations.



OUR COMMITMENTS

WITH OUR NEIGHBORS

ISSUE	2018 COMMITMENTS	COMPLIANCE
HISTORICAL HERITAGE	Continue cultural and traditional activities to revive heritage that require our presence as a company. Support initiatives introduced by the communities to keep their traditions alive.	100%
EDUCATION AND CULTURE	Broaden our coverage of the Más Matemática Program, providing financial support for one additional school in Pozo Almonte to implement the program and expanding the program to 12th grade at the Toconao Educational Complex in San Pedro de Atacama. Reach 100% coverage in María Elena. Carry out the Vilti Semman program in Tocopilla for the fourth year in a row and continue to support workshops at schools in Quillagua and Pintados. Maintain scholarship program for teachers to do a practicum in Finland.	100%
SOLIDARITY WORK	Continue assisting with emergency situations that may arise in towns near our operations.	100%

2018 ACTIVITIES AND ACHIEVEMENTS

Continued supporting Tin Flower Workshops in the towns of Quillagua, María Elena, Tocopilla and Iquique. Provided support for the celebration of Nitrates Week in Tarapacá and the Pampa National Holidays in Humberstone, workshops to revive traditions for youth in Tocopilla, anniversary celebrations at the former Pedro de Valdivia nitrates office and festivities to honor the patron saint of Quillagua, among others. Provided support for the cultural revival of traditional Atacameña wool and woven crafts by training women weavers in the district of San Pedro de Atacama. Inaugurated the first Textile Art Documentation Center in Toconao, which will complement the work of 70 women participating in this initiative. In Toconao, the “First Lakita Encounter: Ckoi Nisaya Ckhuri or The Voice of the Wind”, was organized by the Lakitas Renacer Andino musical group and sponsored by SQM. The event attracted more than 100 performers of lakita, a traditional musical genre. This project aims to promote and transfer the Atacameño legacy to the area’s new generations.

Completed sixth year working with the Crea+ Foundation on the Mathematics Assistance Program, benefiting more than 1,700 students and their families in the municipalities of Pozo Almonte, María Elena and San Pedro de Atacama. Signed a partnership with the Municipality of María Elena to expand the program to all levels at Arturo Pérez Canto School. Continued to support schools in Quillagua and Pintados by implementing extracurricular workshops and other initiatives such as celebrations for World Book Day and Christmas. Granted scholarships to teachers from María Elena and San Pedro de Atacama to attend the Teacher Development Program in Finland in order to give them firsthand experience with Finnish teaching methods. Continued the Vilti Semman Program in Tocopilla, teaching 80 local children from preschool to nine years old about physics, aquaponics and other topics related to kinematics and robotics.

Assisted our communities during each emergency caused by increased precipitation in northern Chile. Teams from the community and SQM operations came together to clear roads, make potable water and distribute home protection materials and animal fodder. Support provided to districts of San Pedro de Atacama, Pozo Almonte, Calama, María Elena and Iquique.

2019 COMMITMENTS

Continue cultural and traditional activities to revive heritage that require our presence as a company. Support initiatives introduced by the communities to keep their traditions alive.

Continue to support the Mathematics Assistance Program in the towns of Pozo Almonte, María Elena and San Pedro de Atacama in partnership with Corporación Crea+. Grant scholarships for two teachers from these communities to participate in continuing education in Finland. Organize robotics workshops for students from Pozo Almonte and launch an education program in Pintados that integrates the use of tablets in the classroom. Continue to support schools in the towns near our operations through extracurricular workshops and the Vilti Semman program in the town of Tocopilla.

Continue to provide support based on our neighbors’ needs in the event of weather-related or other emergencies that may arise.

OUR COMMITMENTS

WITH OUR NEIGHBORS

ISSUE	2018 COMMITMENTS	COMPLIANCE
SOCIAL DEVELOPMENT	<p>Inaugurate the co-work space in Tocopilla. This center will focus on coaching entrepreneurs on how to present their projects to apply for private and public funding grants. The center will also provide digital training for young people and help micro-entrepreneurs in Tocopilla build networks. Continue to support culinary entrepreneurs in Quillagua with the initiative "Knowledge and Flavors of Our Land." Start working with the Agro-forestry Association of Quillagua to produce charcoal and handicrafts from its wood.</p>	100%
	<p>Continue to support community development through hydroponic, alfalfa and wine projects, donating technical assistance and materials. Implement a new hydroponics project in Tarapacá and a cheese making project in La Tirana, benefiting local farmers and laying the technical foundation for developing other hydroponic projects in Pozo Almonte and surrounding areas.</p>	100%
	<p>Work to strengthen training on tourism services, English for local guides and the heritage of the nitrates industry in the framework of the María Elena Tourism Development Plan (PLADETUR). Inaugurate the museography hall at the María Elena Museum as part of local heritage and tourism initiatives. Continue to support the community of Toconao in implementing tourism infrastructure and designing a tourism project for the town.</p>	90%
	<p>Maintain support of already implemented initiatives and incorporate a baseball program in Tocopilla. Continue to organize soccer tournaments in María Elena and San Pedro de Atacama.</p>	100%

2018 ACTIVITIES AND ACHIEVEMENTS

2019 COMMITMENTS

Inaugurated a co-working space in Tocopilla known as "Puerto Cowork", in partnership with Fundación La Semilla, designed to create a culture of innovation and entrepreneurship, providing training on topics including drafting proposals, financing, experience transfer and the chain of production. This project has already brought together 32 students for the Challenge Yourself Program, targeted toward students, and 21 projects have benefited from the "Dare to Get on Board Program". Continue to support culinary entrepreneurs in Quillagua "Knowledge and Flavors of Our Land" who participate in different fairs and gatherings in Tarapacá and Antofagasta.

Continue to support "Puerto Cowork" in partnership with Fundación La Semilla, to drive entrepreneurship in Tocopilla. Continue to provide assistance for the "Knowledge and Flavors of Our Land" Program in order to build this initiative into a hub of culinary and tourism development in the town of Quillagua.

Continued supporting production of Ayllu wine with ongoing advising and by organizing the Wine Harvest - Cultural Fair, which attracted a crowd of 10 thousand. Supported garlic producers in the town of Rio Grande, which resulted in more than 70% of the crops planted being harvested in January. Continued developing hydroponics in Quillagua by inaugurating a new shed for experimentation. Constructed a hydroponics shed in Tarapacá and a cheese manufacturing facility in La Tirana, which will be formally inaugurated during the third quarter of 2019.

Inaugurate the "Pozo Almonte Agricultural and Livestock Research and Development Center." This center's objective is to train any interested entrepreneurs in hydroponics and cheese making, serving as a guide for local farmers. Continue providing necessary technical support for Ayllu wine production projects and organizing the Wine Harvest - Cultural Fair in San Pedro de Atacama, as well as the garlic project in Rio Grande and hydroponics projects in San Pedro de Atacama, Quillagua, Talabre and Socaire.

Developed an English course and training on tourism services for members of PLADATUR. For a variety of reasons, the museography hall at the María Elena Museum was not inaugurated during the period. Completed first phase of community participation to define the "Toconao Tourism Complex" to promote comprehensive local development.

Continue supporting María Elena for PLADATUR, complete second phase of work on the "Toconao Tourism Complex" collaborating with the community to define the architecture project and deliver the Toconao Camp, as defined by the community and the Company. Complete a large-scale archaeological project and sign a framework agreement to develop it over the years.

Developed soccer, basketball and baseball workshops for children in Tocopilla in partnership with Fundación Ganamos Todos. Supported activities and soccer tournaments in María Elena and San Pedro de Atacama. Promoted the work of Fundación Miradas Compartidas in Antofagasta and their inclusive soccer program, where SQM workers volunteer to play on the teams.

Continue fostering sports in communities near our operations by organizing workshops and tournaments in Tocopilla, María Elena, San Pedro de Atacama and Antofagasta.





THE ENVIRONMENT



We develop our operations while being conscientious about the environmental impacts they may generate



SQM strives to work in harmony with the environment, respecting current environmental regulations, containing any possible impacts that our operations may have and controlling the use of natural resources.

The Company uses an Environmental Management System to plan, execute and continuously improve action plans in order to prevent impacts on the environment and neighboring communities.

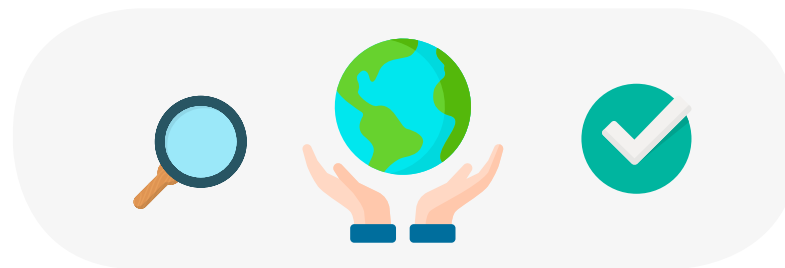
Each year we update and reassess environmental risks and audit compliance with Environmental Qualification Resolutions (EQR) and other applicable regulations at all production sites based on production-related risks. Our experience has enabled us to build a solid knowledge base of the ecosystems surrounding our operations and draft and implement effective prevention, mitigation and monitoring plans.

Each of our projects is submitted to the Environmental Impact Assessment System. As of December 2018, we have environmental authorization for a total of 60 projects (16 by SQM Nitratos S.A, 11 by SQM Industrial S.A, 14 by SQM S.A and 19 by SQM Salar S.A.). Of these 60 projects,

11 were approved with an Environmental Impact Study (EIA) and 49 with an Environmental Impact Statement (DIA).

All SQM production facilities have closure plans that have been approved by the respective authorities. These plans are based on criteria and measures that meet current regulations. In 2018, the Company completed the fourth phase of the process of providing performance bonds to the National Geological and Mining Service (SERNAGEOMIN) based on the value of these closure plans.

Also in 2018, authorities inspected all of our operations, specifically: Salar de Atacama, Salar del Carmen, Nueva Victoria, María Elena, Coya Sur, Pedro de Valdivia and Tocopilla. These inspections were conducted by the following agencies: the Regional Health Agency (Seremi de Salud), the Superintendency of the Environment (SMA), the National Geological and Mining Service (SERNAGEOMIN), the General Water Bureau (DGA), the National Forestry Corporation (CONAF) and the Agriculture and Livestock Service (SAG).



DISCLOSURE 307-1

As of publication of this report, SQM has not received any significant fines and/or penalties for violations of environmental laws or regulations. In 2018 the Company underwent two SMA sanctioning processes, one for the Salar de Atacama production facilities and another for Nueva Victoria, both of which currently have regulator-approved compliance plans.

In order to guarantee our environmental performance, we carry out the following on an ongoing basis:

- Yearly internal environmental audits at all production facilities.
- Independent environmental audits for the operations at Salar de Atacama and Salar del Carmen, and hydrogeological audits in Nueva Victoria.
- Environmental monitoring and early warning plans at all operations.
- Identification of opportunities for improvement and implementation of continuous improvement actions for environmental performance.
- Annual environmental training program for SQM workers and contractors.



BIODIVERSITY

Our operations are located in desert areas with scarce biodiversity. However, there are areas near our operations with significant ecological value, where we have implemented ongoing protection, monitoring and control plans to help protect the environment. We wish to highlight the following activities:

SQM operations near protected areas and unprotected areas with high biodiversity

FACILITY	GEOGRAPHIC LOCATION	PROTECTED AREA OR UNPROTECTED AREA WITH HIGH BIODIVERSITY	SIZE OF PROTECTED AREA	TYPE OF OPERATION	SQM PRESENCE IN AREA
SALAR DE ATACAMA	Antofagasta Region, Loa Province, San Pedro de Atacama District	National Flamingo Reserve	73,986 ha		
		Soncor sector	5,017 ha	No production facilities; environmental monitoring performed.	Environmental monitoring: 1 meteorological station, 84 hydro-geological monitoring points, 8 fauna monitoring points and 5 marine life monitoring points.
		Agua de Quelana sector	4,136 ha	No production facilities; environmental monitoring performed.	Environmental monitoring: 61 hydro-geological monitoring points, 9 fauna monitoring points, 10 marine life monitoring points and 2 vegetation monitoring transects.
NUEVA VICTORIA	Tarapacá Region, Tamarugal Province, Huara and Pozo Almonte Districts	Pampa del Tamarugal National Reserve	102,264 ha		
		Bellavista sector	2,654 ha	No production facilities; environmental monitoring performed.	Environmental monitoring: 30 hydro-geological monitoring points, 20 tamarugo monitoring points, 4 fauna monitoring stations and 8 vegetation monitoring transects.
		Pintados sector	14,146 ha	No production facilities; environmental monitoring performed.	Environmental monitoring: 20 hydro-geological monitoring points.
		Salar de Llamara	4,310 ha	7 wells for extracting water in use; environmental monitoring performed.	Water extraction wells, pipelines and electrical lines. Environmental monitoring: 63 hydro-geological monitoring points, 1 marine life monitoring point, 7 fauna monitoring points, 9 vegetation monitoring transects, 16 retama monitoring points and 24 tamarugo monitoring points.

SPECIES WITH CONSERVATION STATUS

DISCLOSURE 304 -4

We track the conservation status of different species that inhabit areas near our operations as part of monitoring plans.

SALAR DE ATACAMA ●

NEAR THREATENED

- 1) Puna lizard (*Liolaemus puna*)
- 2) Gray bat or Atacama bat (*Myotis atacamensis*)

LEAST CONCERN

- 3) Constanza lizard (*Liolaemus constanzae*)
- 4) Mouse-tailed bat (*Tadarida brasiliensis*)
- 5) Small big-eared brown bat (*Histiotus montanus*)
- 6) Culpeo fox (*Pseudalopex culpaeus*)
- 7) Grey fox (*Pseudalopex griseus*)
- 8) Warty toad (*Rhinella spinulosa*)
- 9) Andean gerbil mouse (*Eligmodontia puerulus*)
- 10) Peregrine falcon (*Falco peregrinus*)
- 11) Gecko (*Phyllodactylus gerrhopygus*)

VULNERABLE

- 12) Paulina lizard (*Liolaemus paulinae*)
- 13) Andean seagull (*Larus serranus*)
- 14) Andean flamingo (*Phoenicoparrus andinus*)

NUEVA VICTORIA (SALAR DE LLAMARA, SUR VIEJO, BELLAVISTA) ●

- 15) James flamingo (*Phoenicoparrus jamesi*)
- 16) Chilean flamingo (*Phoenicopterus chilensis*)
- 17) Darwin's rhea (*Rhea pennata tarapacensis*)
- 18) Chululo (*Ctenomys fulvus*)
- 19) Algarrobo (*Prosopis flexuosa*)
- 20) Tamarugo tuco tuco (*Ctenomys robustus*)

ENDANGERED

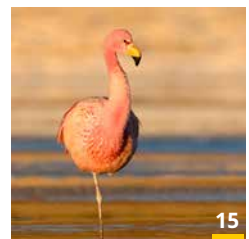
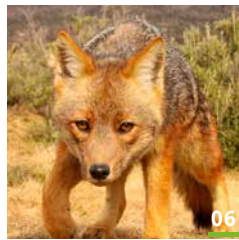
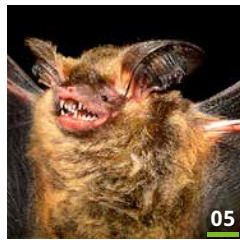
- 21) Fabiani lizard (*Liolaemus fabiani*)
- 22) Tamarugo tree (*Prosopis tamarugo*)

DATA DEFICIENT

- 23) Andean lizard (Dragón Grande) (*Liolaemus erraneus*)
- 24) Tamarugo conebill (*Conirostrum tamarugense*)

RARE

- 25) Peruvian serpent (*Tachymenis peruviana*)
- 26) Pacific iguana (Corredor de pica) (*Microlophus theresioides*)



ENVIRONMENTAL MONITORING PLAN IN THE SALAR DE ATACAMA

DISCLOSURE 304-2

In the Environmental Impact Study for the project “Changes and Improvements to Mining Operations at Salar de Atacama”, one of the commitments made in the Environmental Qualification Resolution was to implement an Environmental Monitoring Plan to evaluate the status of the systems in the Salar de Atacama over time. The monitoring plan entails:

- Measuring the levels and physical and chemical qualities of water distributed among shallow and deep wells, metric rods at lagoon level and gauging stations.
- Measuring meteorological variables at meteorological stations known as “Chaxa” and “KCI”.

ONGOING HYDROGEOLOGICAL MONITORING PLAN WITH 225 MONITORING POINTS IN THE SALAR DE ATACAMA AQUIFER

This monitoring controls a set of variables that allows it to detect changes in lake systems and vegetation in a timely manner using direct, on-site measurements and high-resolution satellite images (QuickBird or WorldView 2). The variables observed as part of this biotic monitoring in the Salar de Atacama include:

- Vegetation with 99 monitoring points along the eastern edge of the Salar de Atacama.
- Vegetation in connection aquifer area with 18 monitoring points along the eastern edge of the Salar de Atacama (performed in January and April).
- Flora with 75 plots distributed in 7 transects along the eastern edge of the Salar de Atacama.
- Bioindicators with 66 vegetation transects in 8 profiles, of which 12 transects are controls and 54 are indicators.
- Fauna with 18 sampling stations distributed among areas with vegetation.
- Soil moisture content with 18 sampling points.
- Aquatic life with 25 sampling stations distributed among the three lake systems in the Salar de Atacama (Soncor, Aguas de Quelana and Peine).

WE CARRY OUT ENVIRONMENTAL MONITORING PLANS TO TRACK ECOSYSTEMS IN ORDER TO GUARANTEE THEIR PROPER CONSERVATION STATUS.

In addition, from 1995 to December 2018, we took part in an environmental monitoring program entitled “Bird Life Habitat and Population in the Salar de Atacama.” The program, carried out in January, April, June and October, is aimed at opportunely detecting changes in the lake’s surface and depth, the bird population, flamingo food supply, local physical and chemical conditions and human activities.

The variables monitored include:

- Lake surface in the Soncor and Peine lake systems.
- Water column depth.
- Bird populations.
- Population of high Andean flamingos.
- Abundance of food supply for flamingos.
- Physical and chemical properties determining food supply of wildlife in lakes.

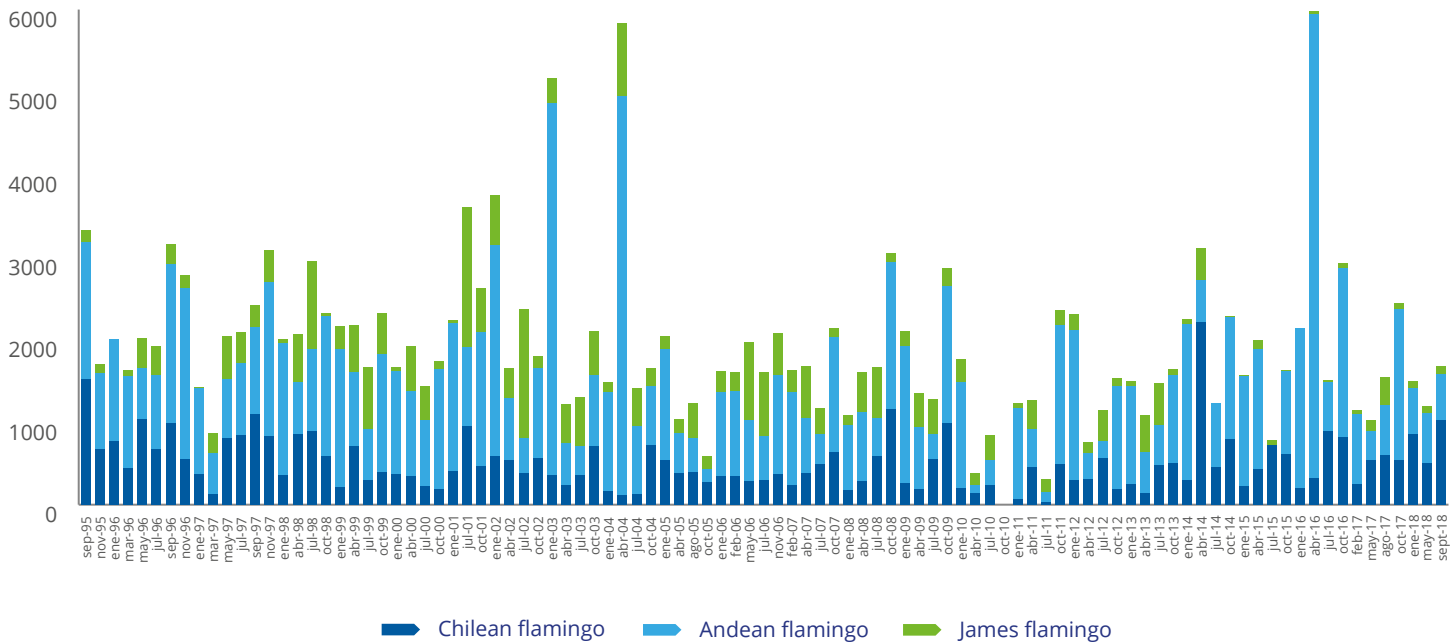
As a result of this monitoring program, the Company has collected 20 years’ worth of data on flamingo populations in the Salar de Atacama and contributed to scientific research and activities carried out by CONAF, including an annual census of flamingos in approximately 52 high Andean wetlands in northern Chile, conducted since 1997. The census is taken at several important sites, including the Atacama, Tara, Aguas Calientes 1 and Pujsa salt flats within the National Flamingo Reserve, as well as the salt flats of Ascotán, Carcote, Aguas Calientes 2, El Laco, Aguas Calientes 3, Punta Negra, Aguas Calientes 4 and Pajonales. The census focuses on three flamingo species that mainly inhabit the high plateaus of Chile: the Andean flamingo (*Phoenicoparrus andinus*), the Chilean flamingo (*Phoenicopterus chilensis*) and the James flamingo (*Phoenicoparrus jamesi*).



MONITORING OF FLAMINGO REPRODUCTIVE CYCLE – SALAR DE ATACAMA

SQM has been voluntarily monitoring the flamingo reproductive cycle since 2007, observing the three species of flamingos found at Salar de Atacama: the Andean flamingo, the Chilean flamingo and the James flamingo.

Abundance of flamingo populations in Salar de Atacama 1995 - 2018



ENVIRONMENTAL MONITORING PLAN IN THE SALAR DE LLAMARA

DISCLOSURE 304-2

Salar de Llamara was classified as a regional strategic priority site and was incorporated into the Pampa del Tamarugal National Reserve in 2013 to protect a native tamarugo forest and “puquios” with bacterial formations located there. SQM executes the following activities within its environmental monitoring plan to ensure that the Pampa Hermosa project adheres to the provisions of the environmental assessment:

MONITORING TAMARUGO TREES AND VEGETATION IN LLAMARA

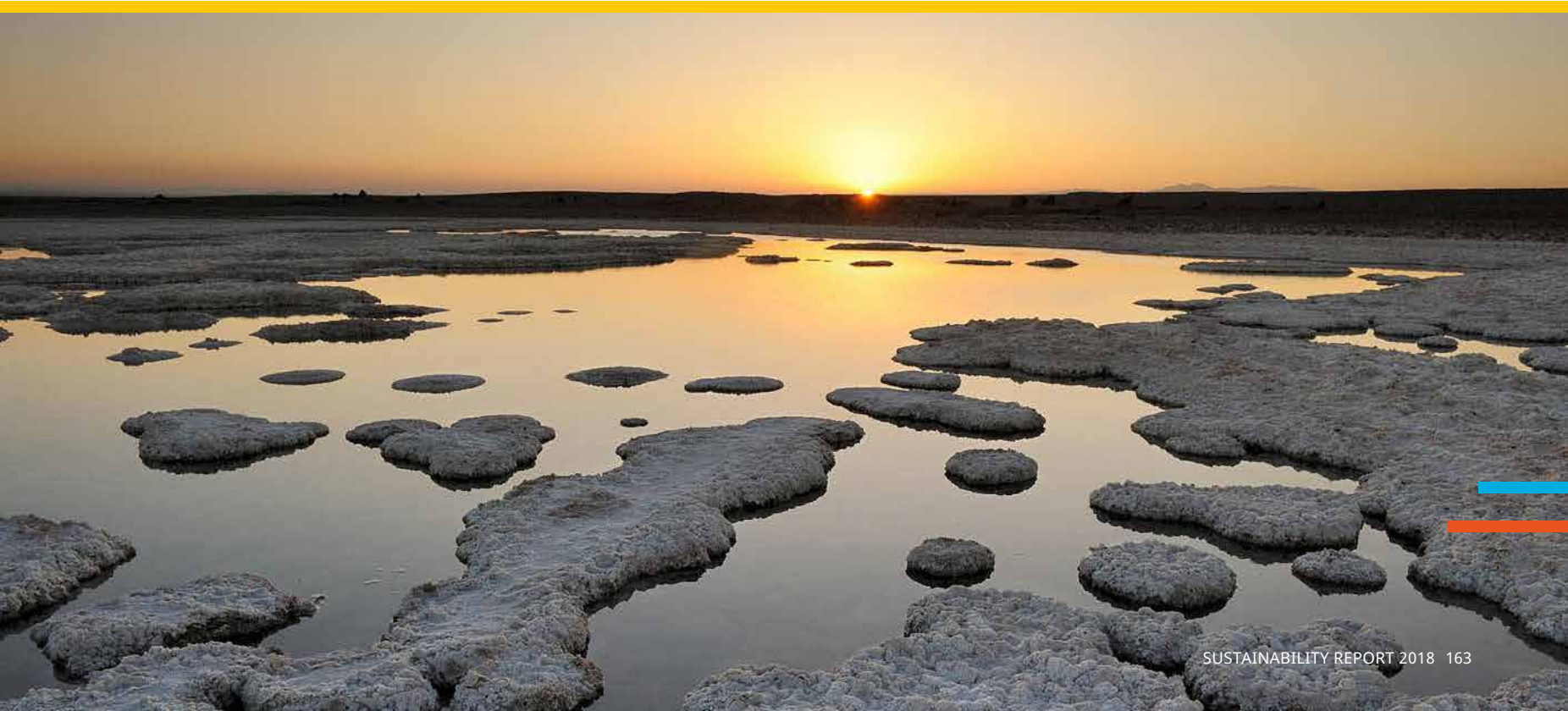
The Company monitors tamarugo tree vitality using high-resolution satellite images (Quickbird, WorldView 2, WorldView 3 or Geoeye) and field data taken each year in November, when vegetation is most abundant.

A series of physiological measurements of tamarugo trees are taken periodically.

The main variables measured include:

- foliar hydric potential of branches.
- stomatal resistance.
- isotopic discrimination of carbon 13.
- enrichment with oxygen 18.

These measurements are determining factors in analyzing the hydric status of tamarugos. Experts also monitor retama thickets and hygromorphic meadows in the area around the lagoons known as Puquios de Llamara in order to evaluate the status of these plants. Measurements include the percentage of green growth, vigor and phenology.



MONITORING AQUATIC BIOTA AND SURFACE WATER IN LLAMARA

We also conduct semi-annual monitoring of aquatic biota and surface water in Puquios de Llamara in order to verify that there are no unforeseen effects. The variables controlled by monitoring of aquatic biota include:

- Composition of phytoplankton and phytobentos.
- Diversity of zooplankton and bentos.
- Development and status of macrophytes.

MITIGATION MEASURES FOR HYDRIC SYSTEM IN PUQUIOS DE LLAMARA

A mitigation measure has been implemented to reduce the effects of the decline in the water table on the Llamara aquifer as a result of pumping taking place approximately 8 km north of this site. By returning water to the ground, water levels and chemical quality are maintained within normal ranges for adequate development of biotic systems. Of the total underground resources extracted for Nueva Victoria in 2018, 670,981 m³ were reinjected as part of the mitigation measures for the Pampa Hermosa project in Salar de Llamara, which is less than the prior year due to SMA requirements.

In addition, in 2018 SQM commissioned an important number of studies on the “puquios” and their biotic systems, which were conducted by teams of professionals from leading Chilean and international organizations and institutions.

HYDROGEOLOGICAL ENVIRONMENTAL MONITORING PLAN

This monitoring involves monthly measurements of aquifer levels, chemical quality, water volumes and flows extracted from wells, which enables the Company to verify predicted impacts during project operation and, if necessary, activates its Early Warning Plan.



TAMARUGO ENVIRONMENTAL MANAGEMENT PLAN

In 2018 we continued activities as part of the Tamarugo Environmental Management Plan that involved tamarugo tree production in greenhouses from seeds collected in the area, watering of tamarugo trees planted, phytosanitary control, ex-situ conservation of tamarugo tree germoplasma and tamarugo tree productivity studies.

All data and knowledge generated through these activities and complementary studies are used in the environmental education program carried out in conjunction with CONAF in the Pampa del Tamarugal National Reserve and displayed for visitors to the Puquios de Llamara Trail inaugurated in 2014.

The Pampa del Tamarugal National Reserve in the Tarapacá Region has considerably increased the number of tamarugo trees in the Llamara and Bellavista sectors, thanks to the Company's work and its Tamarugo Tree Planting Program, which planted 5,522 trees in Bellavista and 247 in Llamara, for a total of 5,769 new specimens of this endemic species.

Tamarugo seeds were collected and germination tests were taken before planting. This was executed in the framework of the Ex Situ Tamarugo Tree Germoplasma Conservation Program. Seedlings were developed at a nursery built as part of the Tamarugo Plant Production Program. In addition, rooting tests were required in order to select

planting locations, together with irrigation system tests to determine the system to be used and irrigation frequency for plants to take root at the site.



ENERGY

SQM uses a high percentage of solar energy, which is an important component of its production processes for solar evaporation ponds at the facilities in Coya Sur, Nueva Victoria and Salar de Atacama. This method gives it an advantage over other processes. It is only possible because the Atacama Desert, where SQM's operations are located, has extremely high levels of solar radiation, resulting in high evaporation rates and facilitating processes to concentrate salts in ponds year-round.

The Company's operations are also powered by electricity obtained from the National Electric System (SEN) and cleaner fuels such as oil and natural gas.

SQM has approximately 4,000 hectares of solar evaporation ponds, which allows it to harness significant amounts of solar energy, accounting for 95.8% of all energy consumed in our facilities.

DISCLOSURE 302-3/302-5

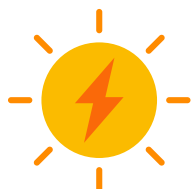
Energy intensity 2018

ENERGY INTENSITY (EXCLUDING SOLAR POWER)	2018	2017	2016
TJ/MMUS\$	1.99	2.43	2.81

DISCLOSURE 302-1/302-3

2018 Energy consumption

	2018	2017	2016
Solar energy	98,312,397	116,675,659	115,512,541
Electricity	1,757,533	1,810,331	1,866,756
Diesel	1,184,633	1,323,902	1,455,894
Natural gas	738,726	809,842	864,951
Liquefied gas	137,874	120,684	55,047
Bunker fuel	494,057	1,050,644	1,037,029
Gasoline	466	275	532
TOTAL (GIGAJOULES)	102,625,687	121,791,336	85,916,738



95.8%
of the energy used at our operations is solar

AT THE SPEED OF THE SUN

As part of the push to use renewable energies, SQM participated for the fifth straight year in the Atacama Solar Race. The 2,600-kilometer race traverses seven of Chile's regions from Santiago to Arica, making it one of the most extreme competitions of its kind in the world.

The 2018 version brought together eleven teams of electric cars from Belgium, Bolivia, Colombia and Chile, divided into two categories: hybrid and solar.

SQM supports this solar race as a sign of its commitment to the development of renewable energies in Chile and the world, which is also evident through our lithium and solar salt products. The Company is an important player in the global development of electromobility, as well as concentrated solar power, two increasingly critical technologies in the search for more sustainable development for our planet.



WATER

DISCLOSURE 306-1

Since SQM's operations are located in areas with scarce water, the use of this resource is very important for our Company and it must be well managed in our production processes. SQM possesses water rights that have been duly authorized for its operations.

SQM periodically informs authorities of water consumption for its production processes and works constantly to identify ways to use water efficiently. It also evaluates each facility's water management indicators on a yearly basis.

Measures implemented by the Company to efficiently use water include:

- Reincorporating all water treated in SQM sewage treatment plants into its production processes. This water is reutilized in our processes in María Elena, Pedro de Valdivia, Coya Sur, Nueva Victoria and Salar de Atacama. The Company's sewage treatment plants are maintained and monitored by specialized service providers.
- Reutilizing process solutions to reduce the consumption of fresh water.
- Suppliers that offer industrial water from treated domestic waste water. The industrial water used at the Salar del Carmen facilities comes from waste water treated by the city of Antofagasta. The Company has used these sources to supply almost 100% of the industrial water needed to produce lithium hydroxide and lithium carbonate.

Extraction of fresh water for production purposes is strictly controlled by environmental assessments. This helps prevent damage to important environmental elements (vegetation, flora and fauna) in aquifers and surface water sources where the Company has water extraction rights.

In conjunction with these studies, extensive hydrogeological modeling is designed and validated under the supervision of national and international experts, based on which the Company conducts ongoing monitoring of expected behavior.

DISCLOSURE 303-2 (2018) / 303 -4 (2018) / 306-1

In order to optimize consumption, we reincorporate all waste water and water treated in SQM sewage treatment plants into our production processes, thus reutilizing all water. Domestic liquid waste from our offices in Antofagasta and at the Port of Tocopilla is disposed of in the public sewer system and, therefore, no dumping occurs that could affect biodiversity and protected.

DISCLOSURE 303-1 (2018) / 306-1 / 306-3 / 306-5

In 2018, 1,111,625 M3 of wastewater was reutilized and no significant spills contaminating the soil or water (surface or groundwater) were reported at the Company's operating facilities and production sites.

We reincorporate all waste water and water treated

in SQM sewage treatment plants into our production processes, thus reutilizing **1,111,625 M3** of waste water in **2018**.



DISCLOSURE 303-1 (2018) / 303-3 (2018) / 303-5 (2018)

Volumes extracted from main water sources during 2018

FACILITY	WATER CONSUMPTION 2018			
	GROUNDWATER (M3)	SURFACE WATER (M3)	THIRD-PARTY SUPPLY (M3)	TOTAL WATER CONSUMPTION (M3)
Salar de Atacama	5,610,768		154	5,610,922
Salar del Carmen, Antofagasta, Tocopilla, Santiago			790,781	790,781
Nueva Victoria	17,263,961			17,263,961
María Elena, Coya Sur, Pedro de Valdivia		5,975,001	647,826	6,622,827
TOTAL PER CATEGORY (M3)	22,874,729	5,975,001	1,438,761	30,288,491

EMISSIONS

We continuously monitor air emissions at all facilities using detailed projections of expected environmental effects, emissions abatement equipment and proper monitoring of emissions.

We maintain meteorological stations, which are key in monitoring solar evaporation processes at our facilities. In addition to these measures, as part of its existing environmental monitoring plans, the Company conducts isokinetic measurements on smokestacks (on dryers and boilers).

SQM has worked hard to manage and monitor emissions of particulate matter (PM10). For this, we have a vast air quality monitoring network in the town of María Elena and participate in the air quality monitoring efforts in Tocopilla.

The Company has implemented a wide range of measures to fulfill commitments to control and reduce its PM10 atmospheric emissions in these towns as part of their decontamination plans.

- PM10 emissions in María Elena have decreased 97.9% since 2007. From 2017 to 2018, they fell 8.0%. This reduction can be attributed to operational changes implemented by SQM and has resulted in significantly improved local air quality and meeting of daily and annual PM10 standards.
- In the case of Tocopilla, PM10 emissions generated by SQM's port operations are minor as compared to other sources in the city. As part of the Tocopilla Decontamination Plan, commitments have been fulfilled and all measures necessary to mitigate emissions have been executed.

In 2018, SQM's port operations reported PM10 emissions of 4.25 tons, marking a reduction of 42% from its 2007 levels. In comparison to 2007 levels, this reduction is 29% below commitments made in the decontamination plan.

DISCLOSURE 305-6

The Company does not use any ozone depleting substances.

GREENHOUSE GASES (GHG)

SQM estimates the total carbon footprint in aggregate for its entire production chain and separately for several products.

These estimates consider all stages from the mineral extraction processes to the finished product.

DISCLOSURE 305-4

GHG Intensity

ENERGY INTENSITY (EXCLUDING SOLAR POWER)	2018	2017	2016
TJ/MMUS\$	1.99	2.43	2.81

Based on these calculations, we have estimated our GHG emissions for 2015, 2016 and 2017 to be less than one million tons of CO2 equivalent each year.

For 2018, GHG emissions totaled 365,181 tons of CO2 eq, which can be broken down into 160,770 tons of CO2 eq (Scope 1) and 204,411 tons of CO2 eq (Scope 2), and includes emissions of CO2, CH4 and N2O. GHG emissions are estimated using the methodology contained in the IPCC Guidelines for National Greenhouse Gas Inventories. The factors used for electricity are published on the website of the National Energy Commission. Until 2017, it considers factors for the Great North Interconnected System (SING) and the Central Interconnected System (SIC) and as of 2018 uses the factor for the National Electricity System (SEN). The calculation is as follows:

DISCLOSURE 305-1

Scope 1: Direct emissions from fuel consumption:

YEAR	CO2 EMISSIONS (TONS)	CH4 EMISSIONS (TONS)	N2O EMISSIONS (TONS)
2018	160,313.59	5.60	1.06
2017	212,947.02	7.63	1.46
2016	219,801.13	7.96	1.53

DISCLOSURE 305-2

Scope 2: Indirect emissions from electricity consumption:

YEAR	CO2 EQ EMISSIONS (TONS)
2018	204,410.85
2017	385,021.36
2016	395,508.82

The results of this calculation were:

TOTAL EMISSIONS	
YEAR	CO2 EQ EMISSIONS (TONS)
2018	365,181
2017	600,898
2016	618,341

DISCLOSURE 305-5

There has been a reduction in GHG emissions as a result of changing the internal energy matrix to prioritize clean energies. In addition, the emission factor for the electricity supplied decreased as a result of having one single system, the National Electricity System (SEN).

WASTE MANAGEMENT

DISCLOSURE 306-2

Given the importance of waste management to SQM's operations, it works hard to ensure waste is safely handled, which includes obtaining necessary authorization for transport companies and final disposal sites.

DISCLOSURE 306-4

SQM has developed plans and procedures to manage both hazardous and non-hazardous waste. We have eight temporary storage sites for hazardous waste authorized by the Regional Health Agency (Seremi de Salud), six authorized temporary storage sites for non-hazardous industrial waste and an area for disposing of domestic waste generated at its operations.

In 2018, 68% of the waste generated in our production facilities was sent off-site for final disposal using authorized transport, while the remainder was recycled or used to generate energy.

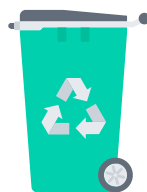
The execution and implementation of all stages of waste management plans, from generation to final disposal, are verified using annual internal audits.

SQM manages solid domestic waste at all facilities and camp accommodations or disposes of this waste in authorized landfills.

In 2018 it did not generate any hazardous waste that was disposed of or treated internationally. sixteen percent (16%) of the hazardous waste generated by its operations was used by external companies as alternative fuel and 58% of the industrial waste it generated was recycled.

SQM offers ongoing training courses for employees and contractors in order to guarantee proper waste management at its facilities.

Most of our products are sold in bulk, which significantly reduces packaging and minimizes future waste. We have also implemented a joint initiative with our suppliers to reuse packaging in which supplies are delivered.



THE COMPANY RECYCLES 58%
of all industrial waste generated

DISCLOSURE 306-2

Total waste sent for final disposal and/or treatment

TYPES OF WASTE SENT FOR FINAL DISPOSAL	2018	2017	2016
Hazardous industrial waste (tons)	2,297	2,167	1,438
Non-hazardous industrial waste (tons)	643	1,038	961
TOTALES	2,941	3,204	2,398

As part of its environmental commitments, SQM strives to foster a culture of recycling among its employees. In this spirit, it installed the first recycling centers at its corporate offices in Antofagasta in 2018.

The initiative is designed to manage daily waste while introducing employees to the world of recycling and influencing their consumption habits.

The Mr. Barber Foundation and the company Punto Limpio Móvil are responsible for periodically collecting recyclable waste and organizing a training course called “Learning to Recycle at Work” to strengthen the implementation and learning process. The SQM Recycling Center receives dry materials generated at the Company that do not contain organic elements such as cans, tetrapak containers, plastic bags, paper and cardboard, which are taken to treatment plants to be properly handled.



RECYCLING CENTER INSTALLED AT OFFICES IN ANTOFAGASTA



RAW MATERIALS AND INPUTS

The Company produces potassium chloride, potassium sulfate, magnesium chloride, lithium carbonate and lithium hydroxide from underground brines extracted from the Salar de Atacama. These brines boast the world's highest known concentrations of lithium and potassium, as well as important concentrations of sulfate and magnesium.

Northern Chile is home to the largest known deposits of nitrates and iodine on the planet and is the only commercially exploitable source of natural nitrate in the world. Caliche ore, from which the mineral is extracted, is found beneath inert material below the desert's surface, in layers two to three meters thick.

Several products are produced from caliche ore, including: potassium and sodium nitrates used in specialty plant nutrients, nitrates for industrial applications and iodine and derivatives.

We responsibly manage our operations to guarantee that domestic and international regulations for transporting products, materials and people are met. The respective safety data sheets are provided for the transport of substances, products and inputs. No significant environmental impacts related to these matters have been identified during the reporting period.



ENVIRONMENTAL INVESTMENTS

We make important investments to safeguard and preserve the environment around our operations and protect neighboring communities. Over the last three years, these investments came to US\$ 19.9 million in 2018, US\$ 15.3 million in 2017 and US\$ 5.0 million in 2016.

Investments made in 2018 were mainly related to compliance with environmental commitments to monitor significant variables and implementation of mitigation and environmental management measures. They also ensured responsible handling of substances and waste from the Company's mining operations and production plants and environmental and sanitary conditions in accordance with current regulations.



ENVIRONMENTAL INVESTMENTS	2018	2017	2016
Environmental assessments	512	1,175	2,515
Sustainability, environmental monitoring and mitigation measures	10,202	6,491	2,078
Improvements to environmental/hygiene/sanitary conditions	4,403	2,989	307
Domestic and industrial waste management	4,221	4,111	64
Hazardous waste management	539	489	79
TOTAL EXPENDITURES (THUS\$)	19,877	15,255	5,043

OUR COMMITMENTS

WITH THE ENVIRONMENT

ISSUE	2018 COMMITMENTS	COMPLIANCE
ENVIRONMENTAL MANAGEMENT SYSTEM	Execute the environmental compliance audit program, including reviewing, monitoring and prioritizing environmental commitments and/or aspects of our production process.	100%
RAW MATERIALS AND INPUTS	Verify and monitor environmental aspects of each production process, including inputs and raw materials.	100%
	Oversee and verify environmental aspects related to natural resources used in our production processes.	100%
AIR EMISSIONS	Conduct monitoring committed to in environmental monitoring plans.	100%
	Ensure implementation and operation of committed measures for reducing and controlling emissions from our production processes, especially at production facilities; perform monitoring committed to in environmental monitoring plans.	100%
ENERGY	Seek and evaluate energy alternatives and/or energy efficiency initiatives in order to reduce conventional energy consumption.	100%
WATER	Use water resources efficiently. Execute commitments in environmental monitoring plans related to water resources.	100%

2018 ACTIVITIES AND ACHIEVEMENTS

2019 COMMITMENTS

Conducted internal and external audits scheduled in 2018 as well as monitoring.

Continue to monitor environmental commitments acquired and already organized in a hierarchy. Conduct internal audit and/or reviews through go and see activities and other contemplated in our "M1" operational excellence system.

Conducted audits and organized into a hierarchy environmental monitoring related to production processes, including raw materials and inputs.

Continue to carry out environmental monitoring related to production processes, including raw materials and inputs.

Carried out committed audits to verify monitoring of environmental aspects related to the use of natural resources for each production process.

Continue to carry out audits and "go and see" activities for monitoring of environmental aspects related to the use of natural resources for production processes.

Fulfilled all committed environmental monitoring during the period.

Execute monitoring committed to with authorities in 2019.

Maintained existing emissions reduction and control measures at our operations in areas with decontamination plans in effect. In María Elena, the measures have resulted in the daily air quality standard being met since 2010 and the annual air quality for 2018 was less than 40ug/m³N.

Maintain and ensure committed measures to reduce emissions from our production processes. Continue to perform measurements and monitoring contained in environmental monitoring plans at our operations.

Worked to identify energy efficient alternatives for the Company's operations.

Continue to seek and evaluate energy alternatives and/or energy efficiency initiatives in order to reduce conventional energy consumption.

Conducted all monitoring committed to in environmental monitoring plans related to water use in Pampa del Tamarugal, Salar de Sur Viejo, Salar de Llamara and Salar de Atacama. Regularly reviewed our production processes to ensure water was being used efficiently. These reviews evaluated the use of water from water treatment plants at company facilities and/or purging solutions from other processes as part of the water needed for operations. We also filed a project with the environmental assessment system to increase iodine production at our Nueva Victoria facilities. This expansion project calls for the use of sea water in the production process.

Continue to use water efficiently. Fulfill commitments in environmental monitoring plans related to water resources. Continue exploring new ways to optimize water use in our production processes. Continue to process environmental permit for Nueva Victoria expansion project, which calls for the use of sea water.

OUR COMMITMENTS

WITH THE ENVIRONMENT

ISSUE	2018 COMMITMENTS	COMPLIANCE
BIODIVERSITY	Execute biodiversity monitoring committed to in environmental monitoring plans for the Salar de Atacama, Salar del Llamara and Pampa del Tamarugal (Bellavista sector).	100%
WASTE MANAGEMENT	Train workers on proper waste management, which includes prevention topics focused on waste generation, segregation at origin, reuse, recycling and valuation, thus minimizing the amount of waste that is ultimately disposed of.	100%
	Guarantee that hazardous waste is correctly managed in accordance with current regulations and commitments made in the hazardous waste management plan at each production facility.	100%
ENVIRONMENTAL INVESTMENTS	Make the investments necessary to sustain proper environmental performance at all operations.	100%

2018 ACTIVITIES AND ACHIEVEMENTS

2019 COMMITMENTS

Executed all biodiversity monitoring committed to in environmental monitoring plans for Salar de Atacama, Salar del Llamara and Pampa del Tamarugal (Bellavista sector).

Continue to execute biodiversity monitoring committed to in environmental monitoring plans for the Salar de Atacama, Salar del Llamara and Pampa del Tamarugal (Bellavista sector).

Continued to train workers on proper waste management, which includes prevention topics focused on waste generation, segregation at origin, reuse, recycling and valuation, thus minimizing the amount of waste that is ultimately disposed of. Set up a recycling center at our offices in Antofagasta, implemented a recycling and waste separation plan and organized a training course for employees called "Learning to Recycle at Work," to strengthen the implementation and learning process.

Continue to train workers on proper waste management, which includes prevention topics focused on waste generation, segregation at origin, reuse, recycling and valuation, thus minimizing the amount of waste that is ultimately disposed of. Explore alternatives for implementing new recycling centers at corporate offices.

Verified compliance with waste management plans for hazardous waste through compliance audits and/or regular reviews at all production sites to guarantee compliance. Trained workers on proper waste management.

Guarantee that hazardous waste is correctly managed in accordance with current regulations and commitments made in the hazardous waste management plan at each production facility.

Funded all environmental investments planned for the period, including expenses to ensure the environmental performance of existing operations, carry out monitoring plans and implement new projects.

Make the investments necessary to sustain proper environmental performance at all operations.

8

↑   
→   
← Salida Exit
 



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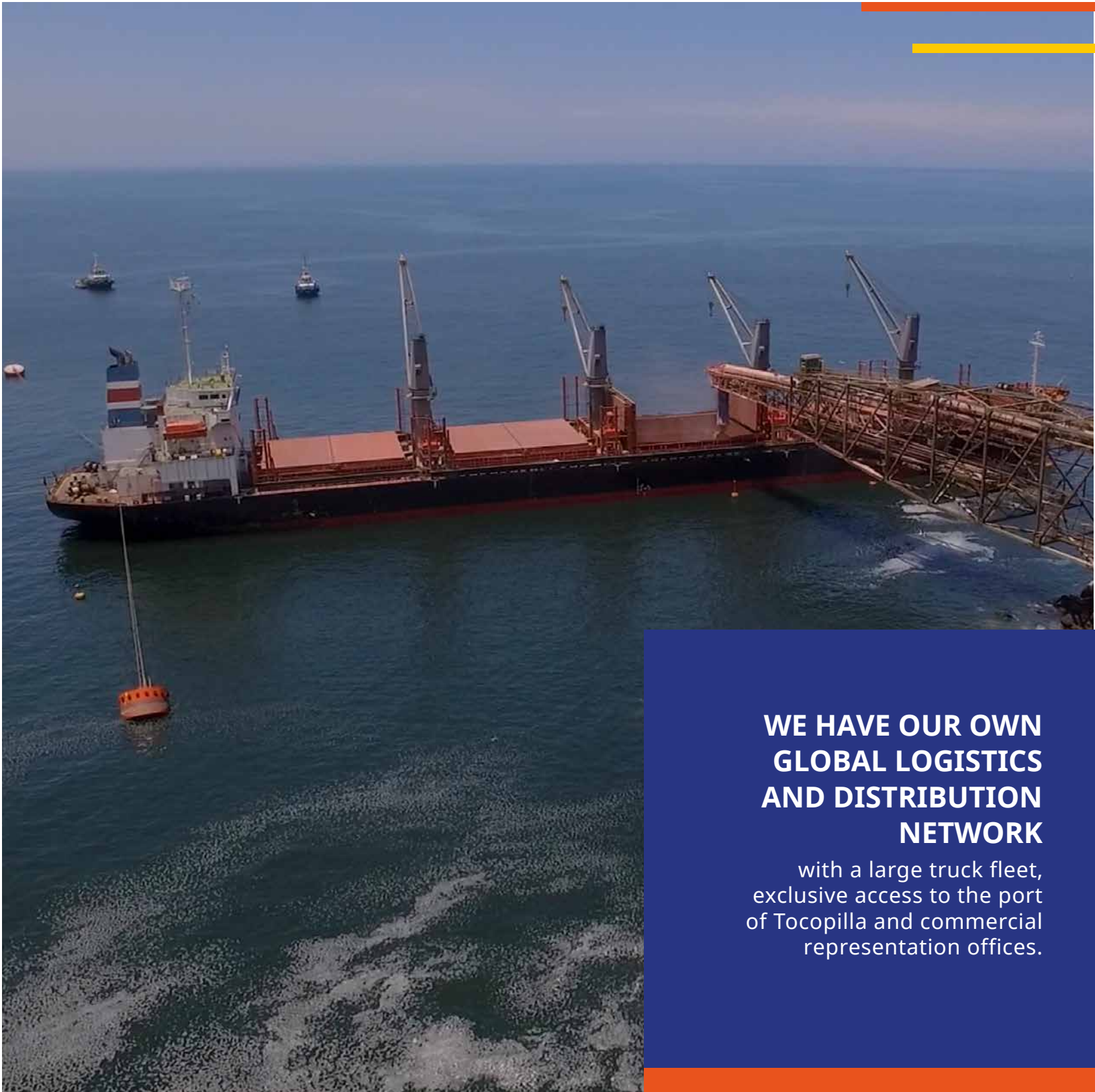


OUR CUSTOMERS

92%

of our products
are exported
around the
world





WE HAVE OUR OWN GLOBAL LOGISTICS AND DISTRIBUTION NETWORK

with a large truck fleet,
exclusive access to the port
of Tocopilla and commercial
representation offices.

PRODUCT MARKETS

DISCLOSURE 102-6

At SQM, we sell our products in over 110 countries through our global distribution network, with 92% of sales made outside Chile in 2018.

Given the characteristics and diversity of our products, we serve numerous highly demanding domestic and international markets. This has required constant effort on our part to ensure that deliveries meet the standards specified by each customer in our diverse markets, maintaining and consolidating long-term, mutually beneficial relationships where innovation, excellence and quality are key.

Satisfied customers are a must for SQM. As a result, the Company has implemented:

- A Quality Management System and other ongoing efforts to optimize all manufacturing, marketing and distribution processes.
- Indicators are also continuously reviewed and monitored in order to maintain open communication channels, production quality and excellence in all operations.

SQM has an excellent technical team that is available to answer questions and respond to technical or service complaints. The Company's communications policy has enabled us to build supplier-customer relationships based on trust and transparency. We have a Quality Complaint System, which is designed to ensure satisfaction with product deliveries and provide technical and safety information on the use and handling of products.

At SQM we comply with environmental, safety and product quality standards, which we understand to be a shared commitment and interest. We have declared this principle in our Sustainable Development Policy,

which has inspired us to obtain several voluntary certifications: Ecovadis and international certifications such as Responsible Care provided by the Chilean Chemical Industries Association (Asiquim) for the Company's operations in Nueva Victoria, and Protect & Sustain certification from the International Fertilizers Association for the Coya Sur, Salar de Atacama, Tocopilla, Antofagasta and Santiago operations.

DISCLOSURE 102 – 43/ 102 - 44

Information is continuously exchanged between SQM and its customers, who also audit our operations regularly. In 2018 the Company completed a total of 22 of 22 lithium customer surveys, 19 of 24 iodine customer surveys and 8 of 8 fertilizer and industrial chemical surveys, all related to sustainability and quality.

In addition, 49 product quality statements were issued and two audits were conducted by an iodine customer, one by an industrial chemical customer and four by lithium customers.

DISCLOSURE 416-2/ 418-1

In 2018 there were no incidents of non-compliance with regulations and voluntary codes concerning health and

safety impacts of products during their life cycle nor complaints regarding violations of customer privacy or customer data leaks.

Likewise, no violations that would result in a warning or fine have been identified. Incidents of deficient labeling were resolved at the destination point in a timely manner.

SQM does not measure customer satisfaction; however, complaint rates for each line of business are logged in order to manage dissatisfaction. The ratio of tons for which complaints were registered / tons delivered is below 5%.

Each customer concern is specifically addressed by sales directors and sales managers, who then leave meeting notes as to the matters discussed. Any customer complaint received is entered into the Quality Management System by sales coordinators so the respective area can investigate and respond to the matter.

Across our leading markets, our sales team assesses buyer satisfaction directly on its regular visits. After each sales meeting, the matters addressed, including those related to customer satisfaction, if any, are logged in a report that is submitted to the respective commercial division.

For the specialty plant nutrients line of business, the Company has developed a value chain that is designed to satisfy the needs of the most diverse crops and soils,

strengthening their yield and profitability. This is further proof of its commitment to be a strategic partner for its customers. The Company has a broad network of highly specialized technical and agricultural experts in the field of specialty plant nutrients who direct research projects on specific soil and crop requirements and provide expert advisory services in plant nutrition.



CERTIFICATIONS

DISCLOSURE 102-5

SQM's different products and processes are certified to ensure quality and protection of people and the environment during production and sales processes. Our main certifications include:

- Protect & Sustain, Responsible Care and ISO 9001:2008. The Company has implemented ISO 9001:2009 for all lines of business. The independent international certification is valid for the following production and sales processes:
 - Iodine, since 1994.
 - Potassium nitrate and sodium nitrate (standard, refined and technical-grade) since 1998.
 - Some soluble products within specialty plant nutrients since 1998.
 - Lithium carbonate (industrial, technical and battery-grade) since 2005.
 - Lithium hydroxide (industrial, technical and battery-grade) since 2007;

In 2018 we completed a self-assessment for the ISO 9001:2015 standard for our different business lines and developed a plan to address all gaps at the time the standard was updated. To accomplish this, we redefined the scope of the management system and integrated it with the Strategic Development Plan, the Corporate Risk Management Policy and the Corporate Business Continuity Policy, all in preparation for certifying the lithium, iodine and soluble fertilizer production and sales processes through an external monitoring audit to be upgraded to ISO 9001:2015 scheduled for June-July 2018.

At SQM, proper product supply is very important. As such, the Company continuously follows up with customers. We are also constantly concerned with our ability to quickly react to changes in national and international regulations that may affect the sale of our products.

DISCLOSURE 102-2 / 102-12

One such example is the European Union's chemical substance management system (Registration, Evaluation and Authorization

of Chemicals or REACH), which evaluates whether a given substance constitutes a risk to human health or the environment.

In 2018 SQM Iberian prepared information on all of the mixtures subject to notification, including identification of a recipe code, and contracted a consulting company to send these notifications.

SQM Europe and SQM Iberian prioritized updating of safety data sheets due to changes to the hazard classification of one of their raw materials. In addition, 10 substances were registered under the REACH regulation by SQM International.

DISCLOSURE 417-1

All (100%) of the Company's products are subject to corporate labeling requirements and packaging artwork updating procedures, which reflects the information described in accordance with the regulatory framework applicable to the different life cycle stages of SQM's products.



The labeling standard provides guidelines for all packaging and shipping units for products sold by the Company, including: identification (generic/commercial name), IMDG (International Maritime Dangerous Goods Code) and GHS (Globally Harmonized System of Classification and Labeling of Chemicals) coding requirements and special customer requirements. The procedure for updating packaging artwork includes the product origin designation, other regulatory and commercial requirements and safety instructions regarding the product's life cycle. All products have a respective safety data sheet in accordance with destination market requirements.

SQM has developed a global branding strategy that includes guidelines on ethics, corporate governance and procedures that have been distributed to sales offices and subsidiaries. They are also available in digital format.

SQM sells specialty plant nutrition products that are of general interest to authorities for two main reasons: broadly dispersive use, which involves concern for the environment in the destination market, and potential malicious use in the manufacturing of homemade explosives.

The most important product is potassium nitrate and, to a lesser extent, sodium nitrate. For both, the regulatory environment in our main markets is constantly evolving, particularly after measures taken by authorities to address terrorist threats.

DISCLOSURE 417-2

In 2018 we received two complaints, one from SQM Europe and another from BASF for a 450kg box of iodine (Nov2018) and a 20kg drum of iodine (Feb 2018), respectively, because the hazard pictograms were not fully visible. These complaints did not result in any sanctions. For the 20kg drum, we are working to secure new drum suppliers and designs to improve the printed area.

DISCLOSURE 417 - 3

During the reporting period, there have been no incidents of non-compliance with regulations and voluntary codes concerning marketing communications.

**13 VALID INVENTION
PATENTS FOR PROCESSES AND
PRODUCTS IN CHILE, THE
UNITED STATES AND JAPAN,
for the lithium, iodine and nitrate
production processes.**



PROTECT & SUSTAIN CERTIFICATION

The International Fertilizer Industry Association (IFA) certified SQM's commitment to responsible, safe product management, which includes aspects such as quality, health, occupational safety, industrial and environmental safety throughout the different stages of the product life cycle.

IFA SHE principles align with the SQM Sustainable Development Policy. This is essential to meeting the standards set forth in the Protect & Sustain program.

Certified SQM areas include production, product development, and fertilizer delivery at the Salar de Atacama, Coya Sur, Antofagasta, Santiago and Port of Tocopilla operations.

In 2018, we signed a service agreement with Det Norske Veritas Chile Ltda, the local subsidiary of the certifier DNV GL, to perform an IFA Protect & Sustain Recertification Audit, scheduled for early 2019, to obtain the Product Stewardship Excellence certification.

RESPONSIBLE CARE

In 2016, as part of SQM's commitment to sustainable development, the Nueva Victoria operations, located in the Tarapacá Region, were recertified under Responsible Care, which is valid for a period of three years. This certification—an international initiative for the chemical industry in which the Company has participated since 2013— involves voluntary commitments to making a continual effort in the following areas: production processes; handling, distribution, use and disposal of products; health and safety of individuals and protection of the environment and the community.



INVOLVEMENT IN COMMERCIAL EVENTS

Through a network of experts, SQM offers ongoing assistance programs to all customers to help them optimize increasingly scarce resources such as water and farmable soil. It does this through activities such as technical talks, seminars, publications and support material.



SQM AT FRUIT ATTRACTION 2018, the leading event for Europe's fruit and produce industry.

For the fifth straight year, SQM Iberian participated in Fruit Attraction—the leading event for Europe's fruit and produce industry—at the IFEMA International Fair in Madrid. Its involvement at this important forum aims to strengthen and diversify its position in the European market.

At the event, the subsidiary presented on the benefits of potassium nitrate, positioning it as the potassium nitrate with the industry's lowest carbon footprint and reinforcing our commitment to global sustainability.

SQM Iberian participated with a large stand, all incorporated into the Company's 50th anniversary celebration under the slogan "Harvesting Excellence", which aims to connect its philosophy and commitment with customers around the world.

Fruit Attraction is one of the fastest growing events in the European fruit and produce market, attracting more than 77,000 industry professionals from over 120 countries.

SUPPORTING DISTRIBUTORS OF SPECIALTY PLANT NUTRIENTS IN EUROPE AND CIS

Under the theme of "Experts in Specialty Plant Nutrition," SQM received agricultural engineers from several distributors in Europe and the countries of the Commonwealth of Independent States (CIS) to a three-day event to share and develop ideas on applying nutritional solutions for plants. The event took place in Thessaloniki, Greece, and covered the basics of plant nutrition as well as some crop-specific information.

At a second event in Paphos, Cyprus, SQM welcomed participants from Russia, Belarus, Ukraine, Moldavia, Armenia, Azerbaijan and other neighboring countries. The centerpiece of this activity was an evaluation of the needs and specific applications for grain and oil seed crops, which have reported attractive yields and investment results.

OUR COMMITMENTS

WITH CUSTOMERS

ISSUE	2018 COMMITMENTS	COMPLIANCE
CUSTOMERS	Undergo the IFA Protect&Sustain recertification process in August 2018, in order to confirm our Product Stewardship Excellence certification.	0%
	Certify production and sales processes for lithium, iodine and soluble fertilizers under the ISO 9001:2015 standard through an external assurance audit based on the upgraded standard ISO 9001:2015.	100%
	Continue to provide information (surveys, forms, etc.) requested by customers in a timely manner and organize plant visits when necessary.	95%
	Finalize updating of records and chemical safety reports for potassium nitrate, sodium nitrate, urea phosphate and iodine, including filing the information with the European Chemicals Agency.	75%
	Execute a program to update the Safety Data Sheets for SQM Europe and evaluate Safety Data Sheets of suppliers of inputs for SQM Europe, SQM Iberian and SQM North America.	100%
	Complete registration of notifications for NPK mixtures sold by SQM Europe NV and SQM Iberia, in accordance with European Classification, Labeling and Packaging (CLP) standards in the different countries within the European Union where these products are sold.	0%
	Generate additional standards for validating Safety Data Sheets for raw materials, update standards for confirming receipt of Safety Data Sheets by customers and apply existing standards.	100%
	We will perform regulatory compliance audits at three commercial offices.	100%

2018 ACTIVITIES AND ACHIEVEMENTS

2019 COMMITMENTS

A service agreement was signed with the certification company DNV GL to perform a IFA Protect&Sustain recertification audit, which is scheduled for February 2019 based on the consultant's availability.

Perform IFA Protect & Sustain recertification audit in order to obtain Product Stewardship Excellence certification in February 2019.

Certified production and sales processes for lithium, iodine and soluble fertilizers under the ISO 9001:2015 standard through an external assurance audit to upgrade to ISO 9001:2015 in June-July 2018.

Maintain certifications for production and sales processes for lithium, iodine and soluble fertilizers under ISO 9001:2015.

Completed 22 of 22 lithium customer surveys, 19 of 24 iodine customer surveys and 8 of 8 fertilizer and industrial chemical surveys, all related to sustainability and quality. Forty-nine (49) product quality statements were issued and two audits were conducted by an iodine customer, one by an industrial chemical customer and four by lithium customers.

Maintain available and promptly provide transparent, quality information requested by customers such as surveys, forms, etc. Organize facility tours for customers upon request.

Updated records and chemical safety reports for potassium nitrate and sodium nitrate, including filing the information with the European Chemicals Agency. SQM International registered urea phosphate using an updated registration format. The iodine registration is in the process of being updated.

Survey information available in scientific literature related to sodium nitrate and potassium nitrate in order to identify potential studies that must be incorporated into these registrations.

SQM Europe and SQM Iberian updated safety data sheets for products they sell due to changes to the hazard classification of one of their raw materials. The safety data sheets for these raw materials are available in the safety data sheet library.

Update the classification, labeling and safety data sheets for ammonium nitrate-based fertilizers in accordance with new classification rules.

SQM Iberian prepared information on all of the mixtures subject to notification, including identification of a recipe code. A consulting company was contracted to send these notifications. SQM Europe and SQM Iberian prioritized updating of safety data sheets due to changes to the hazard classification of one of their raw materials. In addition, 10 substances were registered under the REACH (Registration, Evaluation and Authorization of Chemicals) regulation by SQM International, a new legal entity.

Complete registration of notifications for NPK mixtures sold by SQM Europe NV and SQM with Toxicology Information Centers in the member states where they are sold. Regarding notifications of mixtures in accordance with Article 45 of the CLP Regulation, generate UFI (Unique Formula Identifier) codes for all mixtures sold by SQM Europe and SQM Iberian.

Four standards were generated for safety data sheets and progress was made on safety sheet templates and labels.

Implement an online platform for inputting, managing and resolving requests for safety data sheets and labels. Integrate rules, algorithms and a template library into platform to automate the processes of classifying hazards and generating safety sheets and labels for mixtures by destination market. Incorporate an option into the platform for adding rules, algorithms and templates for new market regulations. Integrate an option into the platform for editing the value of parameters involved in rules, algorithms and templates on the platform.

The Andalucia Health Council conducted an audit of SQM Iberian's facilities in Cadiz. Internal regulatory compliance audits were also conducted at SQM Comercial de México and SQM North America. As a result of the audit in Cadiz, the Company prepared an action plan for the observations raised.

Work on the observations raised by the audits at SQM México and SQM North America. A regulatory audit will be conducted at SQM Europe.

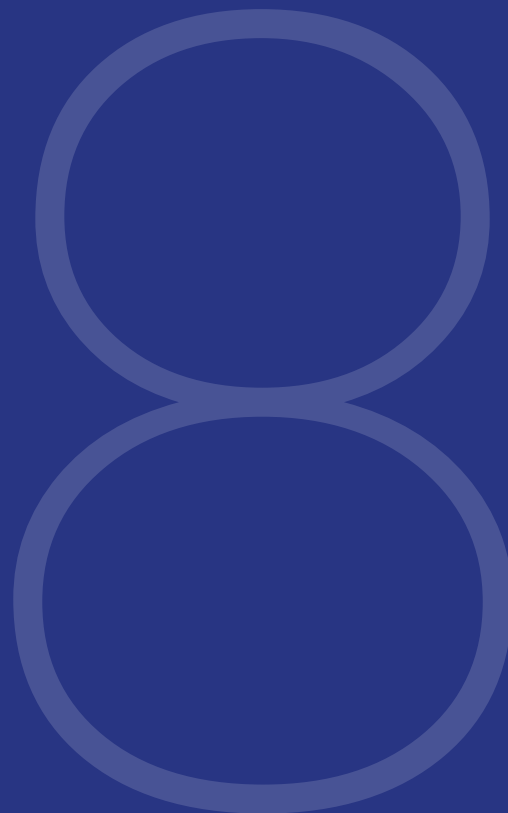
Execute all notifications under the K-REACH standard for products sold by SQM in South Korea.

Execute program to update Safety Data Sheets and packaging and labels for iodine and lithium products for all markets.





ECONOMIC PERFORMANCE





We are a selectively integrated mining operator that processes and markets products in order to efficiently supply industries that are essential for human development.

We produce: Specialty plant nutrients, iodine, lithium, potassium fertilizers and industrial chemicals.

Our products are developed from high-quality natural resources, making us a cost leader. Our efforts are supported by an international commercial network.

For the year 2018, SQM reported profits of US\$ 439.8 million, which represents an increase over the same period in 2017, when profits totaled US\$ 427.7 million.

The Company had revenue of US\$2,265.8 million in 2018, reflecting an improvement over 2017. The adjusted EBITDA margin was 39.1% for the twelve months ended December 31, 2018.

OUR ECONOMIC PERFORMANCE GOES HAND IN HAND WITH A COMMITMENT TO OUR SURROUNDINGS THAT INVOLVES CARING FOR PEOPLE, THE ENVIRONMENT AND COMMUNITY DEVELOPMENT



The Company's positive performance can be explained by a higher average price in the lithium business line, greater sales volumes of specialty plant nutrients and higher average prices and volumes in the iodine business line. These factors helped offset the impact of smaller sales volumes of potassium chloride.

The lithium market continues to grow at unprecedented rates, driven by growth in the electric vehicle market. As a result of this strong growth in demand, average prices in 2018 were significantly higher than prices reported in 2017. We believe that demand may expand by at least 20% in 2019.

In the specialty plant nutrition business line, sales volumes rose 12% in 2018 thanks to increasing demand and limited supply from our competition.

Operating revenue from sales of iodine and derivatives in 2018, totaled US\$325.0, up 28.9% for the year. Sales volumes in this business line totaled 13,300 MT, more than 5% above 2017 figures.

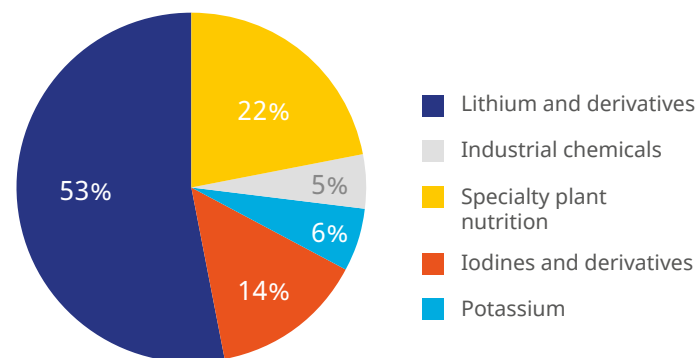
Sales of potassium chloride and potassium sulfate for the year ended December 31, 2018, totaled US\$267.5 million, reflecting a drop of 29.5% over 2017.

Industrial chemicals posted operating revenue of US\$ 108.3 million, down 20% from 2017.

Market Share

BUSINESS LINE	MARKET SHARE % FOR EACH BUSINESS LINE
Specialty plant nutrition	56%
Iodine and derivatives	36%
Lithium and derivatives	17%
Industrial chemicals	>41%
Potassium	<2%

% Contribution to Company's Gross Margin



Sales volumes by business line

		2018	2017	2016	2018/2017	
SPECIALTY PLANT NUTRITION SALES VOLUMES						
Sodium nitrate	MTON	25.0	26.7	24.4	-1.7	6%
Potassium nitrate and sodium potassium nitrate	MTON	673.4	601.4	475.8	72.0	12%
Specialty mixtures	MTON	242.5	209.9	213.5	33.5	16%
Other specialty fertilizers (*)	MTON	141.7	129.1	127.2	12.6	10%
(*) Includes principally sales of other specialty fertilizers						
Iodine and Derivatives Sales Volumes						
Iodine and derivatives	MTON	13.3	12.7	10.2	0.6	5%
Lithium and Derivatives Sales Volumes						
Lithium and derivatives	MTON	45.1	49.7	49.7	-4.6	-9%
Potassium Sales Volumes						
Potassium chloride and potassium sulfate	MTON	831.8	1,344.3	1,534.7	-512.3	-38%
Industrial Chemical Sales Volumes						
Industrial nitrates	MTON	135.9	167.6	128.9	-31.7	-19%

GROWTH PROJECTS

In 2018, SQM announced a three-phase expansion plan for its lithium projects in Chile. To achieve this goal, we will work to boost capacity to 180,000 MT/year over the next few years and will continue to evaluate our production capacity and sales volumes based on market conditions and our strategy.

We will also continue to make progress on the Mount Holland lithium project in Australia. One recent milestone for this project occurred when Kidman received the necessary exceptions for spending requirements on mining claims from the Minister for Mines and Petroleum of Western Australia. We expect to complete the feasibility study during the second half of the year, at which time we believe we will have a better estimate of capital expenditures and project costs.

Based on the record iodine sales volumes reported in 2018, and given our leading position in this market, we are always attempting to anticipate the future needs of our customers in order to guarantee that market demand is met. We recently applied for an environmental permit for the Tente en el Aire project to modify our operations in Nueva Victoria, Chile. Our current iodine production capacity is 14,000 MT/year. This permit will allow us to increase capacity in order to support market growth.

We continue to make strides to expand our nitrates operations in Coya Sur, with an investment of US\$70 million. We are working on several initiatives, including a new plant, known as NPT4, that will produce solar salts to supply the growing market.

The Board has approved US\$360 million in capital expenditures and maintenance capital expenditures for 2019, which include investments in Chile and Australia.



GENERATION AND DISTRIBUTION OF ADDED VALUE

SQM has generated considerable economic resources for its diverse stakeholders and contributed to Chile's economic and social development.

Of the total economic value distributed in 2018, ThUS\$ 267,449 corresponds to wages and benefits for SQM employees, ThUS\$ 7,937 to community investments and ThUS\$ 19,439 to environmental investments.

The Company has received funds from the Chilean government in the form of tax credits and benefits, as an incentive and in compensation for actions such as employee training tax credits from the National Training and Employment Service (Sence) and tax benefits related to donations and mining licenses, among other items.

DISCLOSURE 201-1

Generation and distribution of Company's added value over last three years:

ECONOMIC VALUE GENERATED	2018	2017	2016
Operating revenue	2,265,803	2,157,323	1,939,322
Finance income	22,533	13,499	10,550
Other non-operating income	32,048	17,827	14,781
A) TOTAL INCOME	2,320,384	2,188,649	1,964,653

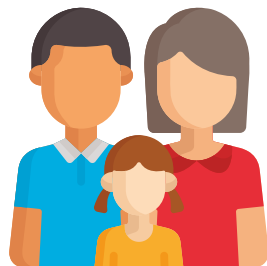
FIGURES IN THUS\$

ECONOMIC VALUE DISTRIBUTED	2018	2017	2016
Operating expenses	1,249,237	1,035,863	970,319
Payments to providers of capital	822,917	519,609	971,627
Payments to government (by country)	185,931	186,869	188,599
TOTAL ECONOMIC VALUE DISTRIBUTED BY SQM	2,258,085	1,742,341	2,130,545

ECONOMIC VALUE RETAINED	2018	2017	2016
Figures in ThUS\$	62,299	446,308	-165,892

DISCLOSURE 201-4

APORTE DEL ESTADO	2018	2017	2016
Employee training tax credit (SENCE)	1,250	1,166	940
Credits and tax benefits for donations	706	300	270
Tax rebate for mining license payments	22	22	14
PPE credit	104	153	138
Foreign source loan	1,526		
TOTAL IN US\$	3,608	1,641	1,881



THUS \$7,937

IN COMMUNITY INVESTMENTS

OUR COMMITMENTS

WITH INVESTORS

ISSUE	2018 COMMITMENTS	COMPLIANCE
INVESTORS	Maintain communication channels with the market and our investors in order to keep them informed regarding our business development.	100%
	Develop our business under principles of economic, social and environmental sustainability.	

2018 ACTIVITIES AND ACHIEVEMENTS

Organized several events and meetings with investors and analysts in Chile and abroad to provide relevant and timely information about our business.

2019 COMMITMENTS

Maintain communication channels with the market and our investors in order to keep them informed regarding our business development.
Develop our business under principles of economic, social and environmental sustainability.





MATERIALITY



MATERIAL

ASPECTS

DISCLOSURE 102-46/ 102-47/ 102-49

In preparing and identifying issues for our sustainability report, we continue to evaluate each part of the process in collaboration with our "Report Formulation Committee". This group, made up of members from the areas of community affairs, environmental affairs, human resources and communications, is consulted on the different topics to address in each edition.

These four areas are responsible for compiling and providing a considerable amount of the content to be included. As part of the data gathering process, we also receive questions about content and contributions from other areas within the Company regarding how to address or approach topics.

In addition, every year we analyze aspects that we can improve upon, such as how to best reach our stakeholders with the information. One major improvement was implemented in 2015 when we decided to prepare a summary of our full report. The content of this summary is based on the GRI standards and covers topics that we consider to be the most relevant for our stakeholders in an easy-to-read, user-friendly format. For the 2018 version, we have decided to make voice recordings of this brief publication to reach a more inclusive audience that includes people unable to read our report.

As part of the process of identifying material aspects or internal or external matters of economic, environmental and social

impact for the organization, an extensive list of issues was initially generated.

To build the initial list of material issues, we used the 2017 SQM Sustainability Report, developed under GRI4. We also conducted a digital survey of stakeholders, available in Spanish and English, and an in-person survey for stakeholders without internet access in order to detect which issues are most important for them. This process took place from December 2018 to March 1, 2019.

Our list also considered issues covered by national, regional and international media in 2018, based on the media's editorial criteria, and topics highlighted by SQM in traditional and digital communication media. The Company's main milestones throughout the year were also selected as issues.

Data pooling for the 2018 Sustainability Report was completed in April 2019. Therefore, some chapters include relevant information from after December 31, 2018. In those cases, the date of the published information is indicated.

As an organization, and based on our industry and operations, we defined the following aspects as priorities for the Company:

ASPECTS IDENTIFIED BY THE COMPANY

Conservation of area surrounding operations (environmental management system)

Environment (environmental issues related to the Company)

Water

Waste management

Corporate governance (values and principles)

Specialty plant nutrition

Iodine and derivatives

Lithium and derivatives

Industrial chemicals

Innovation

Human resources

Female workforce

Workplace safety

Contractors

Neighboring communities

Education and culture

Conservation of historical heritage

Social development

Raw materials and inputs

Energy

Air emissions

Customers

Financial results/performance

Stock (stock exchange)

Shareholders (stock exchange)

Technology

Renewable energy

Global presence



The most important aspects for our stakeholders were: First, environment; second, community; and third, labor aspects:

ASPECTS IDENTIFIED BY STAKEHOLDERS

Conservation of area surrounding operations (environmental management system)

Water

Waste management

Professional development

Workplace safety

Training

Corporate governance (values and principles)

Company's main challenges

Cooperation with other public and private-sector institutions to develop programs.

Alignment of the Company's social programs with public policies, plans and programs.

Lithium and derivatives

Stock (stock exchange)

Board of directors (composition)

Environment (environmental issues related to the Company)

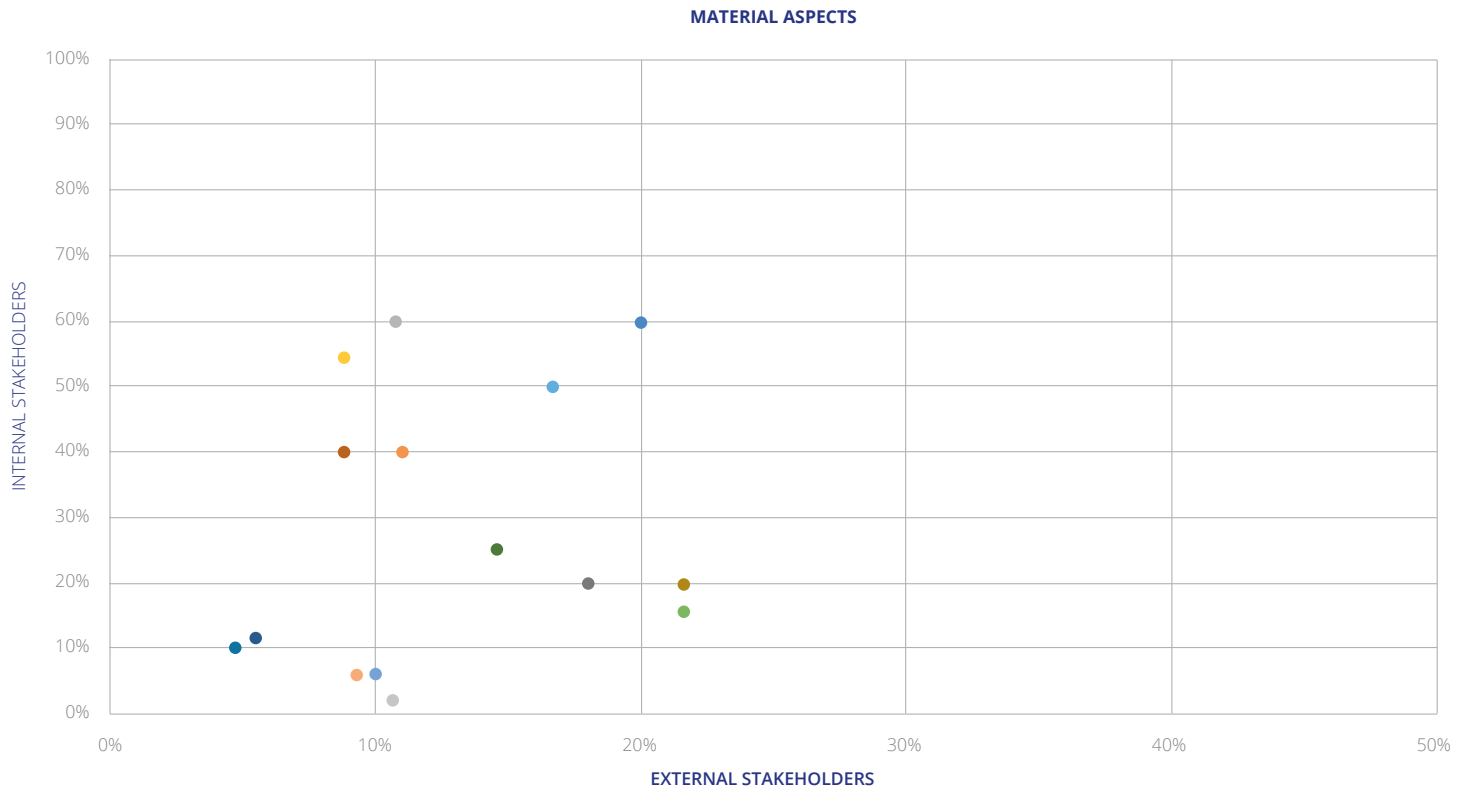
Neighboring communities

DISCLOSURE 102-47

The following issues have been deemed material:

- **Conservation of area surrounding operations (environmental management system)**
- **Environment (environmental issues related to the Company)**
- **Water**
- **Waste management**
- **Corporate governance (values and principles)**
- **Lithium and derivatives**
- **Workplace safety**
- **Neighboring communities**
- **Social development**
- **Stock (stock exchange)**
- **Training**
- **Company's main challenges**
- **Cooperation with other public and private-sector institutions to develop programs.**
- **Alignment of the Company's social programs with public policies, plans and programs**
- **Board of directors (composition)**

MATERIALITY MATRIX



- Conservation of area surrounding operations (environmental management).
- Water.
- Corporate governance.
- Workplace safety.
- Social development.
- Training.
- Cooperations with other public and private-sector institutions to development programs.
- Board of directors (composition).

- Environment (environmental issues related to the Company).
- Waste management.
- Lithium and derivatives.
- Neighboring communities.
- Stock (stock exchange).
- Company main challenges.
- Alignment of the Company's social programs with public policies, plans and programs.





GRI CONTENT INDEX



GRI CONTENT

INDEX

GRI STANDARD NUMBER	GRI STANDARD TITLE	DISCLOSURE NUMBER	DISCLOSURE TITLE	PAGE NUMBERS	OMISSION	EXTERNAL ASSURANCE
GENERAL DISCLOSURES						
GRI 102	2016 General Disclosures	102-1	Name of the organization	22	This disclosure cannot be omitted.	No
GRI 102	2016 General Disclosures	102-2	Activities, brands, products and services.	57-63 / 186	This disclosure cannot be omitted.	No
GRI 102	2016 General Disclosures	102-3	Location of headquarters.	56	This disclosure cannot be omitted.	No
GRI 102	2016 General Disclosures	102-4	Location of operations.	56-57	This disclosure cannot be omitted.	No
GRI 102	2016 General Disclosures	102-5	Ownership and legal form.	42-43/186	This disclosure cannot be omitted.	No
GRI 102	2016 General Disclosures	102-6	Report the markets served.	184	This disclosure cannot be omitted.	No
GRI 102	2016 General Disclosures	102-7	Scale of the organization	66	This disclosure cannot be omitted.	No
GRI 102	2016 General Disclosures	102-8	Information on employees and other workers.	67	This disclosure cannot be omitted.	No
GRI 102	2016 General Disclosures	102-9	Supply chain.	97	This disclosure cannot be omitted.	No
GRI 102	2016 General Disclosures	102-10	Significant changes to the organization and its supply chain.	26-27	This disclosure cannot be omitted.	No
GRI 102	2016 General Disclosures	102-11	Precautionary principle or approach.	54	This disclosure cannot be omitted.	No
GRI 102	2016 General Disclosures	102-12	External initiatives.	186	This disclosure cannot be omitted.	No
GRI 102	2016 General Disclosures	102-13	Membership of associations.	14-19	This disclosure cannot be omitted.	No
GRI 102	2016 General Disclosures	102-14	Statement from senior decision-maker.	6-7	This disclosure cannot be omitted.	No
GRI 102	2016 General Disclosures	102-15	Description of key impacts, risks and opportunities.	http://s1.q4cdn.com/793210788/files/doc_financials/annual_report/2018/Memoria-Anual-2018_esp.pdf Riesgo Económico Pág.59 6-7/ 51		Yes

GRI STANDARD NUMBER	GRI STANDARD TITLE	DISCLOSURE NUMBER	DISCLOSURE TITLE	PAGE NUMBERS	OMISSION	EXTERNAL ASSURANCE
GENERAL DISCLOSURES						
GRI 102	2016 General Disclosures	102-16	Values, principles, standards, and norms of behavior.	44-48/ 54		No
GRI 102	2016 General Disclosures	102-17	Mechanisms for advice and concerns about ethics.	46-48/ 51	This disclosure cannot be omitted.	No
GRI 102	2016 General Disclosures	102-18	Governance structure.	28-31		No
GRI 102	2016 General Disclosures	102-19	Delegation of responsibility.	28-32/ 35	This disclosure cannot be omitted.	No
GRI 102	2016 General Disclosures	102-20	Executive-level positions with responsibility for economic, environmental and social topics.	30-32		No
GRI 102	2016 General Disclosures	102-21	Processes for consultation with stakeholders on economic, environmental and social topics.	12-13/ 30-32		No
GRI 102	2016 General Disclosures	102-24	Nominating and selecting the highest governance body.	32		No
GRI 102	2016 General Disclosures	102-25	Conflict of interest.	26		No
GRI 102	2016 General Disclosures	102-26	Highest governance body's role in setting purpose, values and strategy.	32		No
GRI 102	2016 General Disclosures	102-27	Collective knowledge of the highest governance body.	30-31		No
GRI 102	2016 General Disclosures	102-28	Performance evaluation process for highest governance body.	32		No
GRI 102	2016 General Disclosures	102-29	Identification and management of economic, environmental and social impact.	32- 33		No
GRI 102	2016 General Disclosures	102-30	Effectiveness of risk management processes.	30-33		No
GRI 102	2016 General Disclosures	102-31	Evaluation of economic, environmental and social topics.	32		No
GRI 102	2016 General Disclosures	102-32	Highest governance body's role in sustainability reporting.	30- 33		No
GRI 102	2016 General Disclosures	102-33	Communication of critical concerns.	30- 31		No

GRI STANDARD NUMBER	GRI STANDARD TITLE	DISCLOSURE NUMBER	DISCLOSURE TITLE	PAGE NUMBERS	OMISSION	EXTERNAL ASSURANCE
GENERAL DISCLOSURES						
GRI 102	2016 General Disclosures	102-35	Remuneration policies.	30		No
GRI 102	2016 General Disclosures	102-36	Process for determining remuneration.	30-33/76		No
GRI 102	2016 General Disclosures	102-37	Stakeholder involvement in determining remuneration.	75		No
GRI 102	2016 General Disclosures	102-40	List of stakeholder groups	12- 13	This disclosure cannot be omitted.	No
GRI 102	2016 General Disclosures	102-41	Collective bargaining agreements	75	This disclosure cannot be omitted.	No
GRI 102	2016 General Disclosures	102-42	Identifying and selecting stakeholders.	12- 13	This disclosure cannot be omitted.	No
GRI 102	2016 General Disclosures	102-43	Approach to stakeholder engagement.	184	This disclosure cannot be omitted.	No
GRI 102	2016 General Disclosures	102-44	Key topics and concerns raised.	12- 13/ 184	This disclosure cannot be omitted.	No
GRI 102	2016 General Disclosures	102-45	Entities included in the consolidated financial statements.	http://s1.q4cdn.com/793210788/files/doc_financials/annual_report/2018/Memoria-Anual-2018_esp.pdf Pág.169	This disclosure cannot be omitted.	Yes
GRI 102	2016 General Disclosures	102-46	Defining report content and topic boundaries.	204-207	This disclosure cannot be omitted.	No
GRI 102	2016 General Disclosures	102-47	List of material topics.	204-207	This disclosure cannot be omitted.	No
GRI 102	2016 General Disclosures	102-48	Restatements of information.	10	This disclosure cannot be omitted.	No
GRI 102	2016 General Disclosures	102-49	Changes in reporting.	10	This disclosure cannot be omitted.	No
GRI 102	2016 General Disclosures	102-50	Reporting period.	10	This disclosure cannot be omitted.	No
GRI 102	2016 General Disclosures	102-51	Date of most recent report.	10	This disclosure cannot be omitted.	No
GRI 102	2016 General Disclosures	102-52	Reporting cycle	10	This disclosure cannot be omitted.	No
GRI 102	2016 General Disclosures	102-53	Contact point for questions regarding the report	10	This disclosure cannot be omitted.	No
GRI 102	2016 General Disclosures	102-54	Claims of reporting in accordance with the GRI Standards.	10	This disclosure cannot be omitted.	No
GRI 102	2016 General Disclosures	102-55	GRI content index	210-221	This disclosure cannot be omitted.	No

GRI STANDARD NUMBER	GRI STANDARD TITLE	DISCLOSURE NUMBER	DISCLOSURE TITLE	PAGE NUMBERS	OMISSION	EXTERNAL ASSURANCE
GENERAL DISCLOSURES						
GRI 102	2016 General Disclosures	102-56	External assurance.	10	This disclosure cannot be omitted.	No
MATERIAL TOPICS						
BOARD OF DIRECTORS (COMPOSITION) 102-22/ 102-23						
GRI 103	Management Approach 2016	103-1	Explanation of the material topic and its boundary.	30- 31		No
		103-2	The management approach and its components.	30- 31		No
		103-3	Evaluation of the management approach.	30- 31		No
GRI 102	2016 General Disclosures	102-22	Composition of the highest governance body and its committees	30- 31		No
		102-23	Chair of the highest governance body.	30- 31		No
CORPORATE GOVERNANCE (VALUES AND PRINCIPLES) 102-16 (CORE) 102-30						
GRI 103	Management Approach 2016	103-1	Explanation of the material topic and its boundary.	30- 33		No
		103-2	The management approach and its components.	30- 33		No
		103-3	Evaluation of the management approach.	30- 33		No
GRI 102	2016 General Disclosures	102-30	Effectiveness of risk management processes.	30- 33		No
WATER 403-1/ 403-2/ 403-3/ 403-4/ 403-5						
GRI 103	Management Approach 2016	103-1	Explanation of the material topic and its boundary.	169		No
		103-2	The management approach and its components.	169		No
		103-3	Evaluation of the management approach.	169		No
GRI 303	Water and Effluents 2018	303-1	Interactions with water as a shared resource.	169		No
		303-2	Management of water discharge-related impacts.	169		No

GRI STANDARD NUMBER	GRI STANDARD TITLE	DISCLOSURE NUMBER	DISCLOSURE TITLE	PAGE NUMBERS	OMISSION	EXTERNAL ASSURANCE
WATER 403-1/ 403-2/ 403-3/ 403-4/ 403-5						
GRI 303	Water and Effluents 2018	303-3	Water withdrawal.	169		No
		303-4	Water discharge.	169		No
		303-5	Water consumption.	169		No
CONSERVATION OF AREA SURROUNDING OPERATIONS (ENVIRONMENTAL MANAGEMENT SYSTEM) 304-1/304-2/ 304-3; THE ENVIRONMENT 304-2/ 304-4						
GRI 103	Management Approach 2016	103-1	Explanation of the material topic and its boundary.	157- 162/ 158-159		No
		103-2	The management approach and its components.	157- 162/ 158-159		No
		103-3	Evaluation of the management approach.	157- 162/ 158-159		No
GRI 304	Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	157		No
		304-2	Significant impacts of activities, products and services on biodiversity.	157-165		No
			Habitats protected or restored.	157		No
		304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations.	158- 159		No
WASTE MANAGEMENT 306-1/ 306-2/ 306-3/ 306-4/ 306-5						
GRI 103	Management Approach 2016	103-1	Explanation of the material topic and its boundary.	168-173		No
		103-2	The management approach and its components.	168-173		No
		103-3	Evaluation of the management approach.	168-173		No
GRI 306	Effluents and Waste 2016	306-1	Water discharge by quality and destination.	168		No

GRI STANDARD NUMBER	GRI STANDARD TITLE	DISCLOSURE NUMBER	DISCLOSURE TITLE	PAGE NUMBERS	OMISSION	EXTERNAL ASSURANCE
WASTE MANAGEMENT 306-1/ 306-2/ 306-3/ 306-4/ 306-5						
GRI 306	Effluents and Waste 2016	306-2	Waste by type and disposal method.	172- 173		No
		306-3	Significant spills.	169		No
		306-4	Transport of hazardous waste.	172		No
		306-5	Water bodies affected by discharges of water and runoff.	169		No
WORKPLACE SAFETY 403-1/ 403-2/ 403-3/ 403-4						
GRI 103	Management Approach 2016	103-1	Explanation of the material topic and its boundary.	90- 96/ 75		No
		103-2	The management approach and its components.	90- 96/ 75		No
		103-3	Evaluation of the management approach.	90- 96/ 75		No
GRI 403	Occupational Health and Safety 2016	403-1	Workers representation in formal joint management-worker health and safety committees.	90- 92		No
		403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities.	90- 96		No
			Workers with high incidence or high risk of diseases related to their occupation.	90- 96		No
		403-4	Health and safety topics covered in formal agreements with trade unions.	75		No
TRAINING 404-1/ 404-2/ 404-3						
GRI 103	Management Approach 2016	103-1	Explanation of the material topic and its boundary.	78- 84/ 86		No
			The management approach and its components.	78- 84/ 86		No
		103-3	Evaluation of the management approach.	78- 84/ 86		No

GRI STANDARD NUMBER	GRI STANDARD TITLE	DISCLOSURE NUMBER	DISCLOSURE TITLE	PAGE NUMBERS	OMISSION	EXTERNAL ASSURANCE
TRAINING 404-1/ 404-2/ 404-3						
GRI 404	Training and Education 2016	404-1	Average hours of training per year per employee	81- 84		No
		404-2	Programs for upgrading employee skills and transition assistance programs.	78- 81		No
		404-3	Percentage of employees receiving regular performance and career development reviews.	86		No
NEIGHBORING COMMUNITIES 401-1/413-2; SOCIAL DEVELOPMENT 413-1/ 413-2 COOPERATION WITH OTHER PUBLIC AND PRIVATE-SECTOR INSTITUTIONS TO DEVELOP PROGRAMS 102-13 (CORE) 413-1/ 413-2; ALIGNMENT OF THE COMPANY'S SOCIAL PROGRAMS WITH PUBLIC POLICIES, PLANS AND PROGRAMS 413-1/ 413-2						
GRI 103	Management Approach 2016	103-1	Explanation of the material topic and its boundary.	70		No
		103-2	The management approach and its components.	70		No
		103-3	Evaluation of the management approach.	70		No
GRI 413	Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs.	70/ 108-111/ 126/ 130/ 135/ 138		No
		413-2	Operations with significant actual and potential negative impacts on local communities.	108-109		No
OTHER REPORTED DISCLOSURES						
GRI 201	Economic Performance 2016	201-1	Direct economic value generated and distributed	198		Yes
		201-2	Financial implications and other risks and opportunities for the organization's activities due to climate change	http://s1.q4cdn.com/793210788/files/doc_financials/annual_report/2018/Memoria-Anual-2018_esp.pdf		No
		201-3	Obligations of defined benefit plan and other retirement plans.	76		No
		201-4	Financial assistance received from government.	199		Yes
GRI 202	Market Presence 2016	202-1	Ratio of standard entry level wage by gender compared to local minimum wage.	http://s1.q4cdn.com/793210788/files/doc_financials/annual_report/2018/Memoria-Anual-2018_esp.pdf Pág. 69		Yes

GRI STANDARD NUMBER	GRI STANDARD TITLE	DISCLOSURE NUMBER	DISCLOSURE TITLE	PAGE NUMBERS	OMISSION	EXTERNAL ASSURANCE
OTHER REPORTED DISCLOSURES						
GRI 202	Market Presence 2016	202-2	Proportion of senior management hired from local community.	66-67/ 69		No
GRI 204	Procurement Practices 2016	204-1	Proportion of spending on local suppliers	97/99		No
GRI 205	Anti-corruption 2016	205-1	Operations assessed for risks related to corruption.	51		No
		205-2	Communication and training about anti-corruption policies and procedures.	46- 48/ 51		No
		205-3	Confirmed incidents of corruption and actions taken.	50/56		No
GRI 206	Unfair Competitive Practices 2016	206-1	Legal actions for anti-competitive behavior and anti-trust and monopoly practices.	http://s1.q4cdn.com/793210788/files/doc_financials/annual_report/2018/Memoria-Anual-2018_esp.pdf Pág.7		Yes
GRI 302	Energy 2016	302-1	Energy consumption within the organization.	166		No
		302-3	Energy intensity.	166		No
		302-4	Reduction of energy consumption.	166		No
		302-5	Reduction in energy requirements of products and services.	166		No
		GRI 305	Emissions 2016	305-1	Direct (Scope 1) GHG emissions	171
305-2	Energy indirect (Scope 2) GHG emissions	171			No	
305-4	Intensity of GHG emissions	171			No	
	Reduction of GHG emissions	171			No	
305-6	Emissions of ozone-depleting substances (ODS)	170			No	

GRI STANDARD NUMBER	GRI STANDARD TITLE	DISCLOSURE NUMBER	DISCLOSURE TITLE	PAGE NUMBERS	OMISSION	EXTERNAL ASSURANCE
GRI 307	Environmental Compliance 2016	307-1	Non-compliance with environmental laws and regulations.	156		No
GRI 308	Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria.	97		No
		308-2	Negative environmental impacts in the supply chain and actions taken.	97		No
GRI 401	Employment 2016	401-1	New employee hires and employee turnover.	71-72		No
			Benefits provided to full-time employees that are not provided to temporary or part-time employees.	76		No
		401-3	Parental leave.	74		No
GRI 402	Labor/Company Relations 2016	402-1	Minimum notice periods regarding operational changes.	75		No
GRI 405	Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees.	70		No
GRI 406	Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken.	50/74		No
GRI 407	Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk.	75		No
GRI 408	Child Labor 2016	408-1	Operations and suppliers with significant risk for incidents of child labor.	85		No
GRI 409	Forced or Compulsory Labor 2016	409-1	Operations and suppliers with significant risk for incidents of forced or compulsory labor.	85		No
GRI 411	Rights of Indigenous Peoples 2016	411-1	Incidents of violations involving rights of indigenous people.	74		No

GRI STANDARD NUMBER	GRI STANDARD TITLE	DISCLOSURE NUMBER	DISCLOSURE TITLE	PAGE NUMBERS	OMISSION	EXTERNAL ASSURANCE
GRI 412	Human Rights Assessment 2016	412-1	Operations that have been subject to human rights reviews or impact assessments.	85		No
		412-2	Employee training on human rights policies or procedures.	85		No
GRI 414	Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria.	98		No
		414-2	Negative social impacts in the supply chain and actions taken.	98		No
GRI 415	Public Policy 2016	415-1	Contributions to political parties and/or representatives.	48		No
GRI 416	Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories.	97		No
		416-2	Incidents of non-compliance concerning the health and safety impacts of products and services.	184		No
GRI 417	Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling.	187		No
		417-2	Incidents of non-compliance concerning product and service information and labeling.	187		No
		417-3	Incidence of non-compliance related to marketing communications.	187		No
GRI 418	Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data.	187		No



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