



Sustainability Report 2019

TRANSFORMING MINING FOR A BETTER FUTURE OF THE COUNTRY

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REPORT PRESENTATION

CODELCO, PIONEER IN
SUSTAINABILITY REPORTS



Report
presentation



A new outlook
in Sustainability



Priority #1:
occupational
health & safety



Team
Codelco



Efficient,
competitive
and ethical



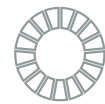
Committed
to the planet



Culture of
innovation



Communities
and territories



Annexes



20 YEARS OF REPORTABILITY



1^o IN REPORTING IN CHILE

In 1999, we were the first company in Chile to deliver its social and environmental results, through the Codelco environmental report

1ST IN CHILE TO INCORPORATE THE GUIDELINES OF THE

GLOBAL REPORTING INITIATIVE



GRI

In 2002 we incorporated the newly-created GRI guidelines.

16 YEARS OF VERIFICATION

Since 2004, our reports have received external verification.



This exercise in transparency for the different stakeholders showcases our commitment as a Corporation for building a sustainable future. Showing both the vision with which, we address each of the Environmental, Social and Governance (ESG) settings that surround the company's activities, and the effort and oversight that we perform each year in order to achieve these objectives.

We strive to maintain management excellence that makes a contribution not only to economic growth, but also to the integrated development of the sector, in view of the context in which we do business and the new and pending challenges that the mining industry is facing.

This is why we work to attain international standards for sustainability, transparency and probity, innovation, and people development. We are spearheading a new movement in Chilean mining that contributes to the country's development and meets the critical needs demanded by the extractive industry in the 21st century.

These 20 years of reportability bear witness to the path Codelco has taken to advance as an operation that mitigates its impacts and moves towards a virtuous transformation of the zones in which our deposits are located.





LETTER FROM THE EXECUTIVE CHAIRMAN

(102-14)

“Our 2019 sustainability Report was prepared amidst a pandemic that in the recent months has forced us to review and challenge the ways in which we do things, how we communicate with each other, and how we work. COVID-19 has taught us that implementing. COVID-19 has taught us that implementing the best protocols is not enough; the best protocols is not enough; instead we have needed to make drastic changes to our conduct and our culture of protection, for ourselves and for others.”

This worldwide health crisis has set challenges for us, and will continue to do so in the immediate future. This is why every day we put our best ideas to the service of all our workers, their families, and the communities that surround us, because the sustainability is our guiding light for this company, which contributes all of its surpluses to bolster our country's development.

Twenty years ago, we were the first company in Chile to issue a sustainability report. Along the way we have expanded the suite of indicators, standardized the report format under the GRI methodology, and incorporated validation of the results by an external certification body. Over the years, this report has reflected Codelco's commitment to sustainable and responsible mining.

As protecting our people guides our day-to-day work and forms the basis for our decisions, I would like to start the 2019 report with a look at our safety performance. We achieved the lowest accident rates in our history, but these numbers are sadly overshadowed by a fatal accident that occurred at El Teniente in mid-2019. We therefore redouble our commitment to strengthening the habits of prevention, behavior, and self-care, with responsible conduct for our colleagues, as the only way to achieve the goal of zero fatalities. In this context, during the year we advanced in our management system, with safety leadership programs for executives and supervisors. Observation of behavior was a fundamental instrument for identifying risky actions, providing timely feedback, and undertaking corrective





actions; we also consolidated our green card system as the main risk prevention tool at all of our work sites.

Climate change and its effects also took center stage, now incorporated into our sustainability strategy at Codelco. In 2019 we advanced with the analysis of mitigation and adaptation to the phenomenon, a diagnostic study into vulnerabilities and the preparation of an adaptation plan for División El Teniente and its surroundings. In this way, we examined the fragilities, risks, and opportunities for development at the mine, as a direct and indirect consequence of this phenomenon. We also drew up an action program with specific initiatives to resolve the issues detected in the diagnostic work. The study provided us with experience to enhance similar research projects in the Corporation's other work centers.

In 2020 we will continue to incorporate analysis and management of the challenges imposed on us by climate change as part of the way we operate.

Under the same philosophy, our company operates a strategic water management plan, because we are aware of the need to conserve the country's water resources. In 2019 we implemented a platform to harmonize reporting in our different divisions, which will help to control and reduce water extraction. Our goal for 2020 is to achieve a 10% reduction in the volume of water used per ton of ore treated.

In definitive term, we are striving to assure the water matrix for our operations, competency and efficiency in water usage, the incorporation of business intelligence and technology in the search for, and application of, new water sources, and control and management of our wastewater discharge.

Our efforts to reduce smelter emissions succeeded in achieving 100% compliance with Supreme Decree 28, which imposes greater restrictions.

Meanwhile, and once again in an area linked to climate change, we have set a goal to reduce both direct and indirect emissions into the environment. To achieve this, we are developing an action plan to use clean technologies and supplies, so as to reduce the carbon footprint of our direct emissions. We are also migrating our electricity supply contracts to renewable power sources, to reduce our indirect emissions of greenhouse gases.

In this way we seek to enhance our standards in key areas such as energy efficiency and improve our performance in specific indicators of energy usage in production processes, to consolidate two essential goals: reducing power consumption, and incorporating clean energy into our power matrix.

In this context, it should come as no surprise that our company is leading the way in Chile with its initiatives for pilot schemes and implementation of electric transport as part of its corporate strategy. In 2019, we continued to develop pilot programs for electric service vehicles in Distrito Norte and at División El Teniente. This was the first program to



As the world's leading copper producer, we at Codelco strive to be a responsible supplier”.

put electric buses up against the harsh conditions of a working mine, to validate technological, sustainability, and business parameters, while also garnering greater understanding of the technology and identifying the challenges that we face in building, incorporating, and scaling it to fit other processes.

The positive results encouraged our company in incorporate the option for using these vehicles in future tender processes.

Additionally, in 2019 we launched pilot testing for a hybrid LHD, set to continue during 2020, in a bid to enhance interaction with mining production activities. This new unit features a fully electrical transmission system and uses a diesel engine to generate electricity, thus enhancing fuel economy levels.

As the world's leading copper producer, we at Codelco strive to be a responsible supplier.” Our goal is to trace 5% of our copper production during 2020, across eight dimensions: occupational health

and safety; inclusivity and equality of opportunities; respect for human rights; transparency, ethics, and compliance; environmental and community impact; water footprint; emissions and energy; and carbon footprint.

Our 2019 planning allowed us to achieve sustained progress, and today we possess traceability indicators for the Gabriela Mistral, Ministro Hales, Radomiro Tomic, and Andina divisions, accounting for 49.5% of our copper. Our new objective is to trace all of our production in 2020.

Community development is another strategic dimension in corporate management, so year on year we strengthen our relations with the communities where we operate, seeking to contribute to their development within a framework of dialog and ongoing contact. In 2019, following a review of our plans and programs, we laid the groundwork for actions this year developing a new community development strategy for 2020 to 2030, setting out to become a force for mobilizing territorial development.



The same year, our focus fell on optimizing and consolidating our online IT platforms, including updating our Environment Complaints and Suggestions System (SRSS by its spanish acronym), to enhance control, traceability, and monitoring of our relationship with the community.

The safety of our communities is always a core factor in our plans, so we are monitoring and managing our tailings deposits. For the third year running we took part in "Programa tranque", a public-private initiative to create a standardized system for monitoring and early warning. This outstanding program allows the authorities, mining companies, and communities to receive information online regarding the physical and chemical stability of tailings ponds. Meanwhile, on the global stage we are collaborating actively with the International Council on Mining and Metals (ICMM) to agree a standard for effective full life-cycle management of mine tailings deposits.

The trust that the country endows in our company is a value that we must protect, so we strive to attain best practices in transparency; in 2019 we attained certification for the management of trading processes under the standards specified under ISO 37001 for anti-bribery management systems, promoting an ethical corporate culture.

Similarly, we approved a new risk management and control model and policy, developed internal regulations for identifying and managing conflicts of interest (actual, potential, and apparent), and updated our crime prevention model, bolstering the due diligence process. Furthermore, almost 10% of our personnel received anti-corruption training.

By means of this Sustainability Report we comply with Global Reporting Initiative (GRI) standards at its comprehensive compliance option and we respond to communication of progress, reaffirming our commitment to the 10 principles of the Global Compact of the United Nations.

All of these advances fall within the framework of our principles and commitment to sustainable development, to Chile, and to the country's expectations for the Corporation. Although 2019 brought us major challenges, the year's events spurred us to redouble our efforts to continue advancing in a responsible way, so as to carry on forming a key foundation for the country's development.

Octavio Araneda Osés
Executive President





TRANSFORMING MINING WITH A SUSTAINABLE OUTLOOK

FOR 20 YEARS, CODELCO HAS PUBLISHED AN ANNUAL SUSTAINABILITY REPORT - WHAT IS THE OBJECTIVE OF THIS PRACTICE?

The Corporation has always led the way in incorporating its social and environmental management factors as part of our long-term vision for business. This means being rigorous in our reportability, in line with a deep-seated commitment to transparency and accountability to our interest groups.

This activity, in adherence to the strictest global standards such as the Global Reporting Initiative (GRI), the International Council on Mining & Metals (ICMM), and the UN's Sustainable Development Goals, allows us to identify areas for improvement and generate action plans, thus making it a valuable tool for management throughout Codelco.

In 2019, this effort became even more paramount in line with the Corporation's transformation process, which sets out to ensure the company's sustainability.

We firmly believe that 21st century mining requires ambitious environmental and social goals, leading to a virtuous transformation in the

areas where our deposits are located, while at the same time allowing us to generate business value.

AS PART OF THE TRANSFORMATION PROCESS, CODELCO HAS A NEW SUSTAINABILITY STRATEGY WHAT DOES IT CONSIST OF, AND WHAT DOES IT FOCUS ON?

We at Codelco strive to do business in a way that is competitive and profitable for Chile, minimizing socio-environmental risks, mitigating our impacts, and generating the right conditions for operating in the long term. This is the only way we can be capable of meeting the challenge of contributing to the country's development and projecting our organization into the future.

In order to achieve it, we are working on a new sustainability strategy that runs alongside the business transformation process, setting out to achieve more universal management of sustainability throughout the organization.

This strategy will set clear goals, which we will take into account year on year, through the Corporation's Sustainability Reports.

HOW WILL SUSTAINABILITY AFFECT BUSINESS MANAGEMENT?

We are committed to sustainable development in our operations and projects. Sustainable development is not a trend, it is the right way of doing things, and we at Codelco have a twofold responsibility to sustainability, in line with our role as a driving force for the country's development.

The Corporation takes these challenges as opportunities to build economic and reputation value as a state-owned company, respecting the fundamental rights of people, including workers, communities, indigenous groups, interest groups, and society as a whole.

We are convinced that our business must develop under the guidance of these principles, as key factors in the transformation process that the company is undertaking.

At the same time, it is increasingly relevant to possess corporate governance and management systems that are committed to enhancing standards for probity,

oversight, and transparency. In a changing society and a setting that is becoming ever more complex, regulated, globalized, and dynamic for the copper industry, these parameters are becoming a guiding beacon for all of the company's actions.

We will continue to guide our management based on the principles of sustainable development, in accordance with our mission for the country and with deep respect for the areas where we operate and their inhabitants. The challenge is significant, as is our motivation to contribute to Chile for many years to come.



Renato Fernández
Vice President of Corporate Affairs
& Sustainability



CODELCO, THE MINING COMPANY OF THE CHILEAN PEOPLE

(102-7)

We are the National Copper Corporation of Chile, Codelco. An autonomous company owned by all Chilean people, world leader in copper production, and driving force for the country's development.

7 MINING DIVISIONS AND VENTANAS REFINERY AND SMELTER	1,706,013 mtf¹ OF COPPER ²	23,353 mtf OF MOLYBDENUM
MMUS\$ 12,525 TOTAL SALES	MMUS\$ 4,043 EBITDA	MMUS\$ 40,345 TOTAL ASSETS
16,726 EMPLOYEES	52,618 CONTRACTORS	10.2% FEMALE WORKFORCE
0.7 FREQUENCY RATE	128 SEVERITY RATE	3,884 SAFETY CORRECTIVE PLANS
96.4% AVERAGE SULFUR CAPTURE	97.4% AVERAGE ARSENIC CAPTURE	76.7% WATER RECIRCULATION
MMUS\$ 897 SUSTAINABILITY INVESTMENT	CLP 2,817,845,692 SOCIAL INVESTMENT	MMUS\$ 1,000 TREASURY CONTRIBUTION

¹ Metric ton's fine metal² Including our holdings in El Abra and Anglo American Sur



OUR OPERATIONS

(102-4)

ANTOFAGASTA

DIVISIÓN RADOMIRO TOMIC

OPEN PIT MINE
1,252 PERSONS
266,415
Metric Tons of Fine Copper

DIVISIÓN CHUQUICAMATA

OPEN PIT AND UNDERGROUND MINE
4,899 PERSONS
385,309
Metric Tons of Fine Copper

DIVISIÓN MINISTRO HALES

OPEN PIT MINE
791 PERSONS
151,838
Metric Tons of Fine Copper

DIVISIÓN GABRIELA MISTRAL

OPEN PIT MINE
449 PERSONS
104,087
Metric Tons of Fine Copper

SANTIAGO

HEADQUARTERS

512 PERSONS



ATACAMA

DIVISIÓN SALVADOR

OPEN PIT MINE AND UNDERGROUND MINE
1,437 PERSONS
50,561
Metric Tons of Fine Copper

VALPARAÍSO

DIVISIÓN VENTANAS

REFINERY AND SMELTER
852 PERSONS

DIVISIÓN ANDINA

OPEN PIT MINE AND UNDERGROUND MINE
1,597 PERSONS
170,274
Metric Tons of Fine Copper

LIBERTADOR BERNARDO O'HIGGINS

DIVISIÓN EL TENIENTE

OPEN PIT MINE AND UNDERGROUND MINE
4,058 PERSONS
459,744
Metric Tons of Fine Copper

Staffing figures do not include the Projects VP (879 PERSONS)



WHAT WE ARE AND WHAT WE DO

(102-2, 102-6)

We account for 8% of global copper mine production, and 29% of domestic production.*

WE INNOVATE TO HOLD OUR POSITION AS CHILE'S LEADING COMPANY

We are currently engaged in structural projects to extend the working life of our deposits for a further 40 to 50 years, to enhance our environmental standards, to increase our productivity, and to maintain current production levels of 1.7 million tons of fine copper per year.

HIGH-STANDARD PRODUCTS

We produce and trade in the following refined and unrefined copper products and byproducts, and one semi-finished product:

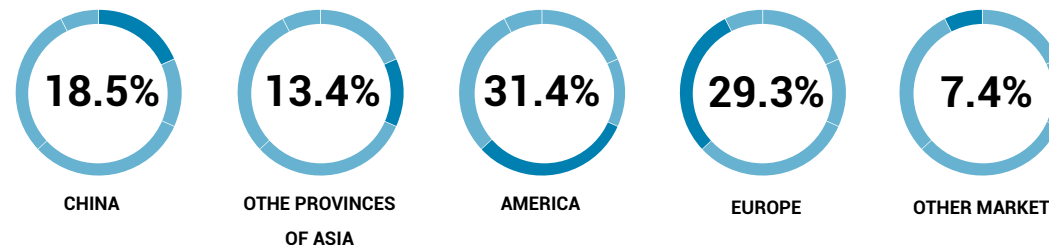
- Grade A copper cathodes
- Copper concentrate
- Copper calcine
- Molybdenum
- Silver
- Gold
- Anode sludges
- Sulfuric acid

WORLDWIDE CLIENTS

Our fine copper and derivatives reach clients throughout the planet, and we are responsible for one fifth of national exports. Our principal market is Asia, followed by South America and North America.

To find out more about Codelco, you can download our annual report at our [website](#)

SALES BY DESTINATION



* Incluye nuestra participación en Minera El Abra y Anglo American Sur.





MEMBERSHIPS AND ASSOCIATIONS

(102-12, 102-13)

The principal alliances and associations in which we work are the following:

INTERNATIONAL COPPER ASSOCIATION (ICA)	INTERNATIONAL MOLYBDENUM ASSOCIATION (IMOA)	INTERNATIONAL COMMISSION ON LARGE DAMS (ICOLD CHILE)	INTERNATIONAL COUNCIL ON MINING & METALS (ICMM)	GLOBAL REPORTING INITIATIVE (GRI)	GLOBAL COMPACT
Board Member	Board Member	Founding Partner and Board Members	Member	Member	Member
CÁMARA CHILENA NORTEAMERICANA DE COMERCIO	CONSEJO MINERO DE CHILE A.G	CONSEJO NACIONAL DE SEGURIDAD	FUNDACIÓN PARA LA SUSTENTABILIDAD DEL GAVIOTÍN CHICO	ACCIÓN EMPRESAS	LÍDERES EMPRESARIALES CONTRA EL CAMBIO CLIMÁTICO (CLG CHILE)
Partner Company	Partner Company with Board Participation	Board Member	Board Member	Partner Company	Member
ASOCIACIÓN DE INDUSTRIALES DE REGIÓN VALPARAÍSO (ASIVA)	CALAMA PLUS	ASOCIACIÓN DE INDUSTRIALES DE ANTOFAGASTA (AIA)	CORPORACIÓN DE DESARROLLO DE LA PROVINCIA EL LOA (PROLOA)	CORPORACIÓN DE DESARROLLO REGIONAL PRO O´ HIGGINS	CORPORACIÓN PRO ACONCAGUA
Member	Participant as a member of Proloa	Member	Member	Member	Member

In terms of contributions, the leading bodies are the International Copper Association (ICA), International Molybdenum Association (IMOA), International Council on Mining and Metals (ICMM) and Consejo Minero de Chile, accounting for a total of US\$ 7.9 million.



(102-11)

We also declare our alignment with the following voluntary external initiatives, engaged in economic, social, and environmental issues:

1. United Nations Sustainable Development Goals (SDGs).
2. United Nations Universal Declaration of Human Rights.
3. United Nations Guiding Principles on Business and Human Rights.
4. United Nations Convention on the Rights of the Child.
5. Principles of the United Nations Global Compact.
6. Precautionary principle, Article 15 of the Rio Declaration.
7. Partnering Against Corruption Initiative (PACI), World Economic Forum, 2005.
8. International Labor Organization (ILO) Convention 169 on indigenous and tribal peoples in independent countries.
9. International Labor Organization (ILO) Conventions 87, 98, 100, 11, and 138.
10. Toronto Declaration of the International Council on Mining and Metals (ICMM).
11. International Chamber of Commerce business charter for sustainable development.





A NEW OUTLOOK IN SUSTAINABILITY

OUR GOAL

Our transformation process runs alongside sustainable management to meet today's ESG challenges. This must also apply to the entire organization promoted from the highest levels. Thus, in 2019 we have worked to redefine our sustainability strategy.



Report presentation



A new outlook in Sustainability



Priority #1: occupational health & safety



Team Codelco



Efficient, competitive and ethical



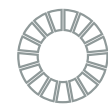
Committed to the planet



Culture of innovation



Communities and territories



Annexes



SUSTAINABILITY MILESTONES



OCCUPATIONAL HEALTH AND SAFETY

1. Improving our historic accident rates

In 2019 we achieved our best severity index of all time, with a result of 128. At the same time, we maintained our downward trend in the parameter of accident frequency, attaining 0.7, the lowest value in the past decade.

2. Management of High-Potential Incidents

In 2019, 102 high-potential incidents were recorded in the SGHP Preventive Tool Management System, all of which were fully investigated. This led to the generation of 3,884 corrective action plans, which have been loaded into the system for corporate learning.



PEOPLE

1. Codelco was awarded the "Equality and Inclusivity Prize 2019" by Women in Mining Chile (WIM), an organization that promotes and supports the development of women in the mining industry.

2. Launch of "Inspira Codelco"

This networking program sets out to allow Codelco professionals and female engineering students at a number of universities, to build effective networks. This initiative will allow us to help increase the number of women working at our company, and in the mining industry as a whole.



ECONOMIC PERFORMANCE AND GOVERNANCE

1. Codelco opens Chuquicamata Subterránea, one of the country's most modern mines

Following 104 years in operation the world's largest open-pit mine has become a high-technology underground operation that is ready to meet the environmental and safety standards of the 21st century, extending its useful life for another 40 years. Chuquicamata Subterránea marks the kick-off for a major transformation in terms of operations, organization, and culture at Codelco.

2. Codelco receives certification under ISO 37001

With the goal of strengthening our culture of integrity, transparency, openness, and compliance, our Vice-Presidency of Trade (VCO) has certified process management under the standards specified in the ISO 37,001 standard, for Anti-Bribery Management Systems.



STRATEGIC INNOVATION

1. Automation in Underground Mining

With the objective maximizing task automation in underground mining and leveraging significant productivity gains, thirteen modern units stand out. División El Teniente saw the arrival of autonomous trucks to begin testing a semi-autonomous LHD unit entered normal operations. Meanwhile, Chuquicamata Subterránea acquired eight units with the same technical specifications, and operations are planned to begin in 2020.

2. Codelco is the only mining company engaged in fast-tracking electric transportation

Following the signing of a collaboration agreement with the Energy Sustainability Agency, the corporation forms part of this initiative, which is supported by the Ministry of Energy and sets out to generate knowledge and to implement projects for electric transport, thus bolstering this technology nationwide. During 2019 we made progress in the pilot scheme for electric buses and the incorporation of underground mining equipment.



COMMUNITIES AND TERRITORY

1. The Environmental Assessment Service (SEIA) implemented its Indigenous Consultation Process, including Colla communities

This process allowed us to establish commitments to participating communities, as well as clear principles and standards to empower and strengthen collaborative relations with indigenous communities, in the context of the Rajo Inca Project.

2. Update of our Socio-Environmental Complaints and Suggestions System (SRSS)

Building on a study conducted by KPMG, in 2019 this system was updated to incorporate the standards established under ISO 19600 and by the ICMM for these areas, as well as other industry best practices.

3. Social Investment Agreements

In 2019 we signed 95 social investment agreements with social organizations and institutions, as well as nine agreements with indigenous peoples, with a total investment of over 2.8 billion pesos.



ENVIRONMENT

1. Codelco trials unique hybrid mining equipment

División El Teniente premiered the first hybrid LHD unit, with operating costs 70% lower than similar conventional diesel-powered units, and significantly lower exhaust emissions. This ore load-haul-dump unit, a standard sight at working mines, is the first to become operational using 100% electric power, with no gearbox, filters, or mechanical actuators, using diesel only to generate power.

2. Progress in waste management

In 2019, we advanced in the evaluation and implementation of measures to extract value from waste products. We analyzed reuse, recycling, and recovery options, as well as the implementation of the corporate platform for each kind of waste management and life-cycle monitoring across all materials and divisions".



TRANSFORMING MINING FOR A SUSTAINABLE FUTURE

At Codelco, we are committed to sustainable management. Thus, in 2019 we have worked in line with our new business strategy to redefine our strategy, formerly managed under the Sustainability Master Plan.

This new outlook incorporates elements from global trends in the field, and comes as a result of internal discussion that challenges us to go beyond legal

requirements, enhancing coverage in five specific areas: emissions, water, waste products, tailings, and development in our territories.

This significant challenge has brought with it a number of internal diagnostic studies, policies and process redesign, and definition of ambitions and medium and long-term goals, which we are set to announce in 2020.

These goals strengthen our commitment to finding a suitable response to international standards and requirements for sustainability, while also enhancing our links with the areas in which we operate, thus implementing the highest standards for our Corporate governance.

Our new outlook seeks to mobilize the organization, making all of us part of a

transformation towards sustainability, helping to harmonize, simplify, and automate the Corporation's processes.





SUSTAINABILITY: A COMMITMENT OF YEARS

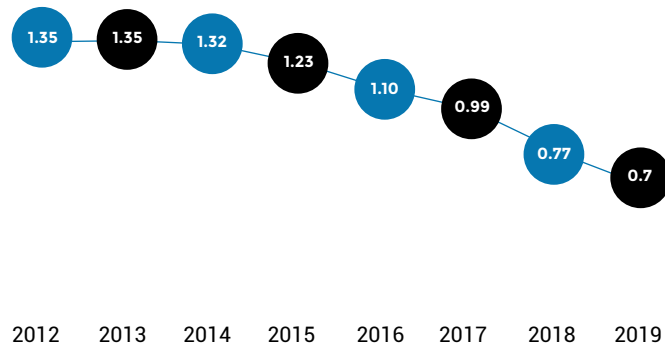
We at Codelco have taken a rigorous approach to measure our sustainability results. This discipline allows us to present our progress year-on-year, starting from 2012, in critical areas for our management, such as health and safety, environment, and sustainability investments.



OCCUPATIONAL HEALTH AND SAFETY

We have managed to reduce our Accident Frequency Rate year-on-year, reaching 0.7 in 2019, the lowest in our history. For more information, see the chapter Priority #1: Occupational Health and Safety

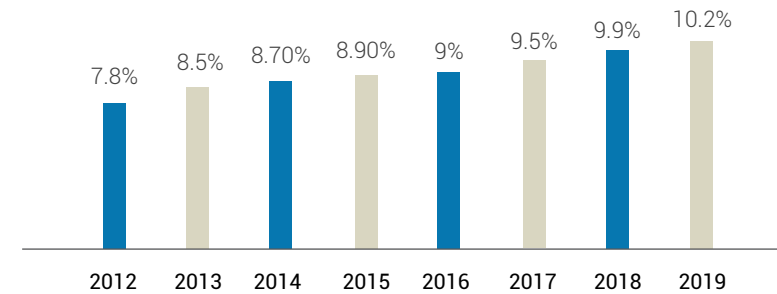
ACCIDENT FREQUENCY RATE



TEAM CODELCO

Each year we seek to increase our female workforce, as we recognize the relevance of diverse teams, particularly in an industry with few women workers. For more information see the chapter Team Codelco.

FEMALE WORKFORCE



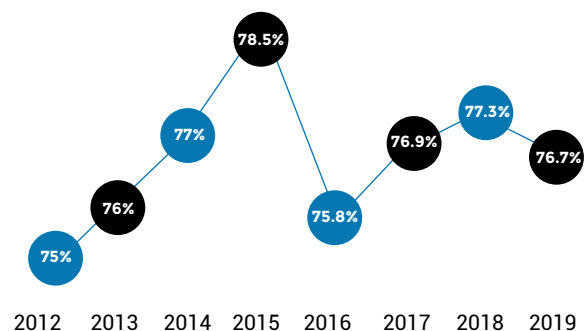
We are the **FIRST** major state-owned mining company to attain **CERTIFICATION AT ALL OUR WORK CENTERS UNDER CHILEAN STANDARD 3262:** gender equality and reconciliation of the work, family, and personal life balance.



ENVIRONMENT

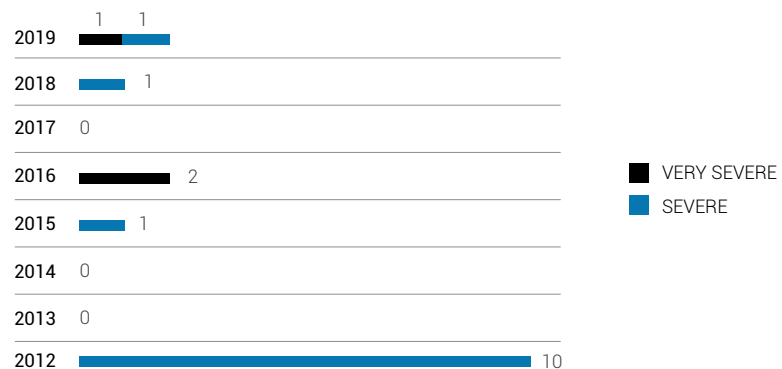
Water management is a key issue for Codelco, in light of the associated environmental and social impacts, so we set out to ensure sustainable management of current and future water resources. Since 2012 we have been rigorously measuring water recirculation in order to improve our management. For more information see the chapter Commitment to the Planet.

WATER RECIRCULATION PERCENTAGE



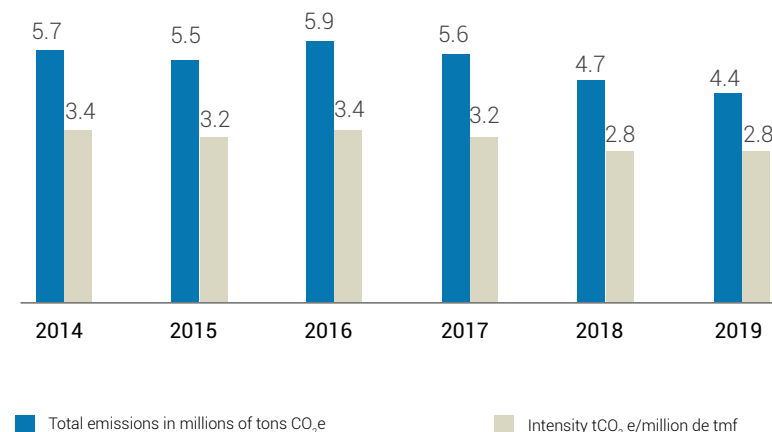
OPERATIONS INCIDENTS WITH ENVIRONMENTAL CONSEQUENCES (CLASSED AS SEVERE OR VERY SEVERE)

We strive to attain continuous improvement to prevent the occurrence of operational incidents with environmental consequences. Since 2012 we have achieved a significant reduction in the numbers of such incidents.



GHG EMISSIONS

Since 2014 we have been measuring our GHG emissions, which have shown a gradual decline, and remained stable over the past two years. We will continue to work towards an operation with lower environmental impacts.

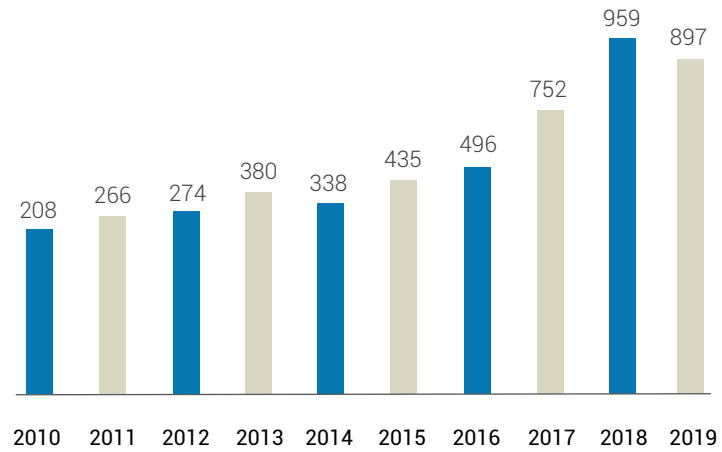




INVESTMENTS IN SUSTAINABILITY

Our investment in sustainability areas has been increasing for some years. These funds are spent on occupational health and safety, and environmental issues.

INVESTMENTS IN SUSTAINABILITY (MILLION US\$)



As part of our contribution to all Chilean people, we contributed US\$ 1 billion to the treasury in 2019.





OUR MINING PROCESS AND SUSTAINABILITY

PROSPECTION AND EXPLORATION



All prospection and exploration projects incorporate analysis of core factors in occupational health and safety as well as environmental and territorial factors, from the start of the planning phase.

As these activities involve direct contact with diverse communities, this aspect is incorporated throughout all project stages (planning, implementation, and closure).

PLANNING AND CONSTRUCTION



We operate in line with Corporate Standard NCC 24, which requires all Codelco's investment projects to evaluate their risks in terms of occupational health, safety, the environment, community, and territory, throughout all stages of the investment cycle. This involves review by experts in each field.

OPERATION



Our Integrated Management Model assesses the aspects of safety, environmental, community, economic, legal, and reputation issues. Each area is covered by a corporate structure that oversees the implementation of control mechanisms and corresponding action plans.

We comply strictly with all applicable regulations, making use of internal systems and tools, management standards for workplace safety and the environment, and a community management model.

CLOSURE



We strive to ensure that planning and implementation of closure protocols for the Corporation's mining sites fully cover health and safety, the environment, the territory, and the community.

All our divisions possess current closure plans, approved by the authority since 2015. We have also constituted guarantees to the Chilean State covering compliance with the closure commitments of our operations, for a total value of US\$ 1.06 billion across the corporation.





TRACEABLE COPPER

We formulated a traceability initiative with the objective of integrating, consolidating, and visualizing the relevant aspects for the different stakeholders across copper value chain in terms of responsible sourcing, identifying eight socio-environmental and governance aspects that give rise to 75 quantitative and qualitative indicators. These indicators were defined in harmony with the responsible consumption and production criterion of the UN Sustainable Development Goals, which sets out to integrate sustainability into the activities and work of mining, showcasing the impact of each item of raw materials and supplies in ESG variables, promoting efforts to ensure more efficient usage of these inputs and the reduction of any gaps detected.

In this way, we set ourselves the ambitious target of attaining traceability for the entirety of Codelco's production by 2020, a goal far higher than the 5% that we initially declared, although we retain every hope of achieving this lofty ideal as today we possess traceability indicators for the Gabriela Mistral, Ministro Hales, Radomiro Tomic, and Andina divisions, accounting for tracing of 49.5% of our production.



CODELCO
PRODUCTION 2019
49.5%
OF PRODUCTION TRACED





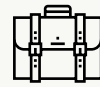
MATERIAL TOPICS 2019

(102-47)

This Sustainability Report covers our actions in 2019, in accordance with the following 15 material topics. See the annexes for more information on the methodology used in this document.



OCCUPATIONAL HEALTH AND SAFETY



EMPLOYMENT



LABOR RELATIONS



HUMAN RIGHTS



DIVERSITY AND INCLUSIVITY



ETHICS & INTEGRITY



EFFICIENT PRODUCTIVITY AND MANAGEMENT



STRATEGIC INNOVATION



COMMUNITY DEVELOPMENT AND INDIGENOUS PEOPLES



SOCIAL COMPLIANCE



CONTRIBUTION TO THE LOCAL ECONOMY



ENVIRONMENTAL IMPACT AND COMPLIANCE



WATER RESOURCES



CLIMATE CHANGE



MINING SITE CLOSURE



**HIGHLIGHTED CASE:****THE TRANSFORMATION PROCESS
AND SUSTAINABILITY**

In late-2019, under the leadership of our Executive Chairman Octavio Araneda, we launched what is considered to be the most significant organizational and operational transformation process seen at Codelco in recent years.

This transformation will allow us to become more competitive and to position ourselves as a Corporation in the second quartile of costs, assuring financing and development for our structural projects while also attaining a 20% saving in the portfolio of investments that we develop between 2019 and 2028. To achieve this, we seek to maintain Codelco's contribution to the country for a further 50 years, with increased surpluses (compared to 2018) by USD 1 billion per year starting in 2021, and USD 400 million in 2020.

One of the core objectives of this process is to become a world-class company in terms of sustainability, transparency and probity, innovation, and development of people, so we set out on a process of cultural change, transformation in the first person, for everyone working at the Corporation, focusing on shared objectives and purpose, and recognizing the contribution of every relevant behavior and goal as vital for attaining implementation of our business strategy.

In the field of sustainability, Codelco is apprised of its challenges, particularly care for the environment, which forms part of the change in organizational culture that we need to attain in core areas of our activities, like emissions, water resources, waste products, and tailings deposits. We will promote the usage of clean energy in future contracts, to attain a positive impact on business results. We will also continue our efforts to integrate our operations with the communities, to better understand their requirements, and meet them.

In this framework, in 2019 the basis was established for refocusing our Sustainability Master Plan and determining new medium and long-term goals, seeking improvements in impact reduction and generation of innovative initiatives that make real-world contributions to sustainability, to be brought about through a process of specification, planning, approval by the senior management, and deployment in 2020.





PRIORITY NUMBER ONE: OCCUPATIONAL HEALTH AND SAFETY

OUR GOAL

Occupational health and safety constitute one of the fundamental strands of our Corporate management. This is why we will generate plans to strengthen our health and safety management, as part of efforts to reach our goal of 0 fatalities.



Report presentation



A new outlook in Sustainability



Priority #1: occupational health & safety



Team Codelco



Efficient, competitive and ethical



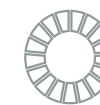
Committed to the planet



Culture of innovation



Communities and territories



Annexes



128

Severity Rate

Indices include both employees and contractor workers

0.7

Frequency Rate

100%

Of collaborators

are represented by a health and safety peer committee (CPHS)

MORE THAN 500,000

Observations made

to detect safe and risky behaviors

15

Technical boards on safety

3,884

Corrective action plans

JUNE 2019

We deeply regret the occurrence of an accident with fatal consequences at the División El Teniente Pilar Norte mine in June 2019.

OUR MANAGEMENT APPROACH

(103-1, 103-2, 103-3)

Respect for life and human dignity forms a core value at Codelco, so we are always seeking to keep our workers safe and protected as they perform their different workplace activities.

Protection for all of our workers, both employees and contractors, stands at the heart of our Workplace Health, Safety, and Operational Risks Policy. This is implemented through specific plans

and programs operating throughout all our work centers, like the SIGO Management System, which harmonizes occupational health and safety management across the Corporation.





OUR PERFORMANCE

OCCUPATIONAL HEALTH AND SAFETY

(403-1, 403-2, 403-5, 403-8)

At Codelco, we have a very important goal: 0 fatalities and 0 occupational illnesses. To that end, we maintain a Management System for Workplace Health and Safety and Operational Risks (SIGO). This system applies to all of our operations and all our workers, with evaluation of risks and hazards as well as investigation into all incidents that arise at our operations.

In 2019 we undertook two compliance validation processes for the commitments established in the SIGO Plan; verifications that were conducted in June-July and November-December at all our work centers and at three of the Corporation's structural projects: Chuquicamata Subterránea, Traspaso Andina, and Proyecto de Desarrollo El Teniente. The program has achieved overall compliance of 95%, thus supporting the preventive actions undertaken

by our Corporation. In 2020 we will launch the process to achieve international certification for our Management System.

The principal results of SIGO, based on health and safety guidelines, are summarized in the following preventive management indicators and activities:

LEADERSHIP

- Compliance level of 95% with the Safety Leadership Program for executives.
- Compliance level of 97% with the program for supervisors.

Key activities include the continuation of work area inspections, meetings of the Senior Council with contractor companies, and dialog held with workers on-site.

Additionally, monthly Corporate reflection meetings are held by the Executive Chairman, and since November they have taken the form of symposiums, with the participation of Codelco's vice-presidents, drawing together the concerns, suggestions, and ideas submitted by the staff.

BEHAVIOR OBSERVATIONS

- In order to identify risky behaviors, provide timely feedback, and implement corrective actions at the company's operations, performed by the workers themselves, who manage information using the Preventive Tools Management System (SGHP).
- We conducted over 500,000 observations, detecting more than 4 million behaviors, of which 98.8% fell within the "safe" category, and 1.2% were classed as "risky".

- This information is reported on a monthly basis by the Corporate Occupational Health and Safety Department, and sent to all work centers.

TECHNICAL BOARDS ON WORKING

- 15 technical boards, which operate in different areas of competency, gather knowledge at the different work centers, generate synergies, and standardize regulations in specific areas linked to their specialty, which apply across all divisions and the Projects Department.
- Two new technical boards have been formed, covering the key areas of conveyor belts and ergonomics.





- These boards operate under a program that is evaluated twice per year, by means of SIGO assessments.

TRAINING

- The Supervisors' Workshops Program, which started in 2018, emphasized investigation into incidents. Within this framework, we undertook two courses, one for each Operations Department (North and South-Central), providing training for 47 persons.
- We also structured a new Corporate Occupational Health and Safety Induction Course, including in-person preparation and training as well as new content in our Corporate e-learning platform.
- The Training Program for Workers with Low Work Experience attained 90% compliance, in accordance with the results of the SIGO 2019 Corporate evaluation process.

CORRECTIVE ACTIONS AND LESSONS LEARNED FROM INCIDENTS

- We recorded 102 high-potential incidents in the SGHP (by its spanish acronym) which were completely investigated.
- We generated 3,884 corrective action plans, which were registered in the Corporate learning system.
- We issued an instruction on "handling and learning from high-potential incidents".

USE OF THE GREEN CARD AND REPORTS ON OCCUPATIONAL HEALTH AND SAFETY

- Use of the Green Card mechanism has been consolidated as a valuable preventive tool that allows workers to decide not to start - or to stop - a specific task, whenever the control systems established in the procedures are not implemented.
- This year, we recorded almost 13,500 cases of Green Card usage.
- Occupational health and safety reports constitute a source of information and learning to focus control mechanisms relating to fatality control standards, workplace health standards, and critical risks.

- Across the Corporation as a whole, we registered a total of 14,183 reports, mainly associated with fatality control standards, level 1 (N-1) findings, and critical risks; 95% of these have since been closed.

HEALTH AND SAFETY PEER COMMITTEES

(403-4)

During this period, the certification process began for the committees at our divisions and Projects VP, relating to delegated administration (which is currently under implementation at the divisions), as well as other Corporate bodies, in accordance with Law No. 16,744 (the corresponding levels are certified).

100%

Of collaborators are represented by a Health and Safety Peer Committee (CPHS).



In 2019 we organized an annual meeting of Health and Safety Peer Committees (ECOPAR) in Calama, hosted by the Projects Department, which is in charge of Chuquicamata Subterránea. The event was attended by the Executive Chairman, who highlighted the role and the importance of participation in these committees for Codelco's transformation.



ACCIDENT RATES: THE LOWEST EVER

(403-9)

In 2019 we mourned the occurrence of an accident leading to a fatality, which took place in June at División El Teniente. Following this deeply regrettable event, Codelco has reaffirmed its commitment to eradication of fatalities and the promotion of a zero fatalities mindset, to protect the lives of all its workers.

Our total accident rate (for employees and contractor workers) stood at 0.70, while the total severity rate (for employees and contractor workers) attained an index of 128. These are the lowest rates recorded in our Corporation's history, and met the goals established for this period.

DATA ON WORKPLACE SAFETY, FOR EMPLOYEES AND CONTRACTOR WORKERS, BY YEAR

Year	Total of Accidents	Accidents with Time Lost	Accident Frequency Rate	Severity Rate	Days lost of Accidents (*)	Fatalities
EMPLOYEES						
2017	213	34	0.9	NA	3,558	2
2018	202	40	1.1	436	16,242	2
2019	180	36	1.08	325	11,081	1
CONTRACTOR PERSONNEL						
2017	647	84	0.8	NA	3,963	0
2018	623	82	0.7	179	19,522	2
2019	666	71	0.58	73	8,936	0

(*) Article 2 Part G of Supreme Decree 67 defines days lost to workplace accidents in the following way: Comprises days lost to accidents caused by or linked to work subject to subsidy payment, regardless of whether this was paid in the month in question, including carry-over. In view of this definition, for the 2019 period the totals include days lost to accidents that took place in previous years, in the form of days carried over.

FRECUENCIA DE INCIDENTES

INCIDENT FREQUENCY RATE	2017	2018	2019
Incident frequency rate	0.9	1.1	0.7
Incident Frequency Rate Reference Value (Mining Industry - Sonami)	1.2	1.1	1.1



HEALTH AND HYGIENE AT WORKPLACE

(403-3, 403-6, 403-10)

In the field of occupational health, we strengthened control over risk factors and agents affecting health, enhancing annual plans for implementation and maintenance of control mechanisms at emission or generation sites, definition of five-year plans for the 2020-2025 period to optimize reduction of exposure to silica, noise, and arsenic, for both employees and contractor personnel. In this context we completed Codelco Corporate Standard NCC -44 "Requirements for eradication of silicosis".

In the field of noise exposure, we updated previous studies in line with the occupational noise exposure protocol (Prexor) and performed an internal benchmarking study for existing noise sources and control systems, as a step towards launching an optimization process.

Meanwhile, we updated our internal oversight and control regulation for arsenic exposure, specifying control measures, including some

operational and health & safety mechanisms, as necessary to avoid internal exposure to this risk agent.

We enhanced our management of hazardous substances with two new audits, performed by an external body, for projects to attain adaptation to Supreme Decree 43 on "Storage of hazardous substances" and radiological protection at the divisions and the Projects Department. Here, we implemented two new modules in the existing

IT platform: one to control access to these substances, and another for self-management by contractor companies at all projects and work sites of our Corporation. Furthermore, we prepared a new version of the internal regulations for radiological protection, incorporating aspects relating to emergencies.





In the field of occupational health, we signed mutual agreements with employers and the Instituto de Seguridad Laboral (ISL) for a "homologation agreement" for compatible health, thus attaining uniformity in procedures and criteria for assessments of Codelco employees and contractor personnel.

Another key attainment during the period was the optimization of medical care for workers, including both employees and contractor personnel, at site medical facilities, through an agreement between the inter-mutual bodies.



All of our work centers feature primary care facilities, where employees and contractor workers can obtain referrals to the applicable health system.

In the field of ergonomics, we updated the status of regulatory compliance for work-related upper-body musculoskeletal disorders (TMERT by its spanish acronym) and usage of the load handling manual (MMC by its spanish acronym), with the objective of optimizing adherence to suitable planning for correcting shortfalls.

Meanwhile, the Occupational Illness Classification Commission, as defined by instructions issued by the Office of the Superintendent of Social Security, held monthly meetings with the Codelco delegated administration (SATEP), classifying all cases that were presented.





HEALTH AND SAFETY MANAGEMENT FOR CONTRACTORS AND SUBCONTRACTORS

(403-7)

We develop the management of contractor companies with the participation of professionals at applicable administrative bodies, as established under Law No. 16,744, which provide advisory services and control over specific activities linked to legal compliance and the obligations established under the Corporation's Special Regulations on Occupational Health and Safety (RESSO).

In accordance with the SIGO 2019 Activity Plan, we conduct monthly audits with quarterly consolidation to explore SSO performance at contractor companies and at our divisions and Projects Department.

Activities planned for the year include a workshop that was held in the first six months, with RESSO leaders at the different divisions

and the Projects Department for the North and South-Central Operations Departments, disseminating work directives for 2019.

In line with Codelco's transformation process, we have reviewed and updated the health and safety regulations, and launched a study to evaluate the impact of safety activities on productivity for contractor companies, with results to be delivered during 2020.

We also included preventive management as part of the biannual SIGO 2019 audit process, with overall compliance rating 95%.





HIGHLIGHTED CASE:
**A DECADE OF EFFORT,
BEST RESULTS 2019**

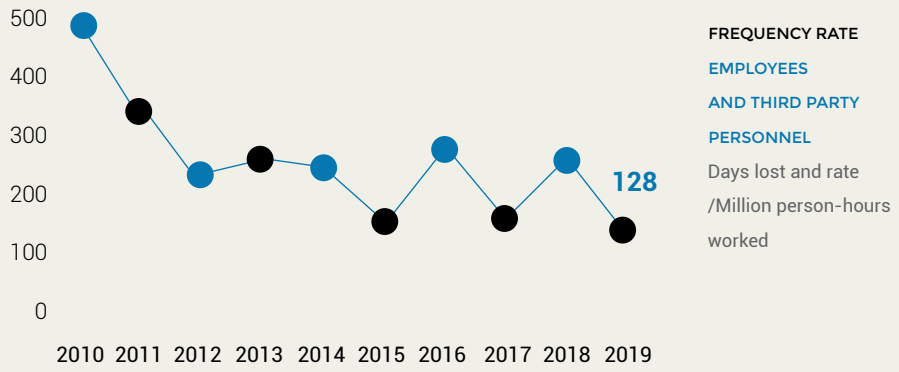
Within the framework of the transformation process that we began in 2019, it is vital to reaffirm our principal value: safety for all the workers who participate in our operations.

The core purposes of our Management System for Workplace Health and Safety and Operational Risks (SIGO) include the eradication of fatalities at our work sites, for both employees and contractor personnel. In order to attain this objective, all of our senior management, executives, supervisors, and workers have made a commitment to creating, maintaining, and continuously improving a safe and healthy working environment.

Principal results in 2019

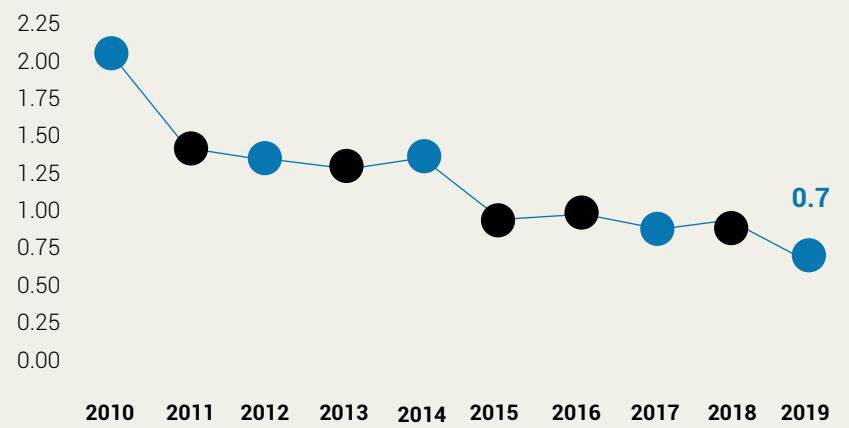
Severity Rate: the best of all time

Despite the occurrence of a deeply regrettable accident in 2019, our drive to work on reducing our accident rates remains strong. In 2019 we attained a reduction compared to the previous year, attaining a severity rate of 128, the lowest recorded in the Corporation's history.



Frequency Rate: Downward trend

In 2019 we maintained our downward trend in this parameter, attaining a frequency rate of 0.70, the lowest in the past decade.



FREQUENCY RATE Accidents with time lost /
EMPLOYEES AND THIRD PARTY PERSONNEL Millions of person-hours worked

Participative Corporate safety reflection

With the attendance of Codelco's Executive Chairman, vice-presidents, and general managers, since 2019 our Corporate Safety Reflection meetings have been held each month in a new format, comprising direct dialog between executives and workers, including both employees and workers at collaborator companies, in simultaneous events at each of the Corporation's divisions. All of the reflection meetings held in 2019 brought discussion of safety concerns and best practices, helping to strengthen this value with an effort involving everyone who works at Codelco.



TEAM CODELCO

OUR GOAL

One of our priorities is to develop people who contribute to our organization each day with their knowledge and experience. To achieve this, we promote learning and talent, we recognize diversity and inclusivity, and we work towards a cultural transformation amongst our workforce guided by innovation and operational excellence, with deep-rooted respect for human rights.



Report
presentation



A new outlook
in Sustainability



Priority #1:
occupational
health & safety



Team
Codelco



Efficient,
competitive
and ethical



Committed
to the planet



Culture of
innovation



Communities
and territories



Annexes



(401-1)



16,726
DIRECT
COLLABORATORS



10.2%
FEMALE PERSONNEL
ACROSS THE CORPORATION

1st major state-owned mining company to attain
CERTIFICATION AT ALL OUR WORK CENTERS UNDER CHILEAN STANDARD 3262:
**GENDER EQUALITY AND RECONCILIATION OF THE WORK,
FAMILY AND PERSONAL LIFE**

11.6%
ROTATION



99%
of workers are
members of different unions
(not including professionals)





OUR MANAGEMENT APPROACH

(103-1,103-2, 103-3)

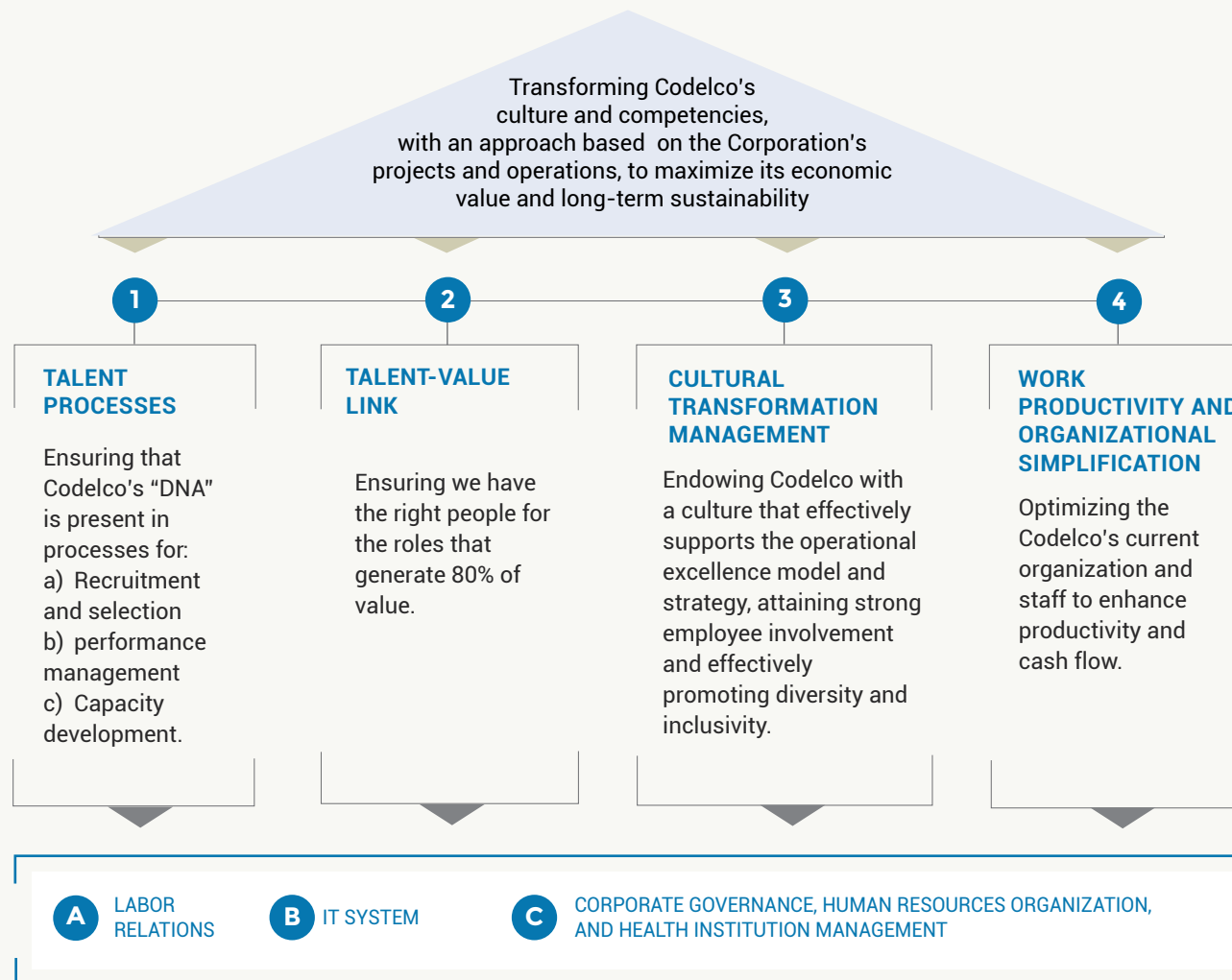
To transform Codelco's culture and competencies, with an approach based on the Corporation's projects and operations, and to maximize our company's economic value and long-term sustainability, in 2019 we launched our new Human Resources Strategy for 2019-2022, comprising 4 pillars and three core enablers.

We also possess policies and associated management systems that help us adhere to our Corporate identity and values:

- Codelco Business Code of Conduct
- Corporate Policy for Gender Diversity and Reconciliation of the Work, Family, and Personal Life
- Balance Succession System

CODELCO'S HUMAN RESOURCES STRATEGY

MAXIMIZING CODELCO'S ECONOMIC VALUE AND ITS CONTRIBUTION TO THE STATE IN THE LONG TERM, IN A COMPETITIVE AND SUSTAINABLE WAY, THROUGH COPPER MINING





OUR PERFORMANCE EMPLOYER OF EXCELLENCE

(102-8, 202-2, 401-1)

We have a highly trained team that in 2019 amounted to 16,726 persons, working across nine departments and divisions that include our headquarters, the Projects Department, and the General Auditing Department.

RECRUITMENT, SELECTION, AND MOBILITY

We are enhancing current productivity levels and preparing our workforce for the challenges of the coming Corporate transformation. To this end, we are focusing on selection and induction of the best technicians, professionals, executives, and operators, who possess the characteristics that we have specified to attain our objectives.

As a result, 781 people joined our Corporation. In line with our objectives and challenges as part of the new Human Resources Strategy, we formed our Integrated Recruitment and Selection Center, which meets the need to create a singular recruitment model with high standards, featuring new technologies and ensuring that talented workers are attracted within suitable time scales.

In 2019 this system was incorporated at 50% of our work centers: Headquarters, Salvador, Gabriela Mistral, Radomiro Tomic, and El Teniente. In 2020 we will consolidate the operation of our Integrated Recruitment and Selection Center, by scaling processes at Andina, the Projects

Department, Ventanas, Ministro Hales, and Chuquicamata.

These initiatives reflect our strong commitment to continuous improvement, ensuring that all our processes feature transparency, traceability, and equality of opportunities.

Selection of people to hold executive positions at Codelco is based solely on an analysis of their competencies and merits. 97.7% of these people are Chilean nationals (5 foreign nationals and 209 Chileans). Here, the term "local" refers to the principal site of operations in Chile.

REMUNERATIONS

(102-38, 202-1, 405-2)

The ratio between the average total annual compensation of the best-paid person at Codelco and the median compensation is 14.8, based on moving average annual payroll for October 2018 to September 2019.

When setting remunerations within Codelco, basic salaries depend on a worker's position, responsibilities, competencies, and experience, not their gender.

Meanwhile, in 2019 the ratio between the standard starting salary and the minimum wage in Chile stood at 146% for men and 148% for women.

AVERAGE STANDARD STARTING SALARY BY SEX AND DIFFERENCE TO THE LOCAL MINIMUM WAGE

	Women	Men
Minimum Starting Salary at Codelco	CLP 746,112	CLP 739,970
Minimum Wage in Chile, 2019	CLP 301,000	
Average Salary Ratio Versus Starting Salary	148%	146%



Additionally, the average salary ratio for female and male area directors and managers stands at 82.8% and 87.7%, respectively. That is:

- On average, female managers earn 82.8% of the income earned by their male peers.
- On average, female directors earn 87.7% of the income earned by their male peers.

BENEFITS FOR A TEAM OF EXCELLENCE

The benefits agreed in collective negotiations vary at each operation center in accordance with collective bargaining on the part of the corresponding unions, and are not related to type of work shift. It should be noted that, by law, workers on fixed contracts are provided with all mandatory benefits, such as monthly wages, meal allowances, statutory bonuses, and vacations.

Other benefits are also provided, depending on the agreement reached at each work center, including education bursaries for workers and their children, housing loans, departure social security contributions, and economic aid on death.

Codelco has arranged voluntary redundancy plans with a focus on social security solutions, based on the organization's personnel needs.

Meanwhile, retirement conditions are based mainly on health and pension benefits.

THE WORK, FAMILY, AND PERSONAL LIFE BALANCE

Codelco, equality of opportunities, diversity, gender equity, and the work, family, and personal life balance constitute essential principles in human resources management and labor practices. These principles also stand as a clear expression of the company's commitment to respect for fundamental human rights, and a way to help defend and promote these rights - all based on our firm belief that mixed teams provide a

contribution to achieving business goals, productivity, and sustainability for the organization.

As a Corporation, we have spearheaded initiatives that promote this balance, taking on equal responsibility for childcare and meeting the needs of persons who require special care.





CONTINUOUS IMPROVEMENT

This year we laid the groundwork for a new Training Model that facilitates transformation. Specifically, this new model places emphasis on providing strategic guidelines and enhancing productivity, both amongst our workers and for our organization. The first milestone in this initiative was reached by defining training as based on three core elements: diversity, values, and technology.





HIGH-POTENTIAL GRADUATES AND LEADERSHIP TRAITS

This program sets out to attract and develop early talent, and is oriented towards the challenges of productivity, sustainability, and innovation, in line with the future of mining. Its objective is to constitute a tool that empowers our ongoing transformation process, ensuring the recruitment of young professionals with high potential who have what it takes to provide leadership at Codelco.

During 2019, we worked on strategic coordination with the Operational Excellence and Innovation Area, to promote learning amongst professionals through on-site work experience and development of innovation projects that set out to add value at work centers. Furthermore, with the goal of empowering a more integrated perspective amongst professionals, we held our first "Diploma Course on Business, Innovation, and Leadership in Mining", a joint initiative with the Pontificia Universidad Católica de Chile, with the participation of the Corporation's executives.



TALENT FOR VALUE

In 2019 we launched a new initiative called "Talent for Value", which allowed the identification of the key positions and areas that add economic value at our work centers, ensuring that the people who hold these positions have the competencies, knowledge, and experience required for optimal performance. This initiative allows us to maintain a direct link to business activities, linking talent to the key value areas of our organization.



Our specific goals for this program are to identify the highest impact initiatives for business objectives, either by increasing production or by reducing costs.





NEW TOOLS FOR PERFORMANCE EVALUATION

In 2019, within the framework of Codelco's ongoing transformation, we continued to strengthen the component of "how" things are done at our company.

To that end, we developed and tested new performance evaluation tools and methodologies, such as 360° surveys and validation committees, which addressed key behaviors and competencies that we need for our organizational transformation.

These new forms of performance management were piloted for all executives at División Radomiro Tomic, División El Teniente, and the Human Resources Department. We then extended the application of

360° feedback to all vice-presidents and general managers at work sites.

This process hinged on the incorporation of the "New Codelco Seal of Leadership", which sets out to enhance key competencies like "developing people, teamwork, connecting with a common purpose, aspiring to more, and continuous improvement", while also responding to current and future business challenges. This seal was

built entirely by the Corporation's expended Executive Committee (Executive Chairman, Vice-Presidents, and General Managers), and lays the foundations for building a new culture that is modeled on the vision of the organization's key leadership figures.

We also conducted our standard assessment for our vice-presidents and managers.

This will be how performance is evaluated at our organization during 2020.





LABOR RELATIONS

UNIONIZATION AND COLLECTIVE NEGOTIATIONS

(102-41, MM4)

Our company has a high level of unionization amongst its workforce, and we respect the guarantees and facilities established under the Labor Code regarding union organizations and their leaders.

93% of the personnel
with indefinite contracts are union members.



In view of the transformation plan discussed above, in 2019 we harmonized our labor relations with the strategic pillars of Human Resources, which are based on:

- Promoting and emphasizing dialog and agreements that empower long-term sustainability and business transformation processes.
- Stimulating the personal and workplace development of workers, and our company's competitiveness, based on contribution to employability and quality of life for workers, creating stronger labor links.
- Deploying initiatives to strengthen the direct relationship with supervisors and workers, allowing enhancements in commitment to the strategy, and thus garnering value for the organization.
- Ensuring that labor relations teams generate collaborative development links to facilitate alignment with business priorities.
- Systematizing and incorporating management technologies in labor relations processes.

This year we held collective negotiations with eight unions, two of which were in advance, and the remaining six were on schedule.



The final agreements were reached following maximum possible effort, in line with the challenges that affect the work centers.

(402-1)

As established in Law No. 20,392 of 2009, two worker representatives at our Corporation, selected by the President of the Republic, form part of Codelco's Board. One acts in representation of the Federation of Copper Workers (FTC by its spanish acronym), and the other acts in representation of the National Copper Supervisors' Union Association (ANSCO by its spanish acronym) and the Federation of Copper Supervisors (FESUC by its spanish acronym), jointly.

Any modification to our organization or management agreed by the Board is therefore reported to the workers by a trusted primary source.

2019

In 2019 we experienced a strike at our División Chuquicamata, lasting for two weeks.





DIVERSITY AND INCLUSIVITY

We at Codelco hold a firm belief that valuing diversity, promoting openness to different ways of thinking, and creating inclusive environments are key elements for cultivating stimulating working environments that are well-disposed to meet the multiple challenges of 21st century mining.

According to data from the Ministry of Mining, at a national level the industry is the second lowest economic activity for participation amongst women. We at Codelco want to help reverse this situation, and are working to bring more women into decision-making positions.

We have been operating a Gender Diversity Policy since 2017, helping us to make headway in this area. The policy is built on 10 principles, covering the company's commitment to concepts that include: adhering to applicable laws and regulations; attaining equality of opportunities and equity, to create conditions that reduce the divides between men and women; promoting gender diversity throughout all human resources management processes; bolstering an inclusive and collaborative culture; helping to balance work, family, and personal life; overseeing maternity and paternity rights; preventing

workplace and sexual harassment, gender violence, and domestic violence; and institutionalizing gender management.

Codelco's Corporate commitment to respect and diversity is firmly rooted in the Corporation's Charter of Values. Codelco has also taken on a commitment to gender equality in the Mining Industry Decalogue for Incorporation of Women and Reconciliation, of the Ministry of Mining; in the Strategic Pact and adherence to the Gender Parity Initiative.

During the year we attained certification for 10 of our work centers under Chilean Standard NCH3262, on Gender Equality and the Personal, Family, and Work Life Balance, issued by Aenor and INN. Additionally, seven of our work centers received the *Iguala* seal issued by Sernameg.

The Women in Mining Chile (WIM) Award for Equity and Inclusivity that we received in 2019 further strengthens our commitment to diversity.

DIVERSITY ON OUR TEAM

(405-1)



(*) Not including persons reaching the age of 60.

During the period, the proportion of women in the Corporation's staff attained 10.2%, breaking two digits, which allowed us to meet the proposed goal of gender balance

for 2019. This figure is 2.1 percentage points above the industry average.

INSPIRA CODELCO

This year we launched Inspira Codelco, a male-female networking program that sets out to allow Codelco professionals and female engineering students at a number of Chilean universities to form links, meet each other, and build effective networks. This initiative sets out to make an impact in visualization and closeness of pathways to follow, setting the way to increase the number of women joining our company and the mining industry by motivating young women to take the lead in the future of mining.



HUMAN RIGHTS

FORMAL COMMITMENT

We at Codelco understand that the mining industry cycle has the potential to affect human rights, and that the risks and impacts inherent in our operations are now being referred to in these terms.

Our commitment to manage these risks includes minimizing impacts and helping to bolster the strengthening and empowerment of our workers, contractors, suppliers, and neighboring communities. We are committed to respecting the right, cultures, customs, and values of the people and organizations that work on our behalf, and those who are affected by our activities.

In accordance with the United Nations Guiding Principles, an organization's starting point for human rights needs to be a policy-level commitment to respecting human rights. This is a priority for Codelco, and during 2019 we worked to draw up a new Corporate Sustainability Policy that contains specific commitments for this area, which is set to go into implementation in 2020.

(412-3)

Additionally, the process for contracting services at Codelco includes an explicit requirement to adhere to national regulations, including protection for human rights, albeit with no specific clauses covering this topic.

(407-1)

We at Codelco adhere to Chilean labor law, as well as a number of International Labour Organization (ILO) conventions ratified by Chile, such as Convention 87 on Freedom of Association and Protection of the Right to Organize, and Convention 98 on the Right to Organize and Collective Bargaining. We possess a Business Code of Conduct based on international treaties, laws, standards, and regulations that the Corporation's workers are mandated to respect and adhere to.

HUMAN RIGHTS RISK MANAGEMENT

(408-1, 409-1)

Across the Corporation, we possess a process to identify, prevent, mitigate, and ameliorate potential impacts on human rights, as an ongoing process. These are associated with existing processes such as Environmental Impact Assessments or Investment Project Risk Assessments (NCC24).

The Codelco Business Code of Conduct further establishes that the Corporation's workers must adhere to both domestic and international legal regulations linked to prohibition against using forced or coercive labor, or exploitation of child labor, in line with the principles established in the United Nations Convention on the Rights of the Child and International Labour Organization (ILO) Convention 138, on the minimum working age.

All of our management actions are aligned with the provisions of the Corporate Human Resources Management Policy, which applies throughout the Corporation.





One of the priority elements relates to policy and/or procedure formation process emphasis on human rights issues, specified in the induction program; code of conduct, gender diversity, and work-family-personal life balance; harassment and violence; and fundamental rights. Training programs in this field include: Gender diversity, Human Relations, Fundamental Rights, Reconciliation, and Harassment, among others.

(410-1)

Each Division of Codelco operates an Industrial Protection Area, tasked with compliance with applicable regulations on its activities. In this context, all security personnel (internal and external) must meet accreditation standards and attend training course OS.10 for private security guards, run by the Police Force, which includes topics such as public security legislation, general Human Rights issues relating to the use of force, and orientation in areas such as the ethical

principles that allow intellectual skills and capacities to be strengthened, basic attitudes and procedures necessary for training, and specialization of private security guards, to be applied in the performance of their functions. In 2019, 100% of security personnel received this accreditation.

Regular ongoing training for our security personnel is fundamental for the Corporate Industrial Protection Department, so in 2020 Codelco plans to conduct a specific training process on Human Rights, to add to the technical knowledge and skills in which these persons have already received training. In December 2019 the Corporate Procedure for Apprehension and/or Detention was prepared and approved, built on mandatory consideration of Human Rights and in line with the international principles of the ICMM.

COMPLAINT MECHANISMS

We operate two principal mechanisms for internal and external stakeholders submit guidance on issues linked to human rights:

1. Internal complaint mechanism: process operated via the Ethicspoint portal, a complaint channel available on www.codelco.com. This tool allows both anonymous and non-anonymous reporting of events that may constitute breaches of legal regulations, policies, procedures, the Code of Conduct, or any other regulation applicable to the Corporation and its subsidiaries, workers, relations with contractors and/or third parties, assuring confidentiality.

2. Socio-Environmental Complaints and Suggestions System (SRSS): this is a mechanism that sets out to address concerns raised by

stakeholders in a fast and efficient way, by allowing complaints to be escalated and assuring strict response schedules, to build trust and avoid conflict.

As part of the action plan derived from the due diligence process, we are incorporating the various recommendations to each complaints mechanism, with the goal of ensuring factors that include: legitimacy, accessibility, predictability, equity, transparency, and compatibility with other rights.





HIGHLIGHTED CASE:

DIVERSITY AND INCLUSIVITYAN IMPORTANT PART OF OUR TRANSFORMATION
IN PERSONNEL DEVELOPMENT

One of the four pillars of Codelco's Human Resources Strategy established in 2019 is management of our transformation, setting out to ensure that Codelco's culture effectively supports the operational excellence model and strategy, attaining strong employee involvement and effectively promoting diversity and inclusivity.

"Increasing female participation is an essential element of the Corporation's ongoing cultural transformation process. We need to introduce different dynamics, different leadership modes, ways of understanding, of relating to each other, of agreeing and building a different Codelco, leveraged with a diversity of outlooks. We consider it vital to be able to carry on placing women in leadership positions, and thus helping to build a better Codelco for all of our workers, for their families, and for the country." **Marcelo Álvarez, Vice-President of Human Resources.**

"Today at Codelco, we face the major challenge of managing to implement our business strategy, and so linking talent to value is key. Based on this logic, diversity is a concept far broader than gender, and inducting new generations, from other countries, from other industries will allow us to attain business best practices, and in this area we will be able to empower our teams and carry on attracting and developing the talent that will allow us to take the company where we plan to go, in terms of business results and positioning in both the industry and the market." **Mary Carmen Llano, Strategic Human Capital Manager.**

RESULTS 2019

- First major state-owned mining company to have all its work centers certified under Chilean Standard 3262 on Gender Equality and the Work-Family-Personal Life Balance.
- The Ministry of Women and Gender Equality awarded us the *Iguala* Seal of Reconciliation for seven of our divisions, where training programs are implemented that focus on empowering female leadership.
- During the period, the proportion of women in the Corporation's staff attained 10.2%, 2.1% over the industry average, which allowed us to meet the proposed gender balance goal for 2019
- Codelco received the 2019 Equity and Inclusivity Award from Women in Mining Chile (WIM), an organization that promotes and supports the development of women in the mining industry.
- In 2019 we launched Inspira Codelco, a male-female networking program that sets out to allow Codelco professionals and female engineering students at a number of universities to form links, meet each other, and build effective networks, as part of our efforts to increase the number of women at our company and in the industry as a whole, making them leading figures in the future of mining.

Within this framework, we at Codelco are continuing along a consistent road map to strengthen inclusion of women at the company and their career development, guaranteeing positive, specific, and immediate actions to advance in gender equality and inclusivity.



EFFICIENT, COMPETITIVE AND ETHICAL

OUR GOAL

Codelco is currently undergoing a deep process of transformation that will carry the Corporation into a long-term productive and sustainable future.



Report presentation



A new outlook in Sustainability



Priority #1: occupational health & safety



Team Codelco



Efficient, competitive and ethical



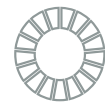
Committed to the planet



Culture of innovation



Communities and territories



Annexes



EFFICIENT, COMPETITIVE AND ETHICAL

Our transformation plan drives us to achieve the highest possible performance on a sustained basis, through operational excellence and proper maintenance.

In order to achieve this, our business strategy seeks to improve productivity, lower costs and additional profits to sustain the significant investment portfolio contemplated for the forthcoming years, while incorporating sustainability throughout all our activities.

Likewise, we are consistently seeking out more robust mechanisms to eradicate corruption, prevent conflicts of interest, ensure due accountability, raise our standards and guarantee proper actions.

Our corporate governance is key in the transformation process that we are undertaking and aims to lead our business towards being even more efficient, innovative and profitable.



US\$ 1,340
IN EARNINGS

BUSINESS WITH
2,813 SUPPLIERS
DURING 2019



9
DIRECTORS*

596
COMPLAINTS
THROUGH THE ETHICS HOTLINE IN 2019

* On October 28, 2019 it was reported that Ignacio Briones resigned from his position as director of the Corporación Nacional del Cobre de Chile. In accordance with the provisions set forth in Decree Law No. 1,350, the President of the Republic must appointment the new board of directors member, which will materialize after December 31st.





OUR MANAGEMENT APPROACH

(103-1, 103-2, 103-3, 102-16)

Codelco's new strategic business plan, presented during 2019, establishes clear guidelines to improve productivity, lower costs and increase its profits that will support the finances that the significant investment portfolio contemplated for the years to come.

We are convinced that our business must be developed under the principles of ethics and integrity which, in addition to sustainability, are key drivers of the transformation process that our company is undergoing.

Over the last five years, we have implemented a portfolio of initiatives to strengthen compliance practices and reinforce business rules. Today, more than ever, we are faced with the challenges of this transformation. We believe that our efforts should be redoubled to help install a culture of integrity, which is an essential element for an organization that seeks to maximize efficiency and productivity.

Our Charter Code of Values governs the company's performance and workers' actions. These values are:



RESPECT FOR HUMAN LIFE AND DIGNITY



RESPONSIBILITY AND COMMITMENT



PERSONAL SKILLS



TEAMWORK



EXCELLENCE IN EXECUTION



INNOVATION



SUSTAINABLE DEVELOPMENT





OUR PERFORMANCE

EFFICIENT MANAGEMENT AND PRODUCTIVITY

We understand the challenges that 2020 will bring. This is why our rigorous strategic plan seeks to strengthen Codelco's management in the face of current global economic trends involving the trade disputes between China and the United States, which influences the copper price volatility.

The aforementioned trade issues, in addition to several operational, labor and climate-related factors, contributed to a drop in our annual production.

CHALLENGES INVOLVED IN CODELCO'S EXTENSIVE TRANSFORMATION

In December 2019, we launched the most important operational and organizational transformation campaign in recent years.

What are the objectives of this transformation?

- Position Codelco in the second quartile of costs; that is, place ourselves in the group of 50% of all companies with the lowest costs, thereby ensuring the financing and development of our projects, to be competitive and maintain Codelco's contribution to Chile for another 50 years.
- Improve our profits by US\$ 1 billion per year starting in 2021 and by US\$ 400 million in 2020 (considering 2018 as the base year).
- Maintain and reinforce austerity. Save 20% on the total investments to be developed between 2019 and 2028, which will signify an approximate savings of US\$ 8 billion.
- Become a company that sets a world standard in sustainability, transparency, integrity, innovation and people's development.





KEY FIGURES

PRE-TAX PROFIT

US \$ 1,340 MILLION

EBIDTA

US \$ 4,033 MILLION

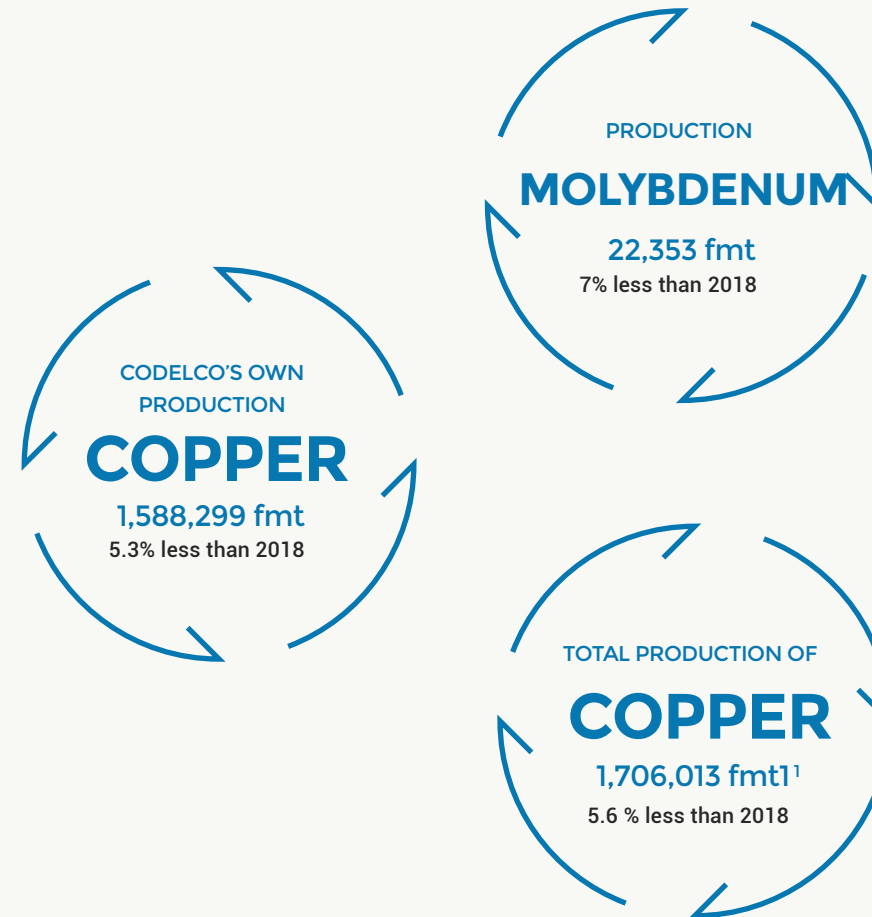
COMPARABLE PROFIT

US \$ 825 MILLION**1,706,013**FINE METRIC TONS OF COPPER
(INCLUDES OUR STAKE IN MINERA EL ABRA AND
ANGLO AMERICAN SUR)²

CONTRIBUTION TO THE TREASURY

\$1 BILLION

HOW WAS OUR PRODUCTION IN 2019?



Note 1: fmt: fine metric tons of copper.

Note 2: Total Copper Production includes Minera El Abra (of which Codelco has 49% ownership)
and Anglo American Sur SA (of which Codelco has 20% ownership).

The drop in the in-house copper production is explained by different factors, the most important being the climatic events that occurred in February in the north of the country, labor strikes within Chuquicamata trade unions in May and operational and maintenance issues at the Chuquicamata and Andina concentrators.

**2019**

Codelco's copper production in 2019 represented 29% of the total copper production in Chile. Including contributions from El Abra and Anglo American operations.



US\$ 1,000

MILLION TO THE TREASURY

CONTRIBUTION TO THE TREASURY

Codelco contributed US\$ 1 billion to the national treasury during 2019, with the following comparative detail:

CONTRIBUTIONS TO THE STATE OF CHILE, IN MILLION US \$

	2019
Taxes	71
Law No. 13,196	918
Dividends	0
National affiliates tax	11
Total	1,000



CODELCO ANNUAL REPORT

(102-45)

For more information on our financial statements, please consult our Annual Report available at www.codelco.com. Our Financial Statements include all Codelco divisions as well as those of affiliates and associated companies. Likewise, our tax report can be reviewed on page 173 of the Statement document.



IMPROVING OUR PERFORMANCE INDICATORS

During 2019 we defined one single way to measure labor productivity across all company processes. This has allowed us to compare the results of our individual divisions and seek synergies and good practices between them. If in 2019 we develop, define and approve the formulas that we will use in Codelco for this purpose, in 2020 we will be able to disclose these figures so that people may propose changes that allow them to improve their own daily indicators and, in this way, be able to make additional profits that as a Corporation we deliver to our owner - the Chilean State.



STRUCTURAL PROJECTS

At Codelco, we are executing structural projects to extend the life of our ore deposits for a further 50 years. We are also raising our standards, increasing our productivity and maintaining the current levels at 1.7 million tons of fine copper per year.

Chuquicamata Subterránea was the first of these projects to be inaugurated in August 2019, making it the second largest underground mine in Chile, technologically advanced and prepared for 21st century environmental and safety demands which will help extend the life of this division for 4 more decades.

Along with Chuquicamata Subterránea, Codelco is also building Traspaso Andina and the El Teniente development project.

In addition to these are three other projects that are undergoing different evaluation or engineering stages: Rajo Inca, Desarrollo Futuro Andina y RT Sulfuros Fase ii.





GENERATED AND DISTRIBUTED ECONOMIC VALUE

(201-1)



**US \$ 16.8
BILLION**

GENERATED ECONOMIC VALUE

**US \$ 16.9
BILLION**

DISTRIBUTED ECONOMIC VALUE

The retained economic value corresponds to US \$ 108 million

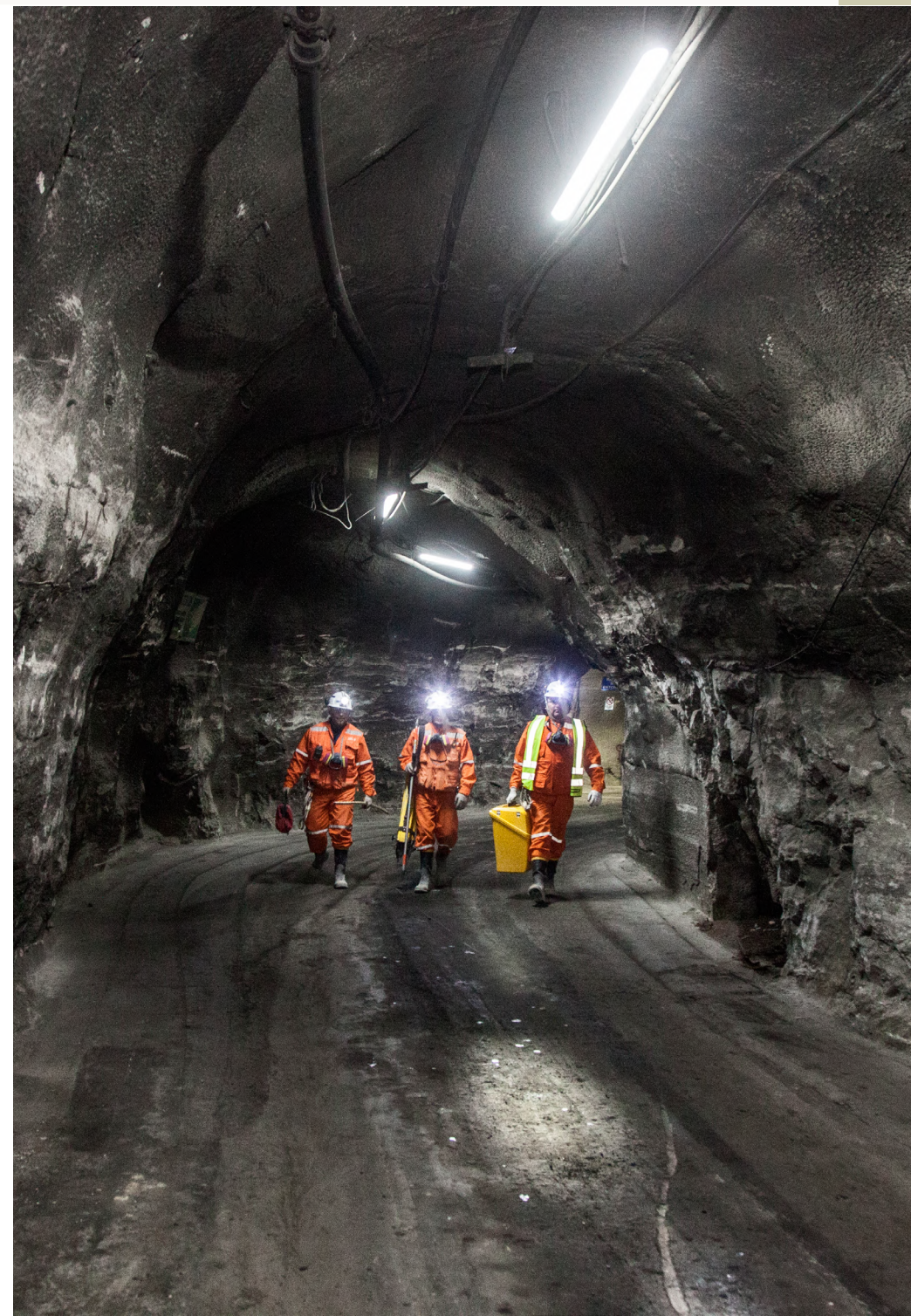
Our distributed economic value consists of operating costs that include wages and the procurement of goods, among others; this, in addition to interest payments and payments to the treasury.

FINANCIAL ASSISTANCE

(201-4)

By law, as a state company, Codelco may receive financial contributions from the Chilean government for the performance of its activities. In February 2019, the state provided Codelco with US \$ 400 million for a capital injection of US \$ 1 billion, approved in 2018.

With this state support, the 2014 Capitalization Act conclude, which reinforced Codelco with a total of US \$ 2.8 billion. This considerable state support has allowed helped Codelco maintain control over its debt during these years, despite the high level of investments made.





OUR SUPPLIERS

(102-9, 102-10, 203-2, 204-1)

We maintained

3,723 BUSINESS DEALINGS IN 2019

We conducted new negotiations with 2,813 suppliers during 2019

> **92.7%** Chilean nationals

7.3% Foreigners

658 LOCAL SUPPLIERS

from each region including micro entrepreneurs or SMEs.

Total supplier spending amounted to

US \$ 5,750 MILLION*

New businesses with national suppliers reached 98.5% of the total amount of new businesses

\$ 185.6 BILLION

spent on local suppliers

* Note: This figure includes long-term contracts for both energy and fuel supply.

Given the importance of having large volumes of supplies, goods and services, it is essential to maintain relationships of trust with our suppliers who facilitate the tasks within our production centers, projects and investments. Therefore, procure our supplies, goods and services (and evaluate our suppliers) in accordance with the principles of equity, transparency and competitiveness defined by our Corporate policy and current regulations.

Suppliers that are selected should be technically, legally and financially capable of supplying Codelco with all required goods and services in accordance with Corporate policies. In this regard, it should be highlighted that during 2019, Codelco continued the strengthening of the Corporate procurement processes through consistent criteria and enhancing compliance, and business risk management.

We consolidated several contractor background declaration forms into one single format, incorporating the option to declare the existence of any factor that could influence, diminish business impartiality (or give the appearance thereof) such as the existence of private dealings with a Corporate executive. We also specify the implementation of a new Corporate system for recording and evaluating supplier performance, which provides us with data and updated indicators of a supplier's market capabilities. Likewise, we have

advanced in the segmentation of our suppliers, according to a methodology that considers several aspects.

Also, during this period, Codelco registered a record number of open tenders (91%), while maintaining low levels of direct awards (1.6%). This has fostered competitiveness at unprecedented levels in Codelco.

Moreover, we commenced the implementation of the digital payment statements on the online Platform SAP SUS. This permits suppliers to directly upload their payment statements to the system and seeks to provide a more modern, efficient, traceable and auditable payment process.

Finally, it is worth mentioning that during this period there were no significant changes to our supply chain.



CONTRACTOR AND SUBCONTRACTOR COMPANIES

2019 Contractor Staffing	2019
Operation and services workers	19,946
Investment workers*	32,672
Total staff	52,618

*Includes VP

During 2019, there were no significant changes in the organization's size, structure, ownership, or supply chain.

(407-1)

The protection of the basic rights of internal and third-party workers at our facilities is not only a legal duty, but also one of Codelco's guiding principles enshrined in our Charter of Values: We assume with conviction that the life of each person, regardless of area / position, has the utmost value. We provide adequate and safe working conditions; placing self-care first and protecting the safety of everyone who works with us.

In addition to this, in compliance with labor and industry best practices, our compliance policy strictly protects freedom of association, unions, collective bargaining, and other labor rights of our collaborating companies.





CORPORATE GOVERNANCE

To carry out our business strategy, it has become increasingly important to have a corporate governance and administration committed to strategic business planning and to raise our standards of integrity, management control and transparency to ensure the sustainability of Codelco.



This is the only way we be able to meet the challenges of maintaining our contributions to the development of Chile, while projecting ourselves into the future.





(102-18, 102-19, 102-20, 102-23, 102-24, 102-31, 405-1)

BOARD OF DIRECTORS

To December 31, 2019



Juan Benavides Feliú

Chairman of the Board

Business Administration
Pontificia Universidad Católica de Chile
RUT: 5.633.221-9

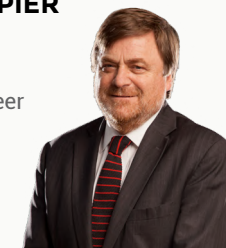
GHASSAN DAYOUB PSELI
Director

Civil-Industrial Engineer
Universidad de Chile
RUT: 14.695.762-5



HERNÁN DE SOLMINIHAC TAMPIER
Director

Civil Construction Engineer
Pontificia Universidad Católica de Chile
RUT: 6.263.304-2



RAIMUNDO ESPINOZA CONCHA
Director

Electrical Technician.
Mine Engineering Studies
Universidad Técnica de Antofagasta
RUT 6.512.182-4



JUAN ENRIQUE MORALES JARAMILLO
Director

Civil Mining Engineer
Universidad de Chile
RUT: 5.078.923-3



ISIDORO PALMA PENCO
Director

Business Administration
Pontificia Universidad Católica de Chile
RUT: 4.754.025-9



PAUL SCHIODTZ OBILINOVICH
Director

Civil-Mechanical Engineer
Universidad de Santiago
RUT: 7.170.719-9



BLAS TOMIC ERRÁZURIZ
Director

Civil-Industrial Engineer
Universidad de Chile
RUT: 5.390.891-8





We are a Chilean state-owned company controlled by a Board of Directors consisting of nine regular members with terms lasting four years, which are renewed periodically. All board members are appointed by the President of the Republic, according to the following arrangement:

- Three directors appointed by the President of the Republic.
- Two representatives of the company's workers, selected by the President of Chile: one selected from a shortlist submitted by the Federation of Copper Workers and another jointly selected from other shortlist submitted by the Federation of Copper Supervisors and the National Association of Copper Supervisors ("ANSCO").
- Four directors are selected by the President of Chile from a shortlist proposed for each seat drawn up by the Civil Service Board, with the approval of four-fifths of its members, renewed in pairs.

The President of the Republic appoints, from the nine directors, the Chairman of the Board of Directors.

Pursuant to Chilean Law No. 20,392 from 2009, none of the nine board members may hold executive positions at the corporation while on the Board.

Among the main duties of our Board of Directors is to designate the CEO who is responsible for executing the Board's agreements and supervising all the productive, administrative and financial activities of Codelco. Moreover, the CEO holds the powers delegated by the Board and remains in the position for as long as he or she maintains the confidence of this collegiate body. In turn, the CEO appoints the vice presidents and general managers of the Codelco "divisions", who are in direct charge of the management and operation of their respective work centers.

(405-1)

Up to December 31, 2019, the Board of Directors consisted of 8 members, all male. Senior management consisted of 21 people in total, of which one was female.



Codelco is owned by the Chilean State and is administered by a board of directors consisting of nine regular members, who hold four year terms that are periodically renewable.



SENIOR MANAGEMENT

To December 2019



**Octavio
Araneda Osés**

CEO

Civil-mining Engineer
RUT: 8.088.228-9

**MARÍA FRANCISCA
DOMÍNGUEZ MEZA**

Acting Chief Legal
Counsel Lawyer
RUT: 10.728.455-9



**MAURICIO
BARRAZA GALLARDO**

Vice President of South
Central Operations
Civil-mining Engineer
RUT: 9.467.943-5



**ALEJANDRO
RIVERA STAMBUK**

Vice President of
Administration &
Finance
Industrial Engineer
RUT: 7.332.747-4



**GERHARD
VON BORRIES HARMS**

Vice President of Projects
Civil-mining Engineer
RUT: 6.372.610-9



**MARCELO
ÁLVAREZ JARA**

Vice President
of Human Resources
Business
Administration
RUT 13.026.507-3



**ANTONIO
BONANI RIZZOLLI**

Vice President of Mining
Resources Management
and Development
Civil-mining Engineer
RUT: 10.535.613-7



**ROBERTO
ECCLEFIELD ESCOBAR**

Vice President of
Marketing Civil
Industrial Engineer
RUT: 10.643.229-5



**JOSÉ
ROBLES BECERRA**

Vice President of
Productivity & Costs
Civil-mechanical
Engineer
RUT: 8.088.122-3



**RENATO
FERNÁNDEZ BAEZA**

Vice President of
Corporate Affairs &
Sustainability
Journalist
RUT: 10.871.675-4





SENIOR MANAGEMENT

To December 2019

ÁLVARO GARCÍA GONZÁLEZ

Vice President of Technology
and Automation in Business
Processes
Civil-industrial Engineer
RUT: 10.216.192-0



LINDOR QUIROGA BUGUEÑO

General Manager
División Radomiro Tomic
Civil-mining Engineer
RUT: 9.182.846-4



NICOLÁS RIVERA RODRÍGUEZ

General Manager
División Chuquicamata
Civil Industrial Engineer
and Civil Mining Engineer
RUT: 14.119.793-2



RODRIGO BARRERA PÁEZ

General Manager
División Ministro Hales
Civil Mining Engineer
RUT: 13.327.336-0



SERGIO HERBAGE LUNDIN

General Manager
División Gabriela Mistral
Civil Mining Engineer
RUT 13.461.800-0



CHRISTIAN TOUTIN NAVARRO

General Manager
División Salvador
Civil Mining Engineer
RUT: 10.044.337-6



JAIME RIVERA MACHADO

General Manager
División Andina
Civil Industrial Engineer
and Civil Mining Engineer
RUT 14.134.931-7



JOSÉ SANHUEZA REYES

General Manager
División Ventanas
Civil Metallurgical Engineer
RUT: 6.525.034-9



ANDRÉS MUSIC GARRIDO

General Manager
División El Teniente
Civil Mining Engineer
RUT: 14.119.532-8



CÉSAR CORREA PARKER

Chief Internal Auditor
Business Administration
RUT: 7.417.045-5



ÁLVARO ALIAGA JOBET

Vice President of
North Operations
Civil-mining Engineer
RUT: 8.366.217-4





BOARD COMMITTEES

(102-22, 102-33)

This Board has decided to divide specialized tasks taking advantage of the specific expertise of its members, in order to address key issues in greater depth and in a more executive fashion, supporting the work of the Board as whole, as the governing entity of the company.

The structure and functions of the committees are not regulated by law, except in the case of the

Auditing, Compensation and Ethics Committee, formed by four representatives from the Public Senior Management Council.

Moreover, the Board has considered the formation of four other permanent committees and its **Corporate Governance Code** establishes the structure and roles of each:

The most relevant concerns for the Board of Directors, in matters of ESG risks, alerts on structural projects, financial management, among others, are channeled through the Executive President, in all Board sessions. Furthermore, the Senior Management raises concerns and suggested strategical approaches to critical issues, depending on the specific jurisdiction and importance.

Said commission shall formulate the mentioned proposal considering the remunerations that are in force in the public and private sectors for similar positions. It may also include within the proposed remunerations components associated with attendance at meetings, participation in committees and compliance with annual goals pertaining to profitability, economic value and the company's performance agreements.

For further information on the formation of each committee, see annexes (GRI 102-22).

BOARD SUPPORT

Average director attendance at ordinary sessions during 2019 was 100%.

For further information on the participation of Codelco directors on other boards, see attached Annexes.

BOARD REMUNERATIONS

(102-35, 102-36, 102-37)

Directors will be entitled to a remuneration established by the Ministry of Finance. To determine said remunerations, the minister may consider the proposal of a designated special commission. Said commission must be made up of three people who have held the position of Minister of Finance, Budget Director or CEO of the company.

Information on salaries for both the Board and the CEO can be found on our website www.codelco.com and within Codelco's Annual Report in the Consolidated Financial Statements section.

The criteria for determining senior management and executive salaries is established by the Board as budgeted by the Auditing, Compensation and Ethics committee. Both processes for defining salaries and incentives depend on the participation of external and internal stakeholders.

 <p>Auditing, Compensation And Ethics Committee ("CACE", by its spanish acronym)</p>	 <p>Projects and Investment Financing Committee</p>	 <p>Management Committee</p>
 <p>Sustainability Committee</p>	 <p>Science, Technology and Innovation Committee</p>	



CORPORATE GOVERNANCE AND SUSTAINABILITY

(102-20, 102-26, 102-32, 102-33)

The Board defines and approves the guidelines on the purpose, strategies and objectives related to economic, environmental and social impacts. Through the sustainability committee, the Board periodically evaluates Codelco's sustainability performance, providing guidelines and monitoring the management on these matters. In addition, the Board approves the contents of the sustainability report and determines the development of specific related studies and / or audits within this scope.

Based on these guidelines, the senior management prepares a proposal that is brought to the attention of the committees for subsequent analysis, discussion, revision and / or recommendation of approval to the Board.

The **Sustainability Committee**, whose primary role is to serve as an advisory entity to support the Board of Directors on aspects related to sustainability policy, shall advise the highest governing body on:

- Decide on Codelco's sustainability policies and goals.
- Monitor effectiveness of the corporate policies and of the management systems related to health, safety, environment and community (HSEC), while periodically evaluating, through quantitative and qualitative indicators, Codelco's performance on these topics.
- Acknowledge and monitor compliance with the legal and regulatory provisions on sustainability to which the company is subject to.
- The Sustainability Committee, representing Codelco Board of Directors, will meet with the relevant respective and analyze the corresponding results on diversity and inclusion policy and their dissemination; any detected organizational, social or cultural barriers that inhibit natural diversity within the organization; utility and acceptance of sustainability reports disseminated to relevant stakeholders. All of the foregoing will be reported accordingly in the ordinary meeting of the corresponding board.
- Review and recommend to the Board the approval of the summary of the annual sustainability report for publication.
- Provide guidelines on the impact of the corporation's activity on the community.





In 2019, Codelco's Board of Directors has fostered a management approach inspired by international standards of good Corporate governance, installing broader and more demanding internal regulations regarding Corporate transparency, conflict of interest management, influence peddling and business authorizations, among others.

Along with the Board and the Sustainability Committee, Codelco has other positions directly responsible in economic, environmental, social and accountability issues, which can be reviewed in attached Annexes (GRI 102-20).

Moreover, the Board prepares Codelco's annual budget, which is then approved through a Supreme Decree issued jointly by the ministries of Mining and Finance and then transfer the profits to the Chilean Treasury.

SENIOR MANAGEMENT AND BOARD DIVERSITY

(405-1)

During 2019, our Board of Directors consisted of nine members until October, when Ignacio Briones was appointed Minister of Finance. All members are Chilean. Codelco's senior management was made up of 147 people, 11 of them women and 2 foreign nationals.

A PREPARED BOARD

(102-27)

The Board has a procedure for updating the knowledge of its members on various topics, including ESG issues. In practice, knowledge training occurs through requests from the Board in response to the needs of a contingency.

During 2019, a session was convened to update Law No. 20,393 and to reflect on the

impacts of the crime prevention model in force at Codelco, regulatory tendencies in sustainability and in the national and international markets and climate change. A risk management workshop was also held and attended by Board of Directors.

PERFORMANCE ASSESSMENT

(102-28)

Our Code of Corporate Governance defines the existence of a procedure to evaluate and continuously improve the Board, in all its aspects. This process is conducted on an annual basis and may be executed by a third party. Such a procedure may also be executed as a self-assessment.

During 2019, the Board of Directors chose not to carry out the assessment process and worked on the implementation of the results of the 2018 process.

This involved working on a documented process to follow up on requests and agreements from the Board and its committees.

CONTRIBUTIONS TO THIRD PARTIES

(415-1)

Codelco has precise rules that determine the content of budgets and the destination of profits. Under the Reserved and Exempt Decree of Chile's Ministry of Finance, Codelco did not make donations or financial or in-kind contributions to any public or private, national or foreign institution.

Codelco is inscribed in Securities Register No. 785 of the Commission for the Financial Market and is subject to Securities Market Law. Therefore, Codelco is obliged to disclose the same information as openly-held corporations to said commission and the general public.





RISK MANAGEMENT

(102-29, 102-30)

At Codelco, we seek to manage and mitigate business uncertainty, strengthening the management for all risks to which we are exposed. Therefore, we define the roles, responsibilities and a unique methodology to identify and manage events that may impact the achievement of our goals.

A NEW POLICY

In December 2019, we published a new Corporate policy for comprehensive risk management, a necessary tool to reasonably ensure the continuity and sustainability of our business, spearheaded by the Board's Auditing, Compensation and Ethics Committee ("CACE by its spanish acronym"). This policy seeks to incorporate risk management and control into our corporate culture and identity, which will help us conduct our work proactively and preventively, with the aim of continuous improvement of our operations.

The implementation of this policy will help us to ensure compliance with Corporate ESG standards, occupational safety and health,

legal requirements and added value to the Chilean state. In addition, through an ongoing search for best practices, we are required to foresee those factors may affect the viability of our business and objectives.

2020

Another change that demonstrates the importance of risk management at Codelco is that, since February 2020, the Corporate Risk and Control department will report directly to the Executive Presidency.

A COMMON MANAGEMENT MODEL

Since 2017, we have managed risks with a corporate model approved by the Board. This model integrates and consolidates specialized risk management systems for safety, occupational health and the environment; safeguarding, in addition, reportability on these matters to the Board.

To operate this model, governance starts with the Board through the Auditing, Compensation and Ethics Committee. This committee reviews all primary risks on a quarterly basis. In addition, the model has a standardized metric that reviews impact scopes, assessment levels and a standard management process.

This model is part of the transformation of our Corporation and has a sense of urgency for which, both general managers and vice presidents must incorporate and encourage its use in each process. This permits the decision-making process to be marked by the analysis of exposure to respective risks.





LINES OF DEFENCE

The model establishes three lines of defense against several risks that Codelco faces and includes roles and responsibilities:

1. FIRST LINE

Includes areas responsible for each process. Risk management is the responsibility of each and every area of the company and all workers. Everyone must understand that they have a responsibility in this matter, inherent to the position being occupied.

2. SECOND LINE

Involves the Corporate Risk and Control department and its divisional directors, who administer and manage the comprehensive risk management and control model. Specialist areas on specific matters such as occupational health, safety and environment, community, water management, tailings, among others, are also part of this line of defense. Also includes areas that exercise an advisory role to the first line of defense.

Those within these areas must:

- Deliver guidelines and instructions to the front line to ensure the application of proper risk management.
- Ensure the administration of the model as a whole, through the review of evidence / support, with the aim of detecting possible deterioration of controls.
- Follow up on action plans and variations in risk exposure levels.
- Monitor and prepare periodic and consolidated reports to the Board and to senior management on critical risks, at the level of each workplace, ensuring the delivery of risk management information to the vice presidencies and general managers.
- Coordinate and develop monitoring tasks among those in charge of risk management on the second line of defense. The aim is to generate spaces for discussion and decision-making in relation to the model at the conceptual (design) and operational (execution) levels.

3. THIRD LINE

Represented by Internal Auditing that directly reports to the Board Committee, and other external audits. Its role is to objectively verify the applicability of the model and compliance with the operational effectiveness of its controls, standards and procedures.



RISK MONITORING

(102-15, 102-34)

STAGES OF THE RISK MANAGEMENT PROCESS



As of December 2019, Codelco has a portfolio consisting of 289 critical risks, which implies an increase of 46 compared to 2018. Additionally, we recorded a decrease in residual risks with a high exposure level from 61 to 54.

Given that Codelco is a productive company, a large part of our risks are within the **operational risk group**, which includes the following categories:

- Goods, supplies and critical services
- Human capital
- Commercial
- Electrical power
- Water resources
- Natural events
- Geomechanics
- Asset management
- Environment and communities
- Short term mine plan
- Operational sustainability
- Occupational health and safety,
- Tailings systems
- Technological

In addition to operational risks, we also monitor **strategic risks, financial risks and compliance risks**. These risks are analyzed and evaluated under six impact areas defined by the Administration and the Board as critical: economic, occupational health and safety, environment, community, reputation and legal.

More than 1,900 controls have been implemented to mitigate the probability of occurrence and respective impact, and more than 40 action plans are currently in execution to strengthen controls and decrease residual exposure levels.

To ensure the effectiveness of said controls, the most critical are subject to general monitoring through our second line of defense. This allows us to detect possible weaknesses or degradation and make continuous improvements. If left undetected in this instance, the third line of defense should detect the risk.



ETHICS AND INTEGRITY

UPDATES TO OUR CRIME PREVENTION MODEL

Codelco has established a Crime Prevention Model which is a mechanism defined by Chilean Law No. 20,393 on Criminal Liability of Legal Persons. The model consists of several tools and control actions to oversee processes or activities exposed to risks indicated in this Law.

During 2018 and 2019 different laws have been enacted that have modified these regulations, incorporating eight new crimes which were added to the four crimes previously defined. Therefore, we have worked on updating our Crime Prevention Model with these new requirements. Currently the Codelco's model covers 100% of our operations and is certified under the terms and conditions established by the law itself. This certification was granted by the company ICR, a firm registered in the

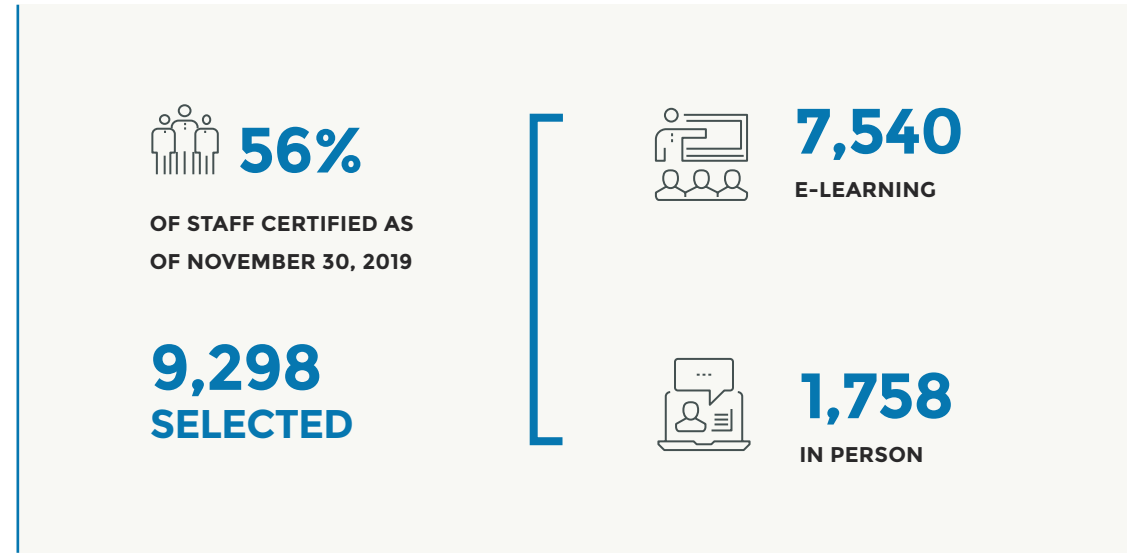
Financial Market Commission ("CMF" by its spanish acronym). The certification term is two years, valid until July 2020.

CODE OF CONDUCT

(205-1, 205-2)

We have reinforced dissemination of our Code of Conduct as a tool to ensure that we all know and live our corporate values. Knowing the Code allows us to establish the limits of permitted actions and those actions that fall outside the law, while protecting the reputation of our company.

To achieve this, during 2019 Codelco adopted the practice of annually certifying its personnel. The objective of this certification is to have our collaborators interact with all aspects of this Code, through a formal activity involving either in e-learning course or in-person training sessions.



During 2019, we also carried out a Corporate cross-sectional assessment of risks associated with the commission of crime of corruption between private individuals and public bribery, national and foreign officials. To review the list of risks identified from this assessment, please consult the Annex (GRI 205-1).

Also, 11% of our staff received training in anti-corruption procedures within the organization. Codelco has a specific training program on these matters.





HOTLINE

(102-17)

Codelco established a reporting hotline more than 10 years ago. This channel permits reporting -either anonymously or identified- of events that may constitute violations of the code of business conduct, legal regulations and / or policies, procedures or any other rule that is applicable to our workers, their relationships with contractors and / or with third parties.

2019

In 2019, 596 complaints were filed, representing an increase of 21% compared to 2018.



Also in 2019, we concluded the investigation of 507 cases, 70 of which correspond to complaints filed in 2018, and 437 from 2019.



Another 232 complaints are still under investigation.



Of the 507 cases processed, 22 ended with penalties.

(406-1)

3 complaints received regarding specific discrimination issues through the "Ethicspoint" web portal in 2019. Investigations of another 20 cases were closed during the same period, while another 3 are still in the investigation process. Of all the closed complaints, all were dismissed.

(205-3)

Moreover, during 2019, we have not confirmed complaints of any kind in relation to the crime of corruption (pursuant to law No. 20,393 for Codelco and its affiliates).

**BEST PRACTICES:
ETHICS - THE ONLY WAY**

- **Politically exposed persons (PEP):** At Codelco we regularly audit business with companies controlled through either management or ownership by so-called politically exposed persons. We are pioneers in our industry with respect to these topics. We have also defined special authorization requirements for any business with companies in which former Codelco employees participate (people exposed to Codelco (PEC), within 18 months from the date of stopping their functions in our company.
- **Lobbying:** Codelco is aware of the importance of transparent management of our relationships with regulatory and supervisory bodies. In this sense, we have developed an internal procedure that regulates lobbying and the procedures that represent specific interests before the authorities and public officials.
- **Gifts and invitations:** Codelco stipulates strict and stringent rules on gifts and invitations, with clear limits on which are acceptable, and which are required to return if they do not comply with corporate guidelines.
- **Declaration of interests and ownership:** Our Board of Directors and primary executives must provide their declared interests and assets in accordance with Chilean Law No. 20,880, under the supervision of the General Comptroller of the Republic. The objective is to operate under standards that exceed those required under the legal framework, thus Codelco has also established an internal process of declaring assets that now mandatory for the entire executive body and to which hundreds of people join voluntarily.
- **Suppliers and contractors:** We have consolidated several supplier and contractor information declaration forms into one single form to simplify and have more efficient control strategies for the management of information and thus prevent conflicts of interest more efficiently. In this form we included an "ethical performance" section, in which we require information related to national legal regulations such as those established in the Crime prevention law.



PENALTIES

(419-1)

In 2019 we received 11 minor enforced fines for non-compliance with labor laws and regulations, for a total value of 1,100 Monthly Tax Units (UTM).

CONFLICTS OF INTEREST

(102-25)

Conflicts of interest are one of the issues that we manage under framework of a demanding standard for prevention and zero tolerance. We act under the logic of prevention, convinced of the importance of protecting the integrity and credibility of our organization. Our objective is to have systems, controls and procedures that allow us to identify and manage conflicts of interest, whether real, potential or apparent.

Codelco has a Policy on Conflict of Interest, as well as an integral regulatory framework for the administration of the conflict of interest the field of business, institutional relations and internally for personnel administration.

This regulatory framework governs several procedures to manage potential conflicts of interest, namely:

- Administration, control and declaration of assets.
- Incompatibility and conflict of interest in personnel administration.
- Businesses with Persons Exposed to Codelco (PEC).
- Business with Politically Exposed Persons (PEP).
- Business with related persons (family)
- Gifts and invitations.
- Regulation of corporate relations and lobbying.

The Board participates, oversees and controls compliance with the aforementioned procedures through the Auditing, Compensation and Ethics Committee.

TRANSPARENCY LAW

2019 marked the 10 year anniversary of Law No. 20,285 on Transparency of the Public Service and Access to Information of State Administration. This Law establishes that state companies must provide ongoing updates to the "Active Transparency" section on the corporate website. Codelco had a compliance rate of 98.13% with this standard in 2019, according to the Council for Transparency.

CODELCO LEADS INDUSTRY REPUTATION RANKING

For the tenth consecutive year, Codelco ranked first in the mining sector and is the most valued Chilean public company, according to the study carried out by the Corporate Reputation Business Monitor, Merco 2019. Furthermore, Codelco ranked ninth among 100 companies with the best reputation in the country.



16
PEACE, JUSTICE
AND STRONG
INSTITUTIONS**HIGHLIGHTED CASE:****ANTI-BRIBERY MANAGEMENT: FIRST
ISO 37001 CERTIFIED COMPANY**

Codelco's Vice President of Marketing is responsible for the corporate and foreign affiliate sales force. During 2019, the VP of Marketing certified the management of its processes according to the standards set forth in International Standard ISO 37001 - System Anti-Bribery Management. The main objective of this standard is to help companies combat bribery and promote an ethical business culture, through a series of measures that are used by companies to implement controls that improve their ability to prevent, detect and treat the risk of bribery.

This standard is also a signal to major stakeholders and potential clients; given that it demonstrates our commitment to globally recognized anti-bribery practices, not only within our own operations, but also in transactions throughout our global value chain.

Therefore, Codelco became the first company in Chile to obtain such certification for one of the purchasing processes, key in any operation, strengthening the measures designed to prevent, detect and sanction bribery at all levels of our organization.

The installation of this management system represents an additional step towards the success of our transformation process. Strengthening controls and standardizing measures has strengthened Codelco's integrity when entering into commercial agreements with clients and contractors.





COMMITTED TO THE PLANET

OUR GOAL

We seek to continually improve our environmental practices through the sustainable management of resources. To do this, we have implemented economical and operational improvements in the use of energy, through energy efficiency strategies and the use of renewable energy, in line with our climate change mitigation policy.



Report presentation



A new outlook in Sustainability



Priority #1: occupational health & safety



Team Codelco



Efficient, competitive and ethical



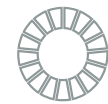
Committed to the planet



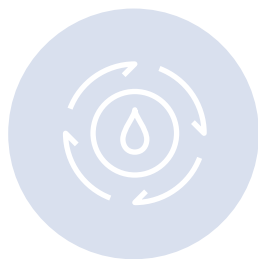
Culture of innovation



Communities and territories



Annexes



We intend to protect and seek the best options for water resources, and to identify and minimize the generation of industrial and mine waste by controlling potential impacts. Finally, we want to contribute to conservation of biodiversity, and minimize impact on ecosystems.

16 PROJECTS

WERE APPROVED BY THE ENVIRONMENTAL IMPACT ASSESSMENT SERVICE

76.7%

WATER RECYCLED

96.4%

AVERAGE CAPTURE OF

ARSENIC

97.4%

AVERAGE CAPTURE OF

SULFUR

OUR MANAGEMENT APPROACH

(103-1, 102-2, 102-3)

Our transformation process has also called upon us to update and redefine management structures. For environmental aspects Codelco has a Vice Presidency for Corporate Affairs and Sustainability, with an area dedicated exclusively to environmental compliance and new operating permits. Furthermore, it also includes an area focused on sustainable development, which seeks to improve management to integrate a medium and long-term perspective into our work.

Along with the foregoing we have a series of policies and standards that allow us to integrate environmental management transversely across all our operations. During the 2019 period we found ourselves defining the goals that will help to fulfill our ambition.





MANAGEMENT POLICY AND MECHANISMS

- Corporate policy on sustainability
- Environmental and community standards
- Environmental and community standards implementation guideline
- Standard jobsite closure guideline
- Standard bulk mine waste guideline
- Standard solid waste guideline
- Standard atmospheric emissions guideline
- Standard water resources and industrial liquid waste guideline.
- Standard biodiversity guideline
- Standard land, soil and landscape guideline
- Standard energy efficiency and climate change guidelines
- Environmental incident management standards
- Environmental risk management system ("SGRA" by its spanish acronym)



CHALLENGES

- Development of an action plan to confront climate change, focused on risk management, mitigation and adaptation.
- Reduce the carbon footprint of our direct emissions by incorporating clean technologies and supplies.
- Replacement of power purchasing agreements (PPAs) that are currently mostly coal-based, towards supplies from renewable sources, thereby reducing our indirect emissions.
- Reduction of fresh water consumption per processed ton, minimizing the use of inland waters.
- Management of tailings storage facilities with a focus on the health and safety of those communities within the areas of influence, incorporating online stability monitoring, along with emergency programs jointly developed with these communities.



OUR PERFORMANCE

SOCIO-ENVIRONMENTAL IMPACT AND COMPLIANCE

At Codelco we have the Environmental Risk Management System (known as the "SGRA" by its spanish acronym). This system involves a document procedure that defines the activities and minimum requirements to strengthen our management in this area.

The "SGRA" seeks to preventively and transparently manage all environmental risks. Additionally, it is aligned with Codelco's Comprehensive Risk and Control Model and ISO 14001 standard.

(307-1)



Regulatory compliance is an essential pillar in Codelco's corporate structure. During 2019, we paid 1 fine for a total value of 450 Monthly Tax Units ("UTM" by its spanish acronym).

- "Adaptation of the Andina Mine Works for Current Operational Continuity", which enables the operational continuity of the División Andina, while protecting water quality of the Blanco and Aconcagua rivers.
- "Gaby Project Operational Continuity".
- Upgrade of the División Radomiro Tomic mine project.
- Operational adjustments to the Chuquicamata Subterránea mine project.

PROJECT EXECUTION

Not one Codelco project was rejected by the Environmental Impact Assessment System ("SEIA" by its spanish acronym) in 2019. And the following projects were executed during this period:





OPERATIONAL INCIDENTS WITH ENVIRONMENTAL CONSEQUENCES

(306-3)

Since 2012 we have followed a Corporate standard for the management of operational incidents with environmental consequences. This standard classifies such incidents into categories ranging from "minor" to "very serious" with a focus on control, impact prevention and continuous improvement.

In 2019 we recorded 2 important incidents corresponding to a "serious" and a "very serious" category:



A very serious incident occurred at División Andina corresponding to a tailing spill due to a ruptured pipeline, with a specific impact on the Blanco River. Planned tasks for control, monitoring, immediate communication to the community and authorities, and cleaning of the affected sectors were activated. After a Corporate investigation, we took preventive measures, applied process changes and strengthened the systems associated with the control of this type of spill.

Spill volume: 2,000 m³

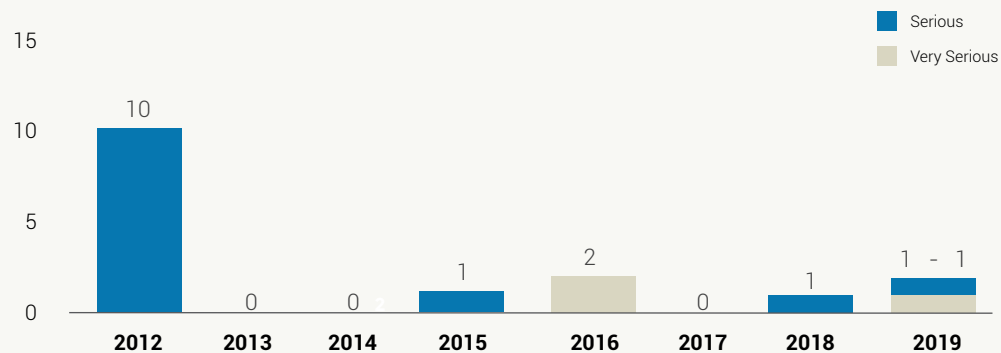


A serious incident occurred at División El Teniente involving an electrical failure. Localized overflows occurred of tailings that -at some points- reached the La Paula ravine. We applied the established protocols (isolation of the area, soil inspection, water monitoring and sector cleaning) and we informed the community supervision committee and oversight authority, taking preventive and corrective measures after their investigation.

Spill volume: 36 m³



OPERATIONS INCIDENTS WITH ENVIRONMENTAL CONSEQUENCES (SERIOUS AND VERY SERIOUS CATEGORIES) 2013-2019



ENVIRONMENTAL GRIEVANCES AND COMPLAINTS SYSTEM

We seek to respond in a timely manner to concerns, issues and suggestions that may arise as a result of production processes or investment projects of the company. Through this channel, in 2019 we received 73 requests on environmental topics.



Toll free hotline:
800 222 600



e-mail:
contactosocioambiental@codeclco.cl



WATER RESOURCES

(303-1, 303-2)

Water is a vital resource for human consumption and for several industries that support Chile's development, given their strategic nature for the operation of the economy. Over recent years, due to the effects of climate change and resource scarcity, water has become one of the most important topics.

Given the importance that aspects such as water resources have for Codelco, we have established departments dedicated exclusively to water management. The Corporate Water and Tailings department is responsible for the management and efficient use of water resources.

In addition to the foregoing, Codelco has operations from the region of Antofagasta to the region of O'Higgins, which involves operating under diverse problematic circumstances from an industry point of view, that involve local stakeholders and communities, hydrological regulations, effective availability of resources and the effects of climate change, among others.

STRATEGIC WATER MANAGEMENT MODEL

Codelco has adopted a management strategy for water that involves working in different time horizons. This strategy considers the effective availability of the water resource, its impact on the environment, management of communities or stakeholders present in an area or in the vicinity of an aquifer. It also ensures adherence to the water matrix for operations, proficiency and efficiency in consumption, the incorporation of technology and business intelligence in the search and application of new sources of water and the control and management of water discharge.



MONITORING CONSUMPTION OF WATER

Monitoring is carried out by committees, both corporate and divisional



CONTROL OF WATER EXTRACTION FROM OUR SOURCES

To facilitate water resource reporting, the Corporate Divisional Department of Water and Tailings has developed and implemented a Corporate Platform for Water Resource Reporting. Using this platform, those areas responsible for water management in each work center report their management monthly indicators (collection, consumption, recirculation) and refer the information to the Corporate Department of Budgets and Management Control for follow-up.



WATER WITHDRAWAL REDUCTIONS

Our approach involves water efficiency, sustainable exploitation of water sources and the application and development of innovative solutions.



Codelco is working towards a 10% reduction in the water volume used per treated ore unit (known as make-up⁵) in our operations for 2020. This commitment involves strategic resource sharing and awareness. By means of the Water Resource and Liquid Industrial Waste Standard, it has been possible to consolidate the systematic reporting of fundamental data, to standardize key indicators within work centers which, in turn, provides us with a platform to manage efficiency.

Finally, based on the Water Resource Strategy, it has been possible to work on the construction and execution of divisional strategic plans that aim to schedule the critical activities of each division to align operations with the direction established at the corporate level.

WATER USE

We mainly use water from surface or underground sources at all divisions. The extraction and use of water within desert climate areas, where we have 5 of our divisions, is of utmost importance.

A notable event in 2019 involved a drought in the central area of the country, which resulted in less water availability resulting from the hydrological conditions of the watersheds where the water sources for the Andina and El Teniente mines are located. This situation posed a challenge to our operations in terms of efficiency.

In this context, over recent years we have carried out a marked effort across all divisions to promote water efficiency and reduce water consumption. These efforts have produced positive results, which allow our operations to be better prepared to face such risks and without affecting the copper production.

DESALINATION PLANT FOR DIVISIONS NEAR CALAMA: RADOMIRO TOMIC, CHUQUICAMATA AND MINISTRO HALES

Codelco held a bidding process for a desalination plant for Radomiro Tomic, Chuquicamata and Ministro Hales, as scheduled for 2019. However, due to several circumstances the process was suspended to adapt to the development strategy of the Project. In spite of this, the desal project continues to be part of the supply strategy for the Northern District divisions.

⁵Makeup: freshwater consumption in cubic meters per ton of processed ore. i.e. how much freshwater is required per metric ton of processed ore, measuring strain on the water sources.





	WATER WITHDRAWAL (THOUSANDS OF M ³)	RECIRCULATED WATER
2017	173,944	76.9%
2018	170,867	77.3%
2019	159,007	76.7%

In terms of compliance, Codelco regulates and reports management compliance based on the existing regulatory framework at the national level, for water extraction, compliance with the Water Code, Supreme Decrees that regulate water discharge and Environmental Qualification

Resolutions that regulate both the water component itself, as well as commitments with third parties and general procedures, within the framework of current operations. In 2019, there were no breaches of this regulatory framework.

SMELTER BOILER RECOVERED 100% OF THE WATER USED IN ITS PROCESS

Thanks to an initiative that workers who work on the smelter boiler devised at Chuquicamata, it was possible to recover 100% of the water that was used for cooling equipment.

This innovation consists of recovering the water that is used to cool the boiler equipment, in addition to the flush water used in the process. This water which were previously discarded, are now diverted to a pond that was left unused after improvements to the flash furnace were completed. Once water arrives to the pond, it is processed and re-circulated to the cooling system.





RESPONSIBLE WASTE MANAGEMENT

Each Codelco operation is subject to national, regional and local regulations pertaining to the protection of the environment and natural resources, including regulations regarding the disposal and transportation of hazardous waste. Chile has adopted environmental regulations that have forced companies operating in the country, including Codelco, to carry out programs to reduce, control or eliminate important environmental impacts.

MANAGEMENT OF LIQUID INDUSTRIAL WASTE

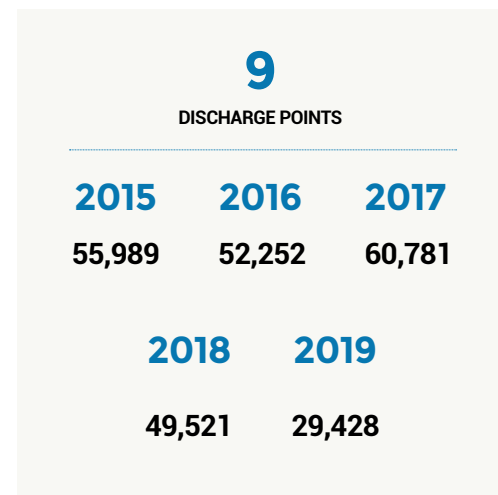
(306-1, 306-5, 303-2, 303-4)

Our primary focus with liquid waste management is to reduce the volume of discharge and increase the recirculation of water. We identify our liquid waste and report the monitoring results of our nine authorized discharge points monthly to the competent authorities: 4 at Andina, 3 at Salvador, 1 at Ventanas and 1 at El Teniente. The Salvador, Radomiro Tomic, Chuquicamata, Ministro Hales, and División Gabriela Mistral do not discharge liquid industrial waste into water courses.

All discharge points for liquid industrial waste from our operations comply with the

associated national legislation, which implies not affecting water bodies, as established by law⁶.

TOTAL DISCHARGE VOLUME (THOUSANDS OF M³)



Note: Discharge points have monitoring programs (Superintendency of Sanitary Services / Directemar).

Note 2: División Salvador did not report any discharge during 2019.

⁶The specific impact on water courses caused by environmental incidents are presented in detail for significant spills.

SOLID INDUSTRIAL WASTE MANAGEMENT

(306-2)

Our efforts in solid industrial waste management are focused on aligning ourselves with the Extended Producer Responsibility Law (known as the "REP" by its Spanish acronym Law), taking measures that maintain and increase waste value (reuse, recycling or energy recovery). Therefore, we have proceeded to implement a corporate monitoring and control platform for each stage of waste management, streamlining the classification, registration and quantification standards of all waste generated in our divisions.

Codelco's solid waste standard is aligned with principles 6 and 8 of the ICMM. Essentially, this management standard seeks to minimize solid waste generation, control the potential impacts of solid waste management and to dispatch such waste to final destinations authorized for elimination or valorization.

All our divisions have management plans in place to control and avoid possible impact of solid waste on the environment and human health. Accordingly, generated waste is sent to authorized destinations including recycling or reuse plants, energy

recovery facilities, sanitary landfills and deposits or sent to treatment companies.

Hazardous waste is transparently managed under the Hazardous Waste Declaration and Tracking System (SIDREP) of the Ministry of Health, while non-hazardous waste is managed under the National Waste Declaration System (SINADER) platform.

In 2019, we evaluated and implemented waste recovery measures (alternative reuse, recycling and recovery options). In addition, we are working on the implementation of a corporate platform for the management and monitoring of waste life cycles across all our divisions.

SOLID WASTE

TYPE OF WASTE (TONS)	2017	2018	2019
HAZARDOUS	241,624	228,599	148,036
NO HAZARDOUS	108,759	151,293	152,891
TOTAL	350,383	379,892	300,927



BULK MINE WASTE

(MM3)

Codelco has established a bulk mining waste standard that aims to strengthen the prevention of impact and risk to people, the environment and land, applying control criteria in the design of tailings dumps, operations and projects.

With respect to tailings, Codelco has implemented the industry's best practices we are moving forward to find the best available technologies for our tailings systems. We encourage continuous improvement in this area, through controls and audits and the incorporation of internal and external experience.





ENERGY EFFICIENCY

In order to raise energy efficiency standards, we have set out to improve Codelco's specific energy use indicators in production processes to achieve two essential objectives: to decrease energy consumption and incorporate clean energy into our matrix.

Given the importance that Codelco places on aspects such as energy, we have managers dedicated exclusively to these aspects such as the Strategic Supplies manager. During 2019 we restored the roles of divisional managers for Sustainable Energy and established divisional Sustainable Energy Management Committees at most of our divisions. These initiatives established specific energy consumption indicators ("ICE" by its spanish acronym) for the main processes, reported monthly, and proposed goals for each ICE for 2020.

Likewise, we seek to optimize specific energy use indicators in production

processes to contribute to the bottom line of our business. This is achieved through a project management aimed at reducing consumption and incorporating clean energy into future contracts.

4 FOCUSES OF THE MANAGEMENT SYSTEM

1. CONTRACT MANAGEMENT
2. ENERGY EFFICIENCY
MANAGEMENT IN PROCESS
3. RENEWABLE ENERGY
4. ENERGY EFFICIENCY
IN INVESTMENT PROJECTS

ENERGY CONSUMPTION (PJ)

(302-1, 302-3)

	2017	2018	2019
DIRECT CONSUMPTION			
OIL AND UTS DERIVATIVES, NATURAL GAS AND COAL	24.71	24.14	23.78
INDIRECT CONSUMPTION			
ELECTRICITY FROM CHILE'S "SISTEMA INTERCONECTADO CENTRAL DE CHILE" (SIC) NOT INCLUDING SELF-GENERATION	26.36	25.95	24.30
CONSUMPTION OF RENEWABLE RESOURCES (SOLAR)	-	0.12	0.13
TOTAL	51.41	50.21	48.21
ENERGY USE INTENSITY (PJ/MILLION FMT)	29.65	29.65	30.32

Note 1: Codelco has not developed a method to quantify external energy consumption.

Note 2: Consumption values for total production do not include El Abra or AngloAmerican Sur operations, where Codelco has a partnership stake.

Note 3: PJ / million fmt = peta joules / million fine metric tons of copper.

Note 4: Codelco has not developed a method to quantify external energy consumption.



CLIMATE CHANGE

At Codelco, we recognize the importance of this phenomenon both in our industry and worldwide. We therefore address this issue comprehensively with specific mitigation and adaptation plans.

Our new Sustainable Development department will allow us to better face environmental challenges over the medium to long term. One of the functions of this department is to develop Codelco's Sustainable Development policy, which will be updated during 2020.

Additionally, we are developing lines of action leading to:

1. Having an increasing carbon neutral electrical supply matrix, and more efficient energy use
2. Gradual incorporation of electromobility
3. Increase in the efficiency of water use and incorporate the use of desalinated seawater.
4. Develop a circular economy to reduce waste sent to landfill / dumps.

(201-2)

During 2019 we began the study of adaptation to climate change "Service for the Diagnosis of Vulnerabilities Product of Climate Change and Adaptation Plan for Codelco El Teniente", where a diagnosis of climate uncertainty was made for the El Teniente area and its community environment, vulnerabilities, risks and opportunities as a direct and indirect consequence of climate change for the development of the mine were analyzed, and an action plan was drawn up with concrete

initiatives to resolve the vulnerabilities, risks and opportunities detected in the diagnosis. This study has served as experience to promote similar studies in the rest of the Corporation.

Given our commitment to climate change, we will continue to incorporate analysis and respond to the challenges imposed by this phenomenon, as part of our corporate culture.

GREENHOUSE GAS EMISSION MANAGEMENT

(305-1, 305-2, 305-3)

Regarding our greenhouse gas (GHG) emissions, at Codelco we measure the following:

- Direct emissions, which are those generated by the use of fuels in our operations.
- Indirect emissions, which are generated at the power generation systems that provide electricity to our divisions.

GREENHOUSE GAS (GHG) EMISSIONS (TCO₂e):

CATEGORIES		2015	2016	2017	2018	2019
DIRECT EMISSIONS		1,586,922	1,720,614	1,704,772	1,619,506	1,609,711
INDIRECT EMISSIONS	SING BY ITS SPANISH ACRONYM	2,638,869	2,649,321	2,669,079	3,019,061	2,733,995
	SIC BY ITS SPANISH ACRONYM	1,248,278	1,439,591	1,213,963		
OTHER FUEL COMBUSTION PROCESSES			51,959	51,009	49,479	50,055
TOTAL EMISSIONS		5,474,069	5,861,485	5,638,823	4,688,046	4,393,761

Note 1: In 2018 the SING and SIC interconnected systems were merged into the "Sistema Eléctrico Nacional" (SEN). / Note 2: Codelco does not quantify indirect emissions of greenhouse gases (Scope 3).



(305-4)

GREENHOUSE GAS INTENSITY

	METRICS	2015	2016	2017	2018	2019
TOTAL EMISSIONS	MILLIONS OF TONS OF CO ₂ e	5.5	5.9	5.6	4.7	4.4
COPPER PRODUCTION	MILLIONS OF MTF	1.7	1.7	1.7	1.7	1.6
INTENSITY	TCO ₂ e/ MILLION FMT	3.2	3.4	3.2	2.8	2.8

Note: Copper production corresponds to Codelco's divisions without inclusion of stake in Minera El Abra and Anglo American Sur.

MANAGEMENT OF SMELTER EMISSIONS AND OTHER EMISSION SOURCES

(305-7)

Codelco owns four (4) copper concentrate smelters that generate, mainly, sulfur dioxide (SO₂), arsenic (As), and particulate material (MP). These facilities are governed by emission regulations, while others are governed by pollution plans applicable to the cities located within the area of influence of the respective operations.

During 2019, efforts at the Chuquicamata, Potrerillos and Caletones smelters focused on the completion of construction, start of operation and consolidation of investment projects to comply with the emissions regulations under Supreme Decree 28 of the Ministry of the Environment, which entered into force on December 12, 2018. The Ventanas smelter is now in full compliance with the regulations of said decree for the third consecutive year, since December 2016.

This new regulation establishes greater restrictions on sulfur and arsenic emissions, while increasing the capture of such elements.

In terms of 2019 results at the corporate level, the average sulfur and arsenic emission capture at Codelco smelters reached 96.4% and 97.4%, respectively, indicators that exceed the 95% requirement under Supreme Decree 28.

At Ventanas, management focused on modifying operational practices to comply with the Atmospheric Decontamination and Prevention Plan for the communities of Concón, Quintero and Puchuncaví, issued by the environmental authority in December 2018.

In 2019, this workplace has been heavily supervised and has strictly complied with smelter regulations that govern it and the operational plan approved by the authority, demonstrating strict adherence to all regulations.

	Emissions capture (%)	
	Arsenic	Sulphur
Chuquicamata	97.7%	97.4%
Potrerosillos	96.0%	96.1%
Caletones	98.6%	96.5%
Ventanas	95.5%	95.8%
Codelco Total	97.4%	96.4%
Supreme Decree 28	95.0%	95.0%

Note: Copper production corresponds to Codelco's divisions without inclusion of stake in Minera El Abra and Anglo American Sur.



BIODIVERSITY

(MM1, MM2)

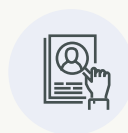
We seek to contribute to the conservation of biodiversity and minimize impact on ecosystems and in the areas of influence of our projects, operations and explorations, respecting protected areas. Therefore, we have initiated efforts to have plans for biodiverse areas to achieve zero incidents in biodiversity by 2020.

Our divisions are located over an extensive portion of the national territory, involving vast ecosystem diversity. Therefore, biodiversity is a fundamental part of the Environmental pillar of our Sustainability Strategy. Areas rich in biodiversity that are managed by Codelco are recognized by the State and / or by studies or environmental impact statements.

Since 2012, Codelco has prepared biodiversity standards and respective implementation guidelines. By applying these standards, each division may identify and characterize the ecosystems within their respective zones of influence and define initiatives associated with protection and/or conservation.

MANAGEMENT OF BIODIVERSITY IMPACT

(304-1, 304-2, 304-3, 304-4)



OBJECTIVE

Evaluate and monitor our risks.



DESCRIPTION

In different types of environments (land, water and air), identifying and characterizing the area of influence.

Establish management plans conservation programs.

Implemented at different stages of our projects.

Richly biodiverse areas managed by Codelco are located in the vicinity of the tailings deposits in the Valparaíso Region and correspond to the Fundo Rinconada de Huechún, of División Andina, and the Ecological Hacienda Los Cobres de Loncha, of División El Teniente.

These two divisions were identified as requiring management plans and represent 20% of our total operations that have such operating plans. At Ventanas and Salvador the oversight or monitoring programs have not detected significant impacts on coastal biodiversity, and do not require management plans, which are described below:



HIGHLY VALUED AREAS FOR BIODIVERSITY WITHIN OUR MINING OPERATIONS



DIVISIÓN SALVADOR

TYPE OF AREA

Marine area populated with microalgae and benthic invertebrates rich in coastal biodiversity. Extends through the bay of Chañaral near the port of Barquito.

PROTECTION MEASURE

Monitoring program reports state that port activities will not significantly or irreversibly impact the area, provided that operations are carried out under the quality and safety standards established by the aforementioned division.

DIVISIÓN VENTANAS

Coastal area of the Valparaíso Region that contains the Campiche wetland.

División Ventanas maintains monitoring plans to regularly inform the authority (DIRECTEMAR) of accounts of the coastline conditions. A diagnostic study of the behavior of the Campiche wetland has been prepared. Moreover, an integral management plan has been developed with the purpose of conserving and protecting the biodiversity of the area.

DIVISIÓN ANDINA

Río Blanco National Reserve, an area rich in biodiversity with an area of 10,175 hectares.

There is no record of significant environmental impact. Therefore, no management plan has been prepared to date.



AREAS HIGHLY VALUED FOR BIODIVERSITY CLOSE TO OUR MINING OPERATIONS



DIVISIÓN ANDINA

TYPE OF AREA

The Fundo Rinconada de Huechún consists of a preservation area of 1,033 hectares and a conservation area of 1,618 hectares. Both areas include an ecosystem rich in avifauna.

PROTECTION MEASURE

Currently, these areas have a management plan for the conservation of natural resources and includes a fauna monitoring program to identify possible impact.

DIVISIÓN EL TENIENTE

Hacienda Ecológica Los Cobres de Loncha, located in the Municipality of Alhué, contains the 5,980-hectare Roblería del Cobrede Loncha national reserve.

This reserve was handed over for use en comodatum by División El Teniente to the National Forestry Corporation ("CONAF" by its spanish acronym) for its administration. This reserve contains species of flora and fauna classified as vulnerable, primarily endemic.

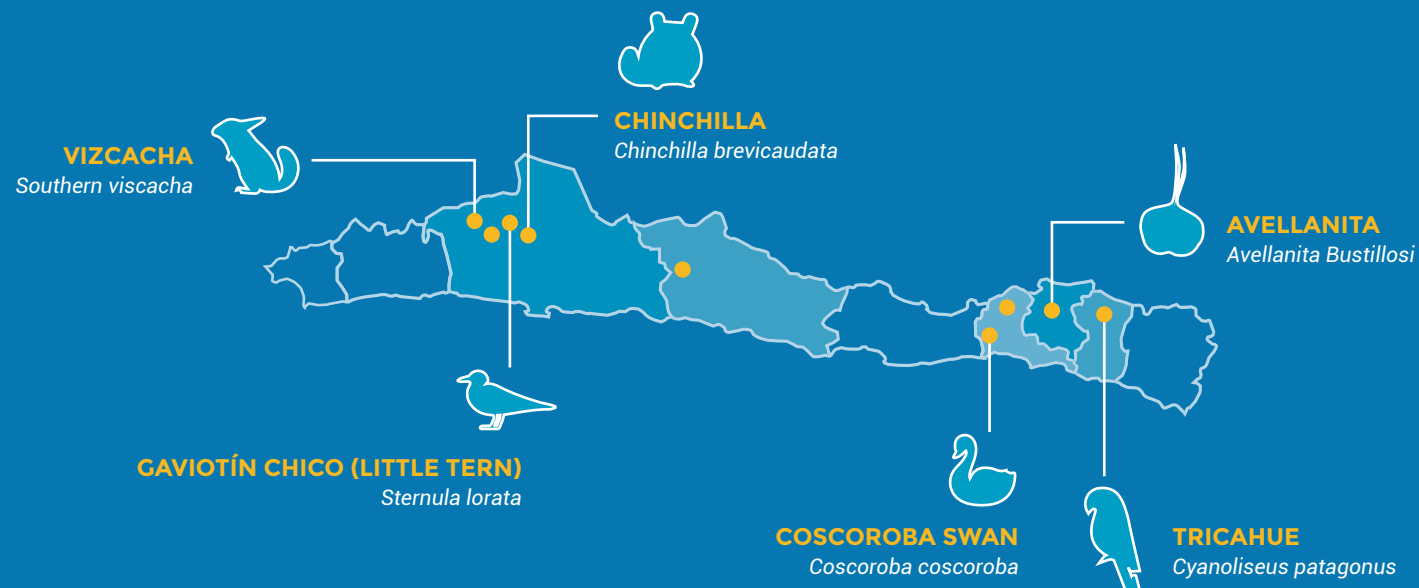
Monitoring plans and management plans are in place to identify the presence and abundance of flora and fauna species in categories of conservation.

The respective management plan for this zone addresses the primary impacts caused by the tailings impoundment through programs for reforestation, recovery and resettlement of individuals.



Several Codelco divisions have established programs and/or agreements entered into with universities, government agencies, and other organizations engaged in biodiversity conservation or protection initiatives. As a result of consistent monitoring conducted in flora and fauna species at risk our divisions, over the years we have identified the following flora and fauna species classified as "endangered", as well as species classified in other categories.

FLORA AND FAUNA SPECIES AT RISK



ENDANGERED SPECIES

- Lagidium viscacia* (vizcacha)
- Chinchilla brevicaudata* (chinchilla)
- Sterna lorata* (gaviotín chico)
- Coscoroba coscoroba* (cisne coscoroba)
- Cyanoliseus patagonus* (tricahue)
- Avellanita bustillosii* (avellanita)

SPECIES IN CATEGORY OF CONSERVATION

- Jubaea chilensis* (palma chilena)
- Persea lingue* (lingue)
- Citronella mucronata* (naranjillo)

REPRESENTATIVE SPECIES OF REGION II, WHICH ARE "ENDEMIC" OR DISTRIBUTION RESTRICTED AND SUBJECT TO PROTECTION

- Reptil Liolaemus constanzae* (Lagartija de Constanza)
- Solanum sitiens* (tomatillo)



KEY INITIATIVES IN BIODIVERSITY PROTECTION

Protecting wild tomatillo in the Atacama Desert

División Radomiro Tomic has reinforced the awareness of the biodiverse species present in the industrial zone, with the aim of protecting species by regular publications to workers. Among the primary initiatives developed is the execution of a protocol to protect and disperse wild tomatillo (*Solanum sitiens*). This species of endemic and vulnerable flora from northern Chile inhabits some of the driest sectors of the Atacama Desert, which is currently protected with fencing and signage and is monitored for protection.

Recovery of Native Flora to the Antofagasta region

The División Ministro Hales greenhouse is located at an altitude of 4,200 masl at Pampa Puno. This greenhouse consists of a high-tech environmental project that since 2014 has consistently studied the behavior of a series of typical species from the local ecosystem. Among its main objectives of this project is the recovery and remediation of areas with flora native to the Antofagasta region.

Campiche wetland protection

One of the highlighted initiatives in the Campiche wetland is the use of the bioengineering technique known as "biorrollos vegetados". The purpose of this technique is to revegetate the banks of the main lagoon in order to create a favorable habitat for the colonization and development of the vegetation in the sector in addition to providing refuge, nesting and feeding grounds for resident and migratory wildlife.

Five years after the commencement of the Wetland Restoration Plan, the site has been restored through the generation of a vegetation screen forming an important ecological corridor around the wetland, which has allowed the settlement of more than 60 species of vertebrates.

Biodiversity study on fauna in the Region of Libertador Bernardo O'Higgins

Together with three entities from the Region of Libertador Bernardo O'Higgins, División El Teniente sponsored and published the study on the biodiversity of regional fauna, a document that provides valuable information on local fauna and endangered species. Furthermore, together with public and private entities, this division has participated in a rehabilitation and reinsertion plan for local native fauna.

"Fundación Gaviotín Chico" (Small Tern Foundation)

We are part of the Gaviotín Chico Foundation, along with other private-public entities. The objective of this foundation is to contribute to the conservation of the "Gaviotín Chico" or "Chirrí" (*Sterna lorata*), through the development of research, the creation of awareness of the species and the implementation of technical measures associated with this objective, which are compatible with the industrial development of Mejillones in the Antofagasta region, where there are energy, mining and port projects underway in one of the nesting zones of this species,



Source: Photograph from Fundación Gaviotín Chico (www.fundaciongaviotinchico.cl)



MINE SITE CLOSURE

At Codelco we seek to ensure that the planning and execution of mine site closures comprehensively considers the health and safety of people, the environment, the land and the community.

This is why we have an environmental standard and a corporate standard (NCC No. 46) updated in 2019, in line with international standards. This means that the design of our projects keeps closure in mind, thereby reducing associated impacts and costs early on. This approach helps strengthen the local community's skills and resources (for the post-closure stage) and considers the interests and expectations of the communities and authorities within the zones of influence.

During 2019, we continued to progress on the compliance and implementation of Law No. 20,551 that regulates the closure of mine sites and facilities and its regulation DS No.

41. In accordance with these regulations, it is appropriate to update the 8 closure plans that Codelco approved in 2015, moving them from a transitional to general framework provided for by law with a 2020 deadline.

In compliance with this timeline, in 2019 we approved closure plans under a general framework for División Chuquicamata and Ventanas and submitted the updated closure plan under a general framework for División El Teniente.

Consequently, as of 2019 we have 2 closure plans approved under the general framework of the law, 1 plan submitted to Sernageomin (currently under evaluation) and 5 closure plans approved under the transitional framework; whose update goal is November 2020.

CLOSURE PLANS APPROVED UP TO DECEMBER 31, 2019

DIVISION	SERNAGEOMIN RESOLUTION	NOMINAL CLOSURE COSTS	
		UF	MUS\$
RADOMIRO TOMIC	No. 1290 May 11 2015	10,385,450	395
CHUQUICAMATA*	No. 2327 SEPTEMBER 6 2019	17,935,585	682
MINISTRO HALES	No. 1316 MAY 14 2015	4,270,201	162
GABRIELA MISTRAL	No. 1600 June 15 2015	3,632,838	138
SALVADOR	No. 2080 August 17 2015	12,533,918	477
ANDINA	No. 2777 November 3rd, 2015	18,725,048	712
VENTANAS*	No. 2570 October 8 2019	5,217,560	198
EL TENIENTE*	Admitted December 30 2019	44,046,397	1,675
CODELCO TOTAL		116,746,997	4,439

UF = \$28,309.44 UP TO DECEMBER 31, 2019
US\$ = 744.62 SAME DATE

(*) Approved or submitted to Sernageomin



(MM10)

2019

In 2019 Codelco totaled MUSD 4,439 in nominal costs for closings.

Up to December 31, 2019 we have bank guarantees constituted for an amount of \$ 27,892,919 UF "Unidades de Fomento" in favor of the Chilean state, to ensure full compliance of with facility closure commitments.





HIGHLIGHTED CASE:

PROACTIVE TAILINGS MANAGEMENT

Our commitment is to implement the best industry practices and advance on the search for the most outstanding and applicable technologies available for sustainable management of our tailings systems and thus minimize the probability of catastrophic failure occurring at our TSFs.

Our Corporate Tailings Policy for April 2019 establishes among its objectives to identify and manage risks that could affect the health of people, the environment, infrastructure and business. This helps us to charge of the sustainable management of our tailings operations with full respect for people, communities and other stakeholders.

In this context, Codelco is implementing a Tailings Management System focused on risk control that minimizes the probability of catastrophic failure occurrence and respective impact. Therefore, by safely storing solids and water within designated areas, recirculating water from tailings ponds to process facilities and incorporating permanent controls, we seek to ensure compliance with current regulations and maintain the necessary human, financial and technical resources throughout the life of our tailings deposits.

Through divisional, water and tailings project management, we transitioned into consolidating our visible tailings management at the highest level. We incorporated the participation of companies and professionals with high levels of experience and prestige in the field of tailings, through the services of the Independent Tailings Review Board to review our systems, the engineer of record and a dam safety review.

2019 RESULTS

- Corporate Tailings Policy
- Codelco Corporate Standard for Tailings Management Systems (NCC 45) and several Standardization Documents
- New Tailings Governance implemented
- Modernization of the closure plan approach in tailings deposits

For the third year we continue to actively participate in “Programa Tranque”, which is a private-public initiative aimed at developing standardized online monitoring and an early warning system that provides an improved online information channel to stakeholders (authorities, mining companies and communities) in terms of opportunity, quality and reliability on the behavior of tailings deposits in relation to physical (geotechnical) and chemical (environmental) stability.

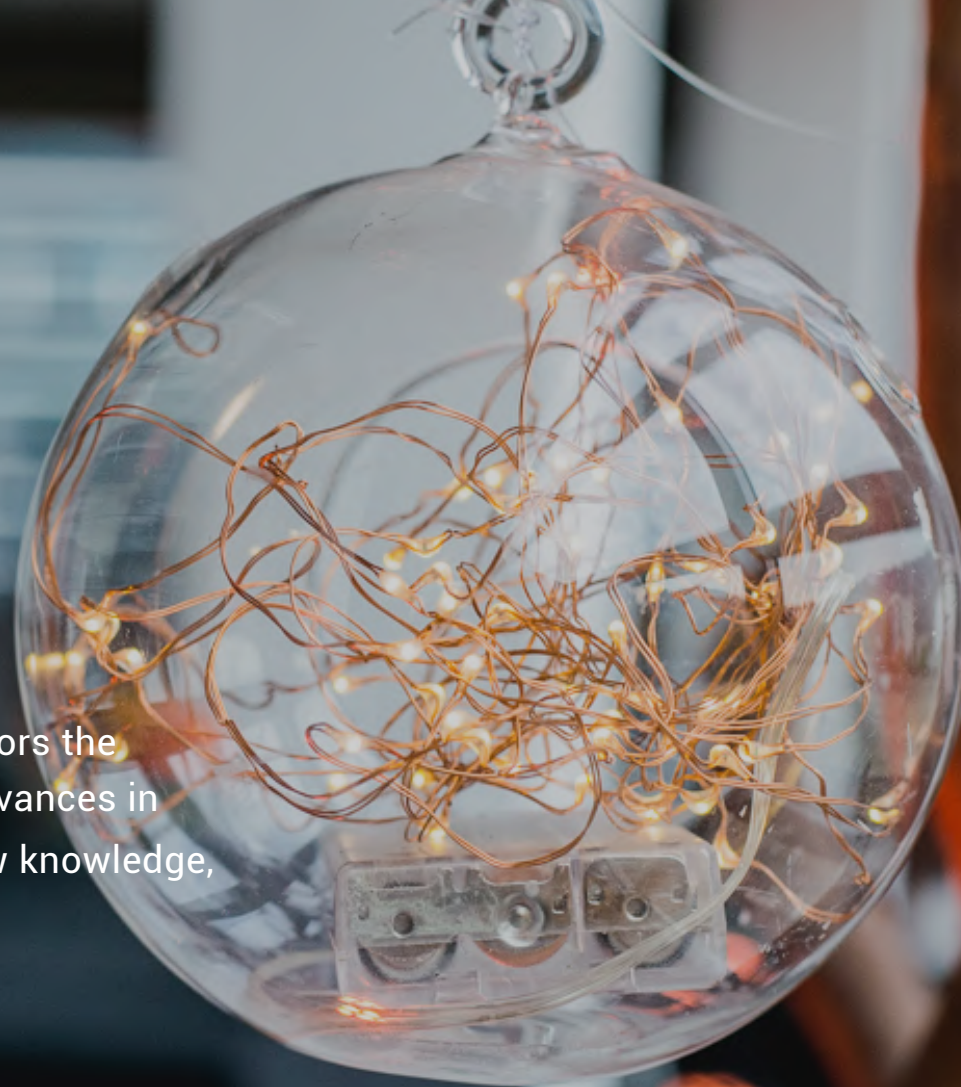
We are also working as active members of the ICMM (International Council on Mining and Metals) to be a key player in the development of an international standard that ensures effective management throughout the life cycle of tailings facilities for the mining industry (Global Tailings Standard).



CULTURE OF INNOVATION

OUR GOAL

We seek to promote a culture of innovation that favors the development and incorporation of technological advances in processes and management systems, generate new knowledge, create value and enhance our leadership.



Report presentation



A new outlook in Sustainability



Priority #1: occupational health & safety



Team Codelco



Efficient, competitive and ethical



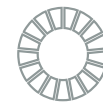
Committed to the planet



Culture of innovation



Communities and territories



Annexes



6 NATIONAL PATENTS
GRANTED



1 CONTEST
FOR INNOVATION



28 STUDIES
CONDUCTED FOR TECH
BASED PROSPECTING SOLUTIONS

OUR MANAGEMENT APPROACH

We understand innovation as the process of capturing knowledge to transform it into economic value, without neglecting corporate strategy, important business variables and returns on investment.

The challenges of this transformation currently underway, which is the most significant in Codelco's history, places innovation as a key component. To exploit our mine resources and make viable the current structural projects, the use of innovation and cutting-edge technology are permanent priorities for Codelco.



INNOVATION
as a key component
of Codelco's
transformation





OUR PERFORMANCE

STRATEGIC INNOVATION

We work in three aspects of innovation:

a. Disruptive innovation - through a portfolio of innovation projects, addressing the Codelco's strategic challenges in sustainability and increasing mining reserves, through the development of new technologies.

Sulfide leaching:

Codelco has conducted extensive testing of several national and international technologies and our own innovations, with positive results. The success of this development will enable us to process sulfides in a more profitable and sustainable manner.

High-stress deep level underground mining:

Given the current depth level of División El Teniente new levels, and the start of underground operations at División Chuquicamata, in 2019 we developed a roadmap to face the geomechanical challenges that the projects impose on us and increase the productivity of our extraction methods. This was achieved by improving Codelco's own developments, such as

the application of hydraulic fracturing to weaken the rock, in addition to the collaborative work we carry out with specialists across the globe.

In-situ leaching (ISL):

We have determined the need to develop a less invasive mining method to process minerals that are not currently feasible to exploit. To do this, we are working to adapt this technique used in uranium mining to copper mining.

Pre-concentrating:

With the decrease in ore grades over recent years, it is imperative to introduce new innovations that improve the selectivity of the processed ore, thus reducing specific water and energy consumption. Accordingly, we are working on exploring and testing a set of technologies to meet this challenge.

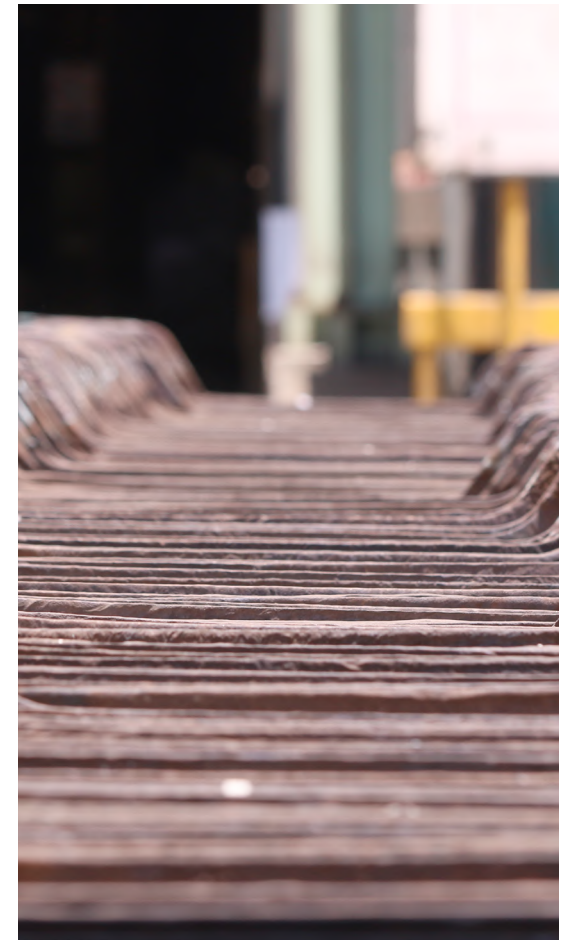
Smelter optimization:

In order to improve the productive and sustainable performance of our smelters, we are following three lines of action to complement the Chinese technologies that we currently operate with. Therefore, at Caletones smelter we began the technical-economic study to implement high-

pressure nozzles in the melting furnaces. Also, at Potrerillos smelter, we continue the industrial validation stage for the sensors in the Teniente converter sensors. Finally, we successfully completed the core studies that provide baseline information for the industrial test design of continuous conversion technology.

Impurity processing:

At Codelco we seek to be global leaders, both in the processing of concentrates with high arsenic content using the roaster that operates in the División Ministro Hales, and in the processing of smelter powders (also high in arsenic) as well as the stabilization of this waste in the form of scorodite, through the Antimonio arsenic supply plant from Ecometales. In this sense, our company is striving to further improve these technologies, with respect to productive development and sustainability.





b. Incremental innovation - Projects focused on improving the competitiveness of operations over the short and medium term.

The Corporate Innovation Department has deployed a series of incremental project initiatives at all Codelco divisions with the aim of capturing short-term benefits. Over the last four years we have implemented projects that have generated significant economic, environmental and safety benefits.

Our aim is to develop and implement new technologies and capabilities to add value to the operations and increase the competitiveness of our company. In order to streamline project objectives, in 2019 we established six strategic focuses for incremental innovation:

- Processing
- Cu and by-product metallurgical recovery
- Reliability of conveyors and pipelines
- Mobile equipment performance
- Water consumption, critical supplies and dust mitigation
- Monetization of mining liabilities

Concentrate enrichment:

Obtaining a better-quality copper concentrate and cathode increases competitiveness and helps reduce direct costs of the company. One development implemented at División Ministro Hales this year permitted automated lime batching in the flotation process, according to the iron-copper ratio of the feed. This will provide for an increase in the concentrate copper grade.

Use of water resources: At Codelco, the efficient use of critical resources and supplies is crucial. During 2019, at División Ministro Hales, we implemented a project that allows the reallocation of water in the milling process, in the face of water shortages.

Operational continuity:

A historic operational challenge for Codelco's mine pits is the interruption of the crushing processes due to shovel bucket teeth breaking off into the ore. Over time we have developed different types of sensors or cameras to alert the shovel operator; however, none of these solutions accomplished its purpose. At División Andina, it was implemented rugged technology that triggers an alert when detecting the presence of such non-crushable materials. This was a technological solution transferred from División Gabriela Mistral.

c. Open innovation - Projects that go beyond Codelco's limits and develop cooperative efforts with external organizations or professionals.

We promote interaction with the innovation ecosystem, to combine internal and external knowledge and capabilities that translate into innovative solutions that can be generated with less time, less cost and less risk. Therefore, we have entered into agreements with universities, study centers, suppliers and pilot centers.

Moreover, we also participate in the Innovación Abierta Expande platform by Fundación Chile, where we are able to interact with several technology suppliers that provide solutions to the challenges presented by our divisions.

Technological monitoring

We perform ongoing technological monitoring to have a systematic and global vision for areas of interest, new technologies, competitors, potential partners or allies, and suppliers, with the ultimate goal of making informed decisions, aiming at technological intelligence.

Likewise, our technological monitoring seeks to be attentive to new patent applications in Chile that are related to mining and metallurgy, and to define courses of action regarding industrial protection of our developments.

During 2019 we developed more than 25 technological monitoring campaigns to make the supplier market associated with an operational challenge visible. We also made this information available to productive areas to ensure the best decisions when incorporating new technologies.

Technological prospecting

Prospecting allows us to have valuable and updated information for technological development, since it helps us to contribute and identify new technologies and suppliers at local and global levels. Prospecting also allows us to generate collaborative models that encourage the ecosystem to participate and engage with our challenges, always concerned with properly protecting our investment.

The results of our intellectual property approach has positioned us as a benchmark in the industry, maintaining a significant portfolio of industrial property rights.



2019

During 2019, we conducted 28 prospecting studies of technological solutions.





CONTEST: “PIENSA MINERÍA” (THINK MINING)

This initiative was organized by Codelco in partnership with our technological development subsidiary Codelco Tech. The objective of this initiative is to help sponsor thesis programs to contribute to the advancement of new technologies and knowledge creation within the mining industry.

The 2019 version was conducted the participation of seven universities. Those awarded received sponsorship for their enrollment, tuition and other regular expenses for 3 doctorates and 5 master's programs.

The topics that were covered during this contest ranged from exploration to sustainability, including mines, plants and smelters, with applicants of four nationalities.

In 2019, as part of their internship, 11 interns from a wide range of engineering disciplines participated in training processes associated with the search and analysis of functional data for the technological monitoring process.





INTELLECTUAL PROPERTY

NATIONAL PATENTS 2019:

- Requested 2019: 5
- Granted 2019: 6

TECHNOLOGY AND AUTOMATION

In March 2019, we at Codelco created the new Vice Presidency for Technology and Automation in Business Processes as a key influencer on our path of transformation.

The objective of this VP is to capture global advances in digitization, automation, robotics, data processing and analysis, to impact all mining processes and administrative areas, in order to improve the productivity, safety and reliability of our processes, and also ensuring the IT / OT (Information Technology and Operation Technologies) cybersecurity of the systems.

Codelco is currently working in 3 specific areas:

a. Digital and advanced analytics

With this in mind and given the enormous challenges facing the future, in October 2019 we began forming the Corporate Digital and Advanced Analytics Department, necessary for our digital transformation.

This will allow Codelco to identify optimal ways to operate our valuable assets and processes.

Today we have large volumes of data to manage, organize and classify to obtain the optimal benefits. By incorporating analytical models we will optimize the production of fine copper, lower operational costs, increase operational safety and / or reduce the risks in operation. Analytics permits us to calibrate, set parameters and evaluate thousands of possible scenarios to finally recommend the best operation option in the context of the moment.

b. Technological projects and automation in business processes

The two focuses of this work consist of:

Technological and automation projects in production areas, with an emphasis on mines and plants:

In this area, the Concentrator Plant Automation Program ("PAPC" by its spanish acronym) and, especially, the advanced control systems, stand out.

at División Ministro Hales and División El Teniente, in addition to the changes and optimization to automation infrastructure at División Chuquicamata.

Another key milestone was the definition and formalization of Codelco's Integrated Operations Center ("CIO" by its spanish acronym) strategy, which conceptualizes and defines guidelines towards a Strategic CIO, based at head office, and three tactical CIOs located in Calama, Los Andes and Rancagua.

In this context, in 2019 we consolidated the Chuquicamata and El Teniente Tactical CIOs, and we transferred the CIO from the Minister Hales operation to the Calama Tactical CIO.

Support areas (supply chain, human resources, finances, among others)

In 2019, Codelco kicked off the Improved Supply Management Project (known for its acronym in Spanish "GEMA"). GEMA aims to implement a technological tool called Ariba to leverage transformation at the supply chain area. Also, some projects, such as the migration of the reporting and management platform database to the new version of SAP (called "HANA"), provides considerable improvements in data execution and analysis times. Moreover, notable advances in the Employee Central project will provide Human Resources with centralized individual data and make self-service available to employees.

2019

Another important milestone in regulatory application areas is in the generation of an electronic waybill. This requirement came into effect in January 2020, under the new legislation.



c. Technology

Within our new organizational structure, we created the role of Technology Business Partner, which will play a key role in how the Vice Presidency of Technology and Automation in Business Processes related to the diverse range of client projects and functional areas at Codelco's operations. This role provides a single point of contact and management of technological demands, which will allow Codelco to deliver to robust, integrated and coordinated service to our clients.

Today we are seeking to implement technologies that enable our company's digital transformation. Therefore, we are defining technological standards and guidelines that will be used within our different Corporate operations.

Communication networks

These networks are the channels through which all the information used in Codelco flows, both administratively and operationally.

Information is centralized in the Networking and Telecommunications Directorate, which also concentrates the definition of wireless communications (trunking). In this aspect, during 2019, in addition to supporting all the growth projects of our operations, we carried out an analysis that will allow us in 2020 to launch a project to technologically renew our communications networks and avoid the technological obsolescence, which would otherwise expose us to multiple types of network failure.

Cybersecurity

Another of our objectives is the protection of our information assets and IT / OT cybersecurity. This involves monitoring and protecting the Corporation from cyber-attacks through the use of a series of security systems and applications.

Therefore, during 2019 we initiated joint efforts with Operations VP to generate higher levels of security in operational networks; specifically, for the Chuquicamata Subterránea project.

Additionally, we carried out a series of activities to raise our overall levels of security such as blocking USB ports, e-learning, data classification and phishing scams, among others.

Technological solutions

The definition of standards, engineering reviews and project implementation regarding equipment rooms, communication rooms, closed circuit television technology and access control are also part of the actions we are promoting.

Accordingly, we are establishing standardized levels of technological solutions to be implemented. This will provide us with an integrated solution ecosystem, which ultimately translates into optimized levels of support and lower levels of failure.

During 2019, we rolled out technologies and commenced the specification of documented standards that will serve as a guide for the entire Corporation. We also checked possible points of failure at certain communications

equipment rooms, which will be optimized with projects to be carried out during 2020.

Finally, among our future goals and projects is the implementation of new work areas: the Department of Technological Architecture and the Project Management Office (PMO) of this vice presidency. These are 2 key areas where advanced digitization will be developed at Codelco.





HIGHLIGHTED CASE
PIONEERS IN ELECTROMOBILITY

Electromobility is not just an innovative technology. It also contributes to reducing greenhouse gas (GHG) emissions, which in turn contributes to the reduction of global warming. The electrification of vehicles creates a “transportation that is more energy efficient, reduces oil dependency and improves local air quality” (Clean Energy Ministerial, 2019).

At Codelco, we were the pioneers in Chile in piloting and implementing electromobility as part of a Corporate strategy. Implementation began with service and support vehicles, and it is rapidly advancing towards being used for underground production equipment at both El Teniente and Chuquicamata Subterránea divisions, seeking new standards of operation and a fully electric mining design.

During 2019, Codelco was part of the pilot project for the promotion of electromobility developed by the “Agencia de Sostenibilidad Energética” (Sustainable Energy Agency) with the support of the Ministry of Energy. This initiative seeks to test technologies within strategic companies in Chile and then spread out to other market stakeholders. This first version of this initiative included the participation of five companies.

Also, in line with the drive for innovation and electromobility, in June 2019 Codelco’s Development and Innovation Manager at El Teniente, Alejandro Leiva, participated in the expert panel for the Seminar on Electromobility and Innovation held in Rancagua.

This event was organized by the Regional Ministerial Secretariat for Energy with the collaboration of the “Agencia de Sostenibilidad Energética” and addressed several challenges that this technological transformation faces.

We highlight and reaffirm our commitment to the implementation of new low-emission and sustainable technologies that allow us to be the best business for Chile, and that also put us at the forefront in the global technological context.





COMMUNITIES AND TERRITORIES

OUR GOAL

Our daily commitment is to execute our operations in a responsible manner and with a sense of community. Excellence in execution is one of our main objectives and our contribution to Chile's development must be transparent to the territories where our operations are established. We do this by seeking participation, dialogue, transparency and common benefit in the areas where we operate.



Report presentation



A new outlook in Sustainability



Priority #1: occupational health & safety



Team Codelco



Efficient, competitive and ethical



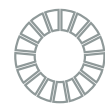
Committed to the planet



Culture of innovation



Communities and territories



Annexes



OUR PERFORMANCE 2019 IN FIGURES



25 DISTRICTS

IN OUR AREA OF INFLUENCE



95 AGREEMENTS

FOR SOCIAL INVESTMENT WITH
SOCIAL ORGANIZATIONS / INSTITUTIONS



CLP 2,817,845,692

IN INVESTMENT THROUGH 95
AGREEMENTS

21 INDIGENOUS

COMMUNITIES

9 AGREEMENTS

WITH INDIGENOUS PEOPLES

CLP 215,845,574

IN INVESTMENT THROUGH AGREEMENTS
WITH INDIGENOUS PEOPLES

180 REQUIREMENTS

RECEIVED THROUGH THE SOCIO-ENVIRONMENTAL
COMPLAINTS AND SUGGESTION ("SRSS" by its
spanish acronym) SYSTEM

39 AGREEMENTS

ASSOCIATED INITIATIVES OF
INFRASTRUCTURE

CLP 1,025,243,861

INVESTED IN INFRASTRUCTURE



OUR MANAGEMENT APPROACH

(103-1, 103-2)

During 2019 we focused on three main areas: community development and indigenous peoples, contribution to the local economy and legal compliance and commitments.

Moreover, these aspects are part of the 6 areas of evaluation contained in our Comprehensive Business Risk Management Model, whereby we implement all the necessary controls and plans, with the respective results reported to senior management.

Our regulatory framework, the Corporate Sustainability Policy (2016), Codelco Corporate Standard NCC° 39 on Community Investment (2016) and the Community Development Standard (2016), Community Relationship (2016) and Native Peoples Standard (2016) define what we understand about these three aspects and the commitments that we as a corporation have to them.

“

Community development is the process by which communities are strengthened, their quality of life is improved and where they may participate in decisions that affect them.

This is specifically vital in the territory where ongoing or eventual socio-environmental impacts or effects are produced and / or are perceived as a consequence of Codelco's operations or the development of its investment projects (...)

In this context, we recognize the intrinsic value of indigenous peoples, in their identity and form of self-organization, their rights, culture, rites and customs, together with their ties to the land, territory and its resources.

”

Codelco Corporate Standard NCC° 39 on Community Investment, 2016



COMMUNITY INVESTMENT

At Codelco we have established an important social investment tool through Codelco Corporate Standard No. 39 on Community Investment 2016 ("NCC 39" by its spanish acronym): the Community Investment Agreements. These consist of instruments through which we enter into agreements with institutions with legal standing, public or private, in order to formalize the delivery of contributions to develop community projects.

All community contributions we make as a Corporation have an agreement, and 100% of these agreements are made with compliance certifications and sworn statements, pursuant to Law No. 20,393 on Criminal Liability of Legal Persons.

In turn, our community investment has two sources of financing:

- Direct, through each division / district
- Through the Social Investment Fund ("FIS" by its spanish acronym)

Community investment in 2019 focused on 4 priorities, which will be described below.

(203-1)

39 of our community agreements were associated with infrastructure initiatives for a total budget of CLP 1,025,243,861.



	TOTAL SOCIAL INVESTMENT AGREEMENTS SIGNED IN 2019	TOTAL BUDGET FOR SOCIAL INVESTMENT AGREEMENTS IN 2019
DISTRITO NORTE	49	CLP 1,369,147,982
SALVADOR	1	CLP 90,000,000
ANDINA	30	CLP 1,067,859,756
VENTANAS	12	CLP 244,541,656
EL TENIENTE	3	CLP 46,296,298
TOTAL	95	CLP 2,817,845,692

CLP = Chilean Peso



OUR PERFORMANCE

COMMUNITY DEVELOPMENT AND INDIGENOUS PEOPLES

COMMUNITY MANAGEMENT SYSTEM

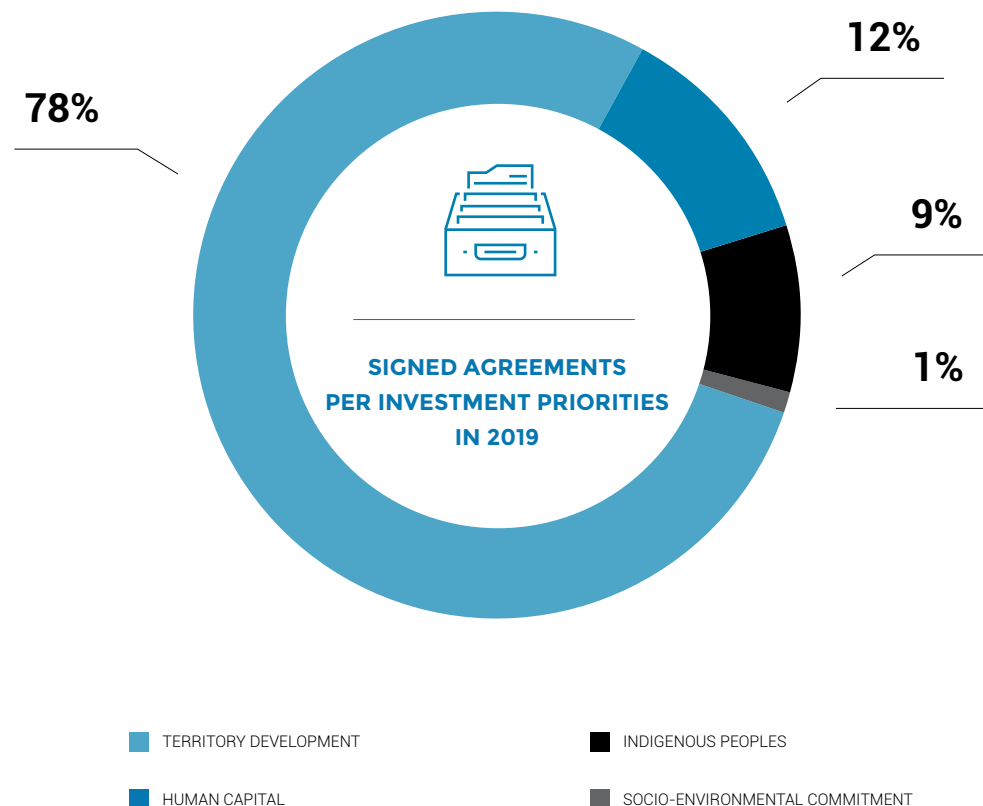
(103-3)

In order to formalize, monitor, follow up and evaluate the relationship, investment and impact of our work with the communities, we have a management system in place that is based on the guidelines and commitments established in the Corporate Sustainability Policy, in force since 2016.

This system consists of:

- **Community relations plans:** each divisions must manage its own.
- **Perception study:** analyzes the perception of the authorities and communities within the operations zone on the performance of the Corporation in several aspects of sustainability.
- **Online project information and monitoring system:** divisions provide project information that permits monitoring of their activities.

PERCENTAGE OF AGREEMENTS SIGNED PER INVESTMENT PRIORITIES IN 2019



In 2019 we were focused on optimizing and consolidating our online platforms, which will allow us to optimize control, traceability and monitoring of:

Community investment

Contributions that Codelco makes in favor of the communities within the area of influence of its operations and projects, seeking to contribute to the development of our business activities.

Areas of influence

Territory where ongoing or eventual socio-environmental impacts or risks occur and / or are perceived as a consequence of our operations or the development of our investment projects.

Stakeholders

All groups, people and social organizations that inhabit the territory where our mining activities and / or projects are carried out.

Community relations

To materialize a community strategy by generating transparent relationships based on collaborative work and mutual benefit, managing expectations with appropriate and inclusive processes.



Training and development management

Local training and development instruments seek to support the communities through education and training initiatives in order to increase employability and employment opportunities.

Social-environmental conflict

Ongoing monitoring of community dynamics in the territories within the area of influence, in addition to anticipating conflicts therein, allows us to establish plans to avoid operational and / or reputational losses.

Community strategy

This integrates socio-environmental risks into community management, establishing focal points for community relations and development within the area of influence.

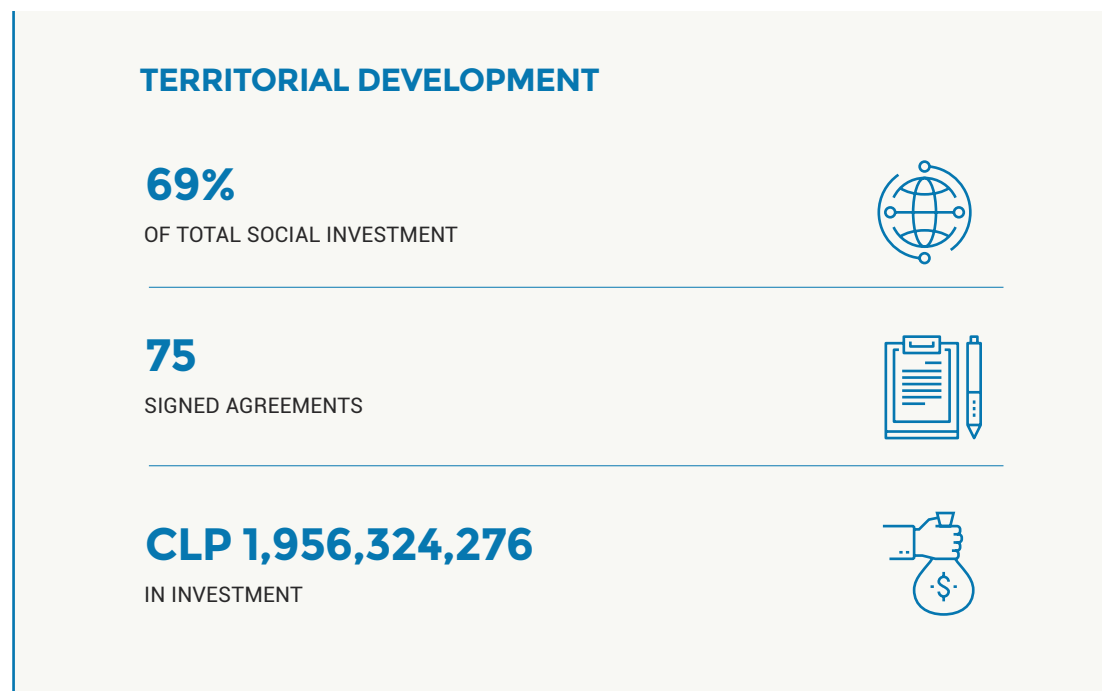
Organization values

Considering the importance of creating spaces for learning and communication among community organizations in addition to those already established with the communities.

AT THE SERVICE OF SOCIAL ORGANIZATIONS

(413-1)

One of the four topics for 2019 community investment was territorial development, aimed at strengthening the skills and resources of the inhabitants of the communities within the area of influence. This consists of 3 priority areas: quality of life, organizational strengthening and culture and heritage appraisal.



Codelco Social Investment Fund (FIS)

The FIS is another of our resource allocation mechanisms that allows co-financing for community projects with resources from the divisions, the corporate center and social organizations.

This is aimed at civilian groups within the area of influence of our operations, and aims to develop projects that seek to foster citizen participation and improve the people's quality of live.

FINANCED PROJECTS IN 2019 (203-1)

DIVISION	PROJECT NAME	TOTAL PROJECT AMOUNT	FIS FINANCING AMOUNT
VENTANAS	SUSTAINABLE BEAUTIFICATION AND INSURANCE, SQUARE AT VENTANAS	CLP 20,044,035	CLP 10,933,110
	OUR SCIENCE ROOM	CLP 36,955,193	CLP 15,618,252
EL TENIENTE	EDUCATION FOR ENVIRONMENTAL CARE IN THE DINTRANS SECTOR	CLP 7,265,878	CLP 3,159,527

CLP = Chilean Peso



FEATURED COMMUNITY DEVELOPMENT AGREEMENTS



SALVADOR

[Responsible Ownership of Pets in Chañaral](#)

Amount: CLP 90,000,000

Consistent with our community relations policies and echoing the sentiment of the general public, as Codelco División Salvador we are financing the construction of a kennel to harbor dogs in Chañaral district, thereby promoting responsible pet ownership in conjunction with the Community Neighborhood Committee of this city.

[Diego de Almagro Children's Orchestra](#)

Continuing with this initiative in 2019 and for the third consecutive year through División Salvador, we financed classes for children and young members of the Diego de Almagro Children's Orchestra, dependent on the district Municipality. The orchestra has more than 30 musicians who periodically give recitals in different parts of the Atacama Region.



ANDINA

[Safe rural water \("APR" by its spanish acronym\)](#)

Amount: CLP 266,000,000

Through División Andina we support the improvement of the APR system of the "Camino internacional" in the province of Los Andes and of the APR systems in the province of Chacabuco: Río Blanco, Riecillo, Chacayes Alto, Río Colorado, "El Sause" Riecillo, Bocatoma, Camino Internacional Alto. These initiatives aim to improve the quality of life of the residents and, through these improvements, allowing them to have availability of this vital resource throughout the day.

[Consolidation of the community office in Huertos Familiares as a space for meeting and providing information](#)

Amount: CLP 9,600,000

Through our community office located at Calle Dos Oriente 160-C, we seek to strengthen ties of trust with neighbors and neighborhood leaders of the towns surrounding Ovejería tailing dam, and to publicize the key aspects of the sustainable operation of said dam.



INDIGENOUS PEOPLES: STRENGTHENING OUR COMMITMENT

(MM5)

At Codelco we engage with the indigenous Aymara, Atacameñas, Quechuas and Collas communities. We recognize their unique attributes and we greatly respect their forms of organization, customs, worldview and way of life. Therefore, Codelco has specifically developed community relations plans for indigenous communities in the area of influence of each division. These plans define the actions that Codelco takes within the communities, maintaining a presence in the territory through periodic visits and carrying out work meetings, workshops, training and participatory and associative community projects with the indigenous communities surrounding our operations.



5 of our 8 divisions are located in areas close to indigenous communities.

DIVISION/ DISTRICT	INDIGENOUS DEVELOPMENT AREA	INDIGENOUS COMMUNITIES
Distrito Norte	Alto el Loa	Community of Taira
		Community of Conchi Viejo
		Community of Caspana
		Community of Toconce
		Community of Valle Lasana
		Community of Estación San Pedro
		Community of Chiu-Chiu
		Community of Ollagüe
		Community of Cupo
		"Asociación Indígena de Agricultores y Regantes de Chiu-Chiu" (ASACHI)
Atacama la Grande	Atacama la Grande	Neighborhood Council No. 24 of Village of Chiu-Chiu
		Community of San Pedro de Atacama and the Indigenous Community Ayllus
		Community of Río Grande
		Community of Toconao
		Community of Peine
		Community of Socaire
Division Salvador	Division Salvador	Community of Camar
		Community of Talabre
		Colla Community of Diego de Almagro
		Colla Community of Geoxcultuxial
		Colla Community of Chiyagua



In 2019 we signed 9 collaborative agreements with indigenous communities / organizations, for a total budget of **CLP 215,845,574**, which translates into the following initiatives that contribute to quality of life and sustainability of the parties involved:

CLP 2,582,300

LICKANANTAY PAPUR

Start: 03-21-2019 / End: 03-15-2020

CLP 43,194,757

IMPLEMENTATION OF RENEWABLE ENERGY: INDIGENOUS COMMUNITY OF CHUNCHURI

Start: 01-17-2019 / End: 01-17-2020

CLP 60,000,000

CHUNCHURI A SELF-SUSTAINING AGRICULTURAL COMMUNITY

Start: 05-14-2019 / End: 07-14-2020

CLP 20,500,000

NON-CONVENTIONAL RENEWABLE ENERGY (NCRE) PROJECT TO SUPPORT THE BEST QUALITY OF LIFE FOR THE INHABITANTS OF CHIU-CHIU

Start: 11-19-2019

CLP 10,500,000

IMPLEMENTATION OF CASPANA SHELTER

Start: 11-18-2019 / End: 11-18-2020

CLP 18,098,165

IMPLEMENTATION OF A RADIO TOCONAO RECORDING STUDIO TO CREATE VALUE FOR AND DISSEMINATE CULTURAL, ARTISTIC AND SPORTS HERITAGE OF TOCONAO AND SURROUNDING AREAS

Start: 12-27-2019 / End: 12-23-2020

CLP 20,500,000

“MEJORAR MI TURI”

Start: 12-23-2019 / End: 12-23-2020

CLP 20,410,750

IMPROVEMENT TO WATER CHANNELING FOR THE INHABITANTS OF VEGA CHELA

Start: 11-25-2019 / End: 11-25-2020

CLP 20,059,602

ACTIVATION OF COMMERCIAL AGRICULTURE IN CHIU-CHIU THROUGH THE PROCUREMENT OF AGRICULTURAL EQUIPMENT

Start: 11-25-2019 / End: 11-25-2020



ENGAGEMENT PROCESSES WITH LOCAL COMMUNITY

(MM5, 413-1)

All Codelco operations have established consultation and participation processes that are carried out with the local neighboring communities, in accordance with the Corporation's guidelines and Chilean law. These processes establish working groups, surveys and foster engagement with public-private organizations, among other instances, resulting in several development projects, in addition to citizen consultations established by the environmental authority or other instances. One highlight of 2019 was the Indigenous Consultation Process conducted by the Environmental Assessment Service ("SEA" by its Spanish acronym) as part of the Rajo Inca project. This involved participation from the Colla communities from the district of Diego de Almagro and the Colla Geoxcultuxial and Colla Chiyagua from Quebrada del Jardín.

This process allowed us to establish commitments with the participating communities, as well as solid principles and standards to promote and strengthen collaborative relationships with the indigenous communities surrounding División Salvador, through the signing of protocols of agreements. These protocols and agreements include Codelco's mitigation, compensation and voluntary commitments that will help improve the quality of life of indigenous communities, and boost the economy of Chañaral and that of the Atacama Region.



(411-1, MM6)

There were no recorded cases of violation of the rights of indigenous peoples in 2019, nor were there any reported significant conflicts associated with land use, customary rights of local communities or indigenous peoples.



CONTRIBUTION TO LOCAL ECONOMY

(103-2; 413-1)

HUMAN CAPITAL DEVELOPMENT

Another focal point of our investment strategy is strengthening human capital, aimed at increasing and / or improving skills, abilities and training of people from the communities within the area of influence. This includes the

following aspects: training for employability, training for community development, entrepreneurship and / or productive development, education, and environmental education.

HUMAN CAPITAL

22%

OF TOTAL SOCIAL INVESTMENT



11

SIGNED AGREEMENTS



CLP 608,675,842

IN INVESTMENT



**FEATURED HUMAN CAPITAL AGREEMENTS****NORTHERN DISTRICT****Union of independent workers, fishermen of Tocopilla**

Amount: CLP 100,000,000

This is the first agreement signed with this union and will involve concentrating efforts on improving productive activity by acquiring a 6.5 ton crane. This will allow the union to improve the movement of seafood and fish boats and cargo by 110% on a daily basis.

**DIVISION ANDINA****Contribution to culture through music education for vulnerable children and youth**

Amount: CLP 180,000,000

This project involves the Children's Symphony Orchestra Foundation and conducts music classes for children and youth in vulnerable conditions in the towns of Los Andes, Til Til and Río Blanco from March to January.

Children and young people learn musical techniques with several types of instruments, whose classes are led by professionals in the area who are guided by the annual plan carried out by the conductor of the orchestra.

At the end of the year, children and young people give recitals at the provincial and national levels, in which they demonstrate their skills acquired during the period.

**DIVISION VENTANAS****Education program for technological projects**

Amount: CLP 7,500,000

The objective of this initiative is to train students and teachers of an educational establishment on the use of new technologies that may become useful tools both for future jobs or ventures and for the teaching processes of the establishment.

Educational resources guides and posters for 5th grade students to develop projects with technologies that use copper and relating to the contents of workshops in natural sciences, art and language courses. We also worked on a research proposal for copper applications in school projects, such as the use of copper nanoparticles in conductive ink and the use of new sensors or actuators with copper, among others.



SOCIAL COMPLIANCE

FULFILLING OUR COMMITMENTS

(103-2)

Part of our funds are invested in agreements that enable compliance with commitments in community issues. These issues involve legal instruments or voluntary commitments assumed by our operations and / or investment projects and which may arise from: Environmental Qualification Resolutions, sectoral permit requirements and agreements with authorities and / or community representatives.

In 2019 we invested a total of CLP 37,000,000, corresponding to 1.3% of the total social investment.

This fund was invested in the project “Ecogranja Parque Cordillera” a learning experience through knowledge, respect and appreciation for animals. The aim of this investment is to preserve and improving the facilities required for the operation of the ecofarm and ensure the well-being of animals and their diet.

In parallel, the repair of sanitary facilities and children’s playground will be carried out, in addition to pest control, sanitation and structural improvements to the artificial pond and facilities.

SOCIO-ENVIRONMENTAL COMPLAINTS AND SUGGESTION SYSTEM (“SRSS”)

(103-2, MM7)

In order to respond swiftly to the concerns, grievances and proposals that arise from communities in relation to our production processes and / or investment projects, we established the Socio-environmental Complaints and Suggestion System (“SRSS” by its spanish acronym). The SRSS is a permanent communication platform open to communities within different territories where we are present and operates via email and a toll-free hotline.

In 2019 this system was optimized as a result of a KPMG diagnosis, the standards established by ISO 19600 and ICMM in these areas, and the identification of best practices in our industry.



Toll free hotline:
800 222 600



e-mail:
contactosocioambiental@odelco.cl

During the period, we received 180 requests through the Socio-environmental Complaints and Suggestions System, representing a significant increase compared to the requests received in 2018 (76). The 180 requests received in 2019 met the following characteristics:





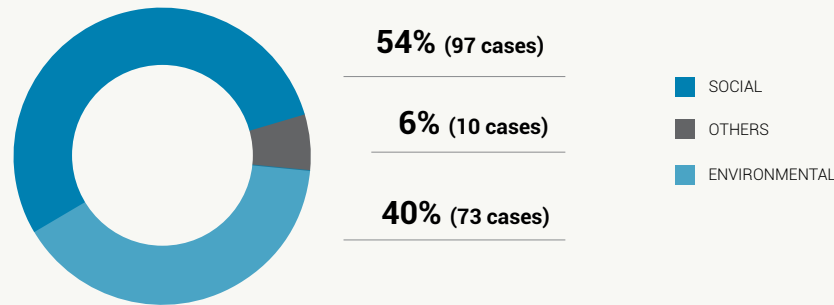
21%

OF THE REQUIREMENTS WERE RECEIVED IN SEPTEMBER, MARKED BY A HIGH NUMBER OF TICKETS FILED BY

DIVISION RADOMIRO TOMIC (24)

THE NORTH DISTRICT RECORDED THE HIGHEST AMOUNT - WITH 105 REQUIREMENTS. OF REQUIREMENTS THESE, DIVISIÓN CHUQUICAMATA RECEIVED 51% (53) - COMPLAINTS FILED BY THE COMMUNITY FOR TRUCK ACTIVITY ASSOCIATED WITH MINING OPERATIONS.

TOTAL REQUIREMENTS RECEIVED 2019 (%)



(411-1, MM7)

OF ALL THE COMPLAINTS, NONE CORRESPOND TO HUMAN RIGHTS VIOLATIONS.

LIKewise, NO COMPLAINTS WERE FILED ASSOCIATED WITH LAND USE CONFLICTS, CUSTOMARY RIGHTS OF LOCAL COMMUNITIES AND INDIGENOUS PEOPLES.

TYPES OF REQUIREMENTS

COMPLAINTS > **83% (149) OF THE TOTAL**

CONSULTATIONS > **8% (15) OF THE TOTAL**

HEADQUARTERS RECEIVED THE HIGHEST QUANTITY OF CONSULTATION (5)

SUGGESTIONS > **9% (16) OF THE TOTAL**

CHANNELS OF RECEIPT FOR REQUIREMENTS

70% > **CALL CENTER**

23% > **EMAIL**

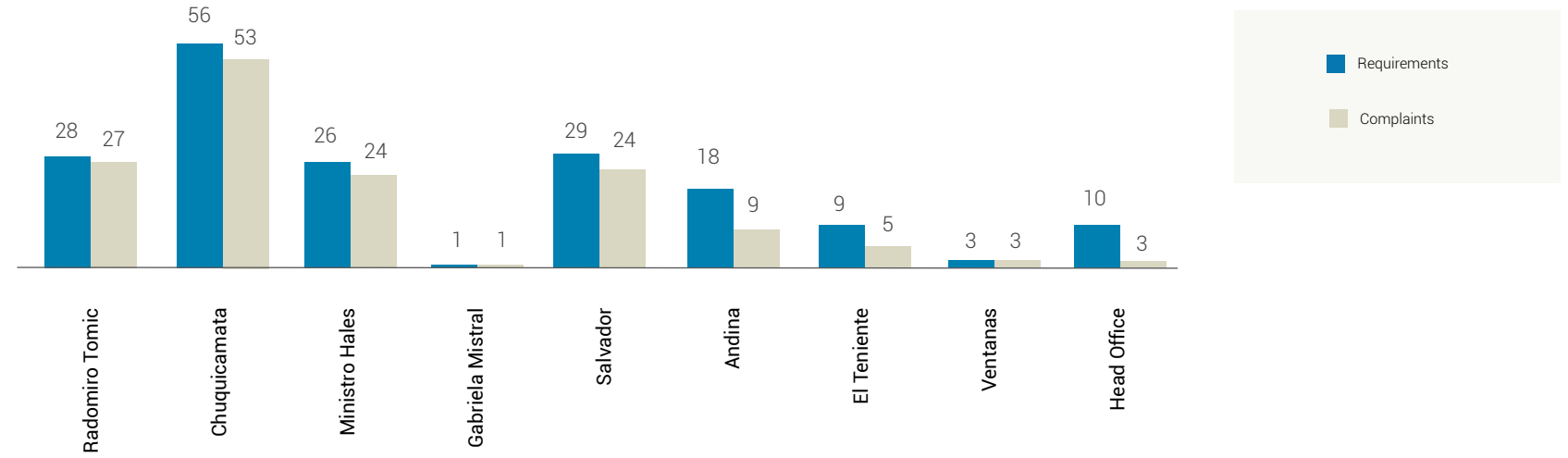
7% > **WEBSITE**



(413-2)

In 2019 there were no conflicts with the community that impacted the continuity of our work, nor were there any incidents with social impact caused by our activities.

2019 REQUIREMENTS REGISTERED PER DIVISION





ANNEXES

20 YEARS OF REPORTING

For 20 years at Codelco we have been committed to reporting our environmental and social management through annual sustainability reports. This document celebrates two decades in which we report on our comprehensive performance.



Report presentation



A new outlook in Sustainability



Priority #1: occupational health & safety



Team Codelco



Efficient, competitive and ethical



Committed to the planet



Culture of innovation



Communities and territory



Annexes



METHODOLOGY AND OTHER STANDARDS

(102-21, 102-40, 102-42, 102-43, 102-49, 102-51, 102-54, 102-48)

As members of the International Council for Mining and Metals (ICMM) we use the methodology suggested by the Global Reporting Initiative (GRI) in their option for comprehensive option. In addition, we report on progress for the United Nations Global Compact.

The information included in this report continues from the report issued in 2018 and covers the period from January 1 to December 31, 2019, covering all of Codelco's operations and activities without changes in scope and coverage of information regarding what was reported in the previous period.

This report was externally reviewed by KPMG, Auditores Consultores SpA.

MATERIALITY PROCESS

In 2019 we carried out a materiality definition process to identify the significant impacts of our work, as well as the issues that substantially influence the assessments and decisions of our stakeholders.

The first step, consisted on defining and classifying our stakeholders, who then participated in a consultation process:

PRIORITY STAKEHOLDER

CONSULTATION AREA



DIRECT WORKERS

2019 LABOR CLIMATE SURVEY
MEETING AGENDA WITH TRADE UNIONS
2019 MERCOSUR STUDY



CONTRACTOR COMPANIES

MEETING AGENDA
MEETING MINUTES
WEB



LABOR UNIONS

MEETING AGENDA
WEB



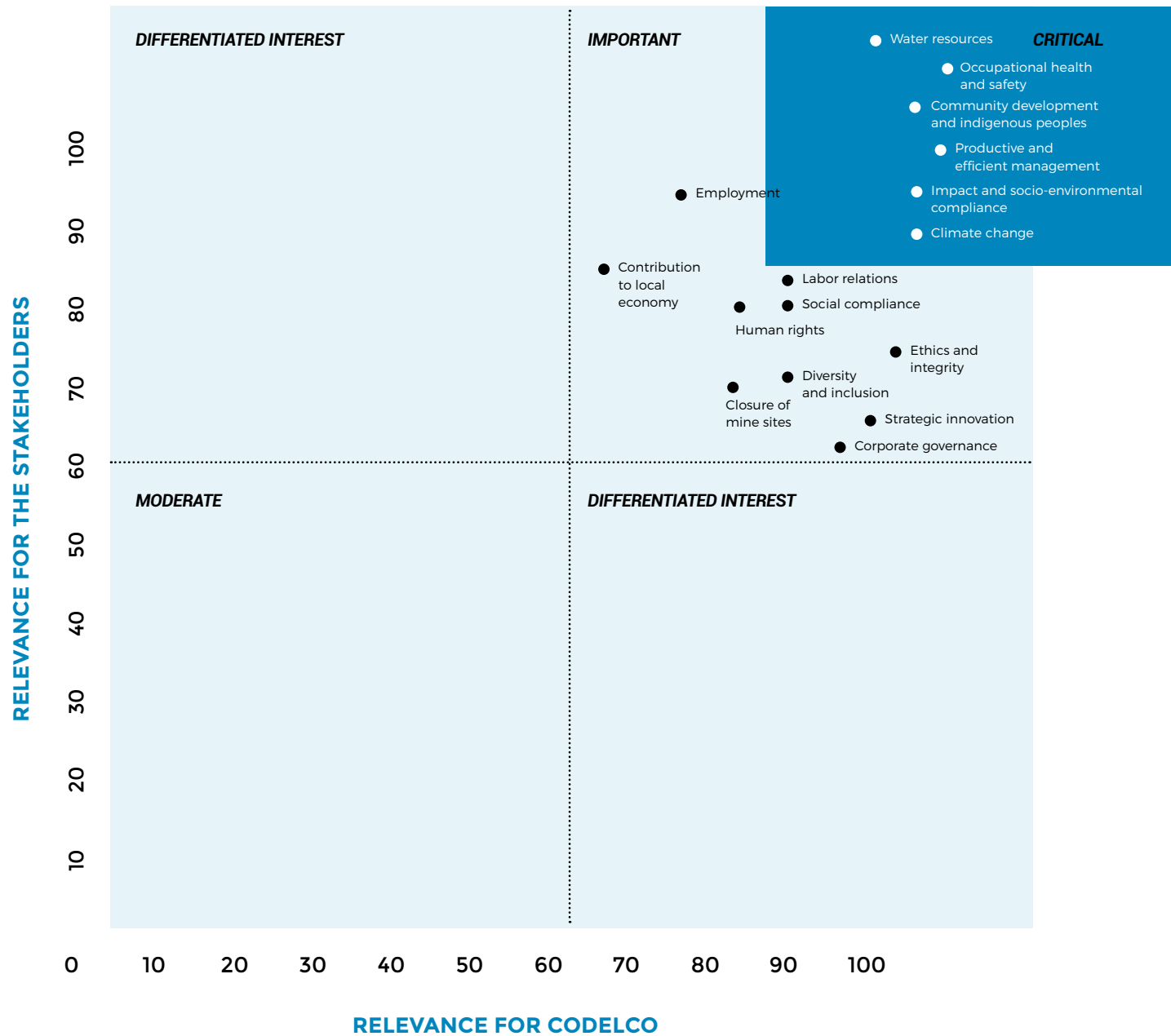
SURROUNDING COMMUNITIES AND SOCIAL ORGANIZATIONS

STAKEHOLDER MAPPING
"MORI" SURVEY
"VEAS" RESEARCH
"UNIVERSIDAD CATOLICA" 2019 PERCEPTION STUDY



(102-44, 102-46)

The important issues that resulted from this consultation process were prioritized in the following materiality matrix and validated by the Sustainable Development Department at Head Office and the Board's Sustainability Committee.





INTERNATIONAL STANDARDS

At Codelco, we adhere to certain international standards that contribute to our management in terms of sustainable development.

ICMM

We are members of the International Council of Mining and Metals (ICMM). Since 2001 this organization has brought together leaders of the mining and metallurgical extractive industry with a commitment to improve performance in sustainable development that society demands through its ten principles (available at www.icmm.com).

As ICMM members we have agreed to comply with three mandatory elements:

- Integrate the set of 10 principles for sustainable development and support position statements in corporate policies.
- Report the progress and management of the principles and position statements in Sustainability Reports (annually), according to the Global Reporting Initiative (GRI), including the GRI Mining and Metals Sector Supplement.

- Obtain an independent third-party verification of our performance in sustainability. Accordingly, an independent auditor must review and assess the quality of our reports, systems and processes in accordance with ICMM's Assurance Procedure.
- We adhere to the principles of transparency proposed by the Extractive Industry Transparency Initiative (EITI).

At Codelco, we adhere to and comply with the six position statements that provide clarity to the commitments contained in the ten principles of Sustainable Development of the ICMM:

- ICMM Principles for the Design of Climate Change Policies (complements to Principles 4 and 6) - June 2011.
- Mining Position Statement: Partnerships for development (complements Principle 9) - January 2010.

- Position statement on transparency in mineral revenues (complement to Principle 1) – July 2009.
- Position statement on mercury risk management (complement to Principles 4, 6 and 8)- February 2009.
- Position statement on indigenous peoples and mining (complement to Principle 3) – May 2013.
- Position statement on mining and protected areas (complements Principles 6 and 7) - September 2003.

GLOBAL COMPACT

Since June 2016 onwards Codelco has adhered to the United Nations Global Compact, a voluntary initiative in which companies commit to align their strategies and operations with ten universally accepted principles in four thematic areas: human rights, labor standards, environment and anti-corruption.

This Sustainability Report serves the function of communicating Codelco's progress in complying with these principles.

SUSTAINABLE DEVELOPMENT GOALS (SDGs)

The Sustainable Development Goals are 17 measures developed by the United Nations in which all society stakeholders may contribute to achieve important goals including an end to poverty, protecting the planet and guaranteeing the overall well-being of persons. The detail of each of these goals can be found [here](#).

Our contribution as a State-owned company to the fulfillment of the SDG's is reflected in this document.



SUSTAINABLE DEVELOPMENT GOALS





LETTER OF VERIFICATION

(102-56)



Independent Review Report Codelco's 2019 Sustainability Report

To the **President and Directors** of
Corporación Nacional del Cobre de Chile (CODELCO)

We have conducted a limited review of the content and data disclosed in the 2019 Sustainability Report of Codelco for the year ended December 31, 2019.

Codelco's management is responsible for the preparation of the Sustainability Report. Additionally, Codelco's management is responsible for the contents, affirmations, scope definition and the management and control of information systems which provided the information reported.

Our review was conducted in accordance with attestation engagement standards established by the Colegio de Contadores de Chile A.G. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion over "Codelco's 2019 Sustainability Report". Accordingly, we do not express such an opinion.

Contents and data disclosed in "Codelco's 2019 Sustainability Report" were also reviewed considering the criteria established in the Global Reporting Initiative (GRI) Sustainability Reporting Standard as well as its related Supplement for the Mining and Metal Sector and in the Principles of Sustainable Development Assurance Procedure and the International Council on Mining and Metals (ICMM) Statements of Position, which are summarized as follows:

- Determine that the contents and data disclosed in "Codelco's 2019 Sustainability Report" are duly supported with sufficient evidence.
- Determine that Codelco has prepared its 2019 Sustainability Report in accordance with the Principles on Content and Quality as established by the GRI Standard and the Supplement for the Mining and Metal Sector.
- Confirm the comprehensive option stated by Codelco in its 2019 Sustainability Report, in accordance with the GRI Standard.
- Confirm Codelco's alignment with the Principles of Sustainable Development Assurance Procedure and the International Council on Mining and Metals Statements of Position.

Our procedures considered conducting inquiries with Codelco's management and the personnel from the operations responsible for the preparation of the report, as well as performing other analytical procedures and tests, that included:

- Interviews with Codelco's key personnel, in order to assess the 2019 sustainability report preparation process, content definition, information systems used and the scope regarding the principles of sustainable development and the ICMM Statements of Position.
- Verification of data included in "Codelco's 2019 Sustainability Report" through supporting documentation provided by Codelco.
- Analysis of the collection process and the quality control of the quantitative information reported in "Codelco's 2019 sustainability report".
- Verification of data reliability using analytical procedures, testing on a sample basis and the review of recalculations.
- Visits to the corporate offices located in the Metropolitan Region and videoconference interviews.
- Review of the drafting of "Codelco's 2019 Sustainability Report".

Based on our review, nothing came to our attention that caused us to believe any of the following:

- Contents and data disclosed in "Codelco's 2019 Sustainability Report" are not duly supported with sufficient evidence.
- "Codelco's 2019 Sustainability Report" has not been prepared in accordance with the Principles on Content and Quality as established by the GRI Standard and the Supplement for the Mining and Metal Sector.
- "Codelco's 2019 Sustainability Report" does not comply with the comprehensive option stated by Codelco in accordance with the GRI Standard.
- Codelco is not aligned with the principles of sustainable development and the ICMM Statements of Position.

KPMG SpA.

Tamara Agnic M.
Partner

Santiago June 30, 2020



GRI TABLES

(102-55)

GENERAL CONTENTS

GRI STANDARD	CONTENTS	PAGE / OMISSION	PRINCIPLES GLOBAL PACT*	SDG*
1. PROFILE OF THE ORGANIZATION				
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102-7	Scale of the organization	9		
102-8	Information on employees and other workers	36 - 138	6	8
102-9	Supply chain	55		
102-10	Significant changes to the organization and its supply chain	55		
102-11	Precautionary principle or approach	13		
102-12	External initiatives	12		
102-13	Membership of associations	12		
2. STRATEGY				
102-14	Statement from senior decision-maker	5		
102-15	Key impacts, risks and opportunities	67		
3. ETHICS AND INTEGRITY				
102-16	Values, principles, standards, and norms of behavior	49	10	16
102-17	Mechanisms for advice and concerns about ethics	69	10	16

GRI 102:
2016
General
Disclosures



GENERAL CONTENTS

GRI STANDARD	DESCRIPTION	PAGE / OMISSION	PRINCIPLES GLOBAL PACT*	SDG*
4. GOVERNANCE				
	102-18 Governance structure	58		
	102-19 Delegating of authority	58		
	102-20 Executive-level responsibility for economic, environmental and social topics	58 - 63 - 64 -144		
	102-21 Consulting stakeholders stakeholders on economic, environmental and social topics	119		16
	102-22 Composition of the highest governance body	62 - 142		5, 16
	102-23 Chair of the highest governance body	58		16
	102-24 Nomination and selecting the highest governance body	58		5, 16
	102-25 Conflicts of interest	70		16
	102-26 Role of highest governance body in setting purpose values and strategy	63		
	102-27 Collective knowledge of highest governance body	64		4
GRI 102: 2016 General Disclosures	102-28 Evaluation the highest governance body's performance	64		
	102-29 Identifying and managing of economic, environmental and social impacts	65		16
	102-30 Effectiveness of risk management processes	65		
	102-31 Review of economic, environmental and social topics	58		
	102-32 Highest governance body's role in Sustainability Report	63		
	102-33 Communicating critical concerns	63		
	102-34 Nature and total number of critical concerns	67		
	102-35 Remuneration policies	62		
	102-36 Process to determining remuneration	62		
	102-37 Stakeholders involvement in remuneration	62		16
	102-38 Annual total compensation ratio	36		
5. PSTAKEHOLDER ENGAGEMENT				
	102-40 List of stakeholder groups	119		
	102-41 Collective bargaining agreements	41 - 140	3	8



CONTENIDOS GENERALES

GRI STANDARD	DESCRIPTION	PAGE / OMISSION	PRINCIPLES GLOBAL PACT*	SDG*
	102-42 Identifying and selecting agreements	119		
	102-43 Approach to stakeholder engagement	119		
	102-44 Key topics and concerns raised	120		
	6.PRACTICES FOR REPORT PREPARATION			
	102-45 Entities included in the consolidated financial statements	52		
	102-46 Defining report content and topic Boundaries	120		
	102-47 List of material topics	22 - 120		
GRI 102: 2016 General disclosures	102-48 Restatement of information	119		
	102-49 Changes in reporting	119		
	102-50 Reporting period	149		
	102-51 Date of most recent report	119		
	102-52 Reporting cycle	149		
	102-53 Contact point for questions regarding the report	149		
	102-54 Claims of reporting in accordance in accordance with GRI standards	119		
	102-55 GRI content index	124		
	102-56 External assurance	123		



TEMAS MATERIALES

GRI STANDARD	DESCRIPTION	PAGE / OMISSION	PRINCIPLES GLOBAL PACT*	SDG*
	EFFICIENT MANAGEMENT AND PRODUCTIVITY CLIMATE CHANGE CONTRIBUTION TO THE LOCAL ECONOMY	49		
	MANAGEMENT APPROACH (103-1 / 103-3 / 103-3)			
GRI 201: 2016 Economic performance	201-1 Direct economic value generated and distributed	54 - 141		2, 5, 7, 8, 9
	201-2 Financial implications and other risks and opportunities due to climate change	84	7	13
	201-4 Financial assistance received from government	54		
GRI 202: 2016 Market presence	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	36	6	1, 8
	202-2 Proportion of senior management hired from the local community	36	6	8
GRI 203: 2016 Indirect economic impacts	203-1 Infrastructure investments and services supported	106 - 108		2, 5, 7, 9, 11
	203-2 Significant indirect economic impact	55		1, 2, 3, 8, 10, 17
GRI 204: 2016 Procurement practices	204-1 Proportion of spending on local suppliers	55		12
	ETHICS AND INTEGRITY. MANAGEMENT APPROACH (103-1 / 103-3 / 103-3)	49		
GRI 205: 2016 Anti-corruption	205-1 Operations assessed for risks related to corruption	145 - 68	10	16
	205-2 Communication and training about anti-corruption policies and procedures	68		16
	205-3 Confirmed incidents of corruption and actions taken	69	10	

**MATERIAL ISSUES**

GRI STANDARD	DESCRIPTION	PAGE / OMISSION	PRINCIPLES GLOBAL PACT*	SDG+	
GRI 302: 2016 Energy	302-1	Energy consumption within the organization	83	7, 8	7, 8, 12, 13
	302-2	Energy consumption outside the organization	Codelco has not developed a method to quantify energy consumption outside the organization.	8	7, 8, 12, 13
	302-3	Energy intensity	83	8	7, 8, 12, 13
	302-4	Reduction of energy consumption	Codelco has not quantified energy savings figures from the initiatives	8,9	7, 8, 12, 13
	302-5	Reduction in energy requirements of products and services	This indicator does not apply to Codelco due to the type of product that Codelco produces.	8,9	7, 8, 12, 13
WATER RESOURCES MANAGEMENT APPROACH (103-1 / 103-3 / 103-3)		73			
GRI 303: 2018 Water and effluents	303-1	Interaction with water as a shared resource	78	7, 8	6
	303-2	Management of water discharge-related impacts	78	8	6
	303-3	Water withdrawal	146		
	303-4	Water discharge	81		
	303-5	Water consumption	Codelco has promoted initiatives to quantify this indicator according to the GRI		
GRI 304: 2016 Biodiversity	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	86	8	6, 14, 15
	304-2	Significant impact of activities, products and services on biodiversity	86	8	6, 14, 15
	304-3	Habitats protected or restored	86	8	6, 14, 15
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	86	8	6, 14, 15



MATERIAL ISSUES

GRI STANDARD	DESCRIPTION	PAGE / OMISSION	PRINCIPLES GLOBAL PACT*	SDG+	
GRI 305: 2016 Emissions	305-1	Direct (Scope 1) GHG emissions	84	7, 8	3, 12, 13, 14, 15
	305-2	Energy indirect (Scope 2) GHG emissions	84	7, 8	3, 12, 13, 14, 15
	305-3	Other indirect (Scope 3) GHG emissions	84	7, 8	3, 12, 13, 14, 15
	305-4	GHG emissions intensity	85	8	13, 14, 15
	305-5	Reduction of GHG emissions	GHG reductions have GHG emissions have not been quantified	8	13, 14, 15
	305-6	Emissions of ozone-depleting substances (ODS)	Codelco does not produce nor export these types of substances. Codelco emphasizes by corporate definition it doesn't import CFC-11 substances	7, 8	3, 12, 13
	305-7	Nitrogen oxides (NOX), sulfur oxides (SOX) and other significant air emissions	85 - 147	7, 8	3, 12, 13, 14, 15
GRI 306: 2016 Effluents and waste	306-1	Water discharge by quality and destination	81	8	3, 6, 12, 14
	306-2	Waste by type and disposal method	81 - 147	8	3, 6-12
	306-3	Significant spills	76	8	3, 6, 12, 14, 15
	306-4	Transportation of hazardous waste	147 (*)	8	3, 12
	306-5	Water bodies affected by water discharges and/or runoff	81 - 147	8	6, 15
GRI 307: 2016 Environmental compliance	SOCIO-ENVIRONMENTAL IMPACT AND COMPLIANCE MANAGEMENT APPROACH (103-1 / 103-3 / 103-3)		73		12, 13, 14, 15
	307-1	Non-compliance with environmental laws and regulations	75	8	16
GRI 401 : 2016 Employment	EMPLOYMENT. MANAGEMENT APPROACH (103-1 / 103-3 / 103-3)		35		
	401-1	New employee hires and employee turnover	34	6	5, 8

(*) Page indication issued on July 20, 2020; being outside the external verification scope.

**MATERIAL ISSUES**

GRI STANDARD	DESCRIPTION	PAGE / OMISSION	PRINCIPLES GLOBAL PACT*	SDG+	
GRI 402: 2016 Labor/ Management relations	LABOUR RELATIONS. MANAGEMENT APPROACH (103-1 / 103-3 / 103-3)	35			
	402-1 Minimum notice periods regarding operational changes	42	3	8	
	OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT APPROACH (103-1 / 103-3 / 103-3)	25			
	403-1 Occupational health and safety management system	26		5, 8	
	403-2 Hazard identification, risk assessment and incident investigation	26		3, 8	
	403-3 Occupational health services	29		3, 8	
	403-4 Worker participation, consultation, and communication on occupational health and safety	27		8	
	403-5 Worker training on occupational health and safety	26			
	403-6 Promotion of worker health	29			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	31			
GRI 403: 2018 Occupational health and safety	403-8 Workers covered by an occupational health and safety management system	26			
	403-9 Work-related injuries	28			
	403-10 Work-related ill health	29			
	DIVERSITY & INCLUSION. MANAGEMENT APPROACH (103-1 / 103-3 / 103-3)	35			
	405-1 Diversity of governance bodies and employees	43 - 64	6	5, 8	
	405-2 Ratio of basic salary and remuneration of women to men	36	6	5, 8, 10	
	GRI 406: 2016 Non-discrimination	406-1 Incidents of discrimination and corrective actions taken	69	6	5, 8, 16



MATERIAL ISSUES

GRI STANDARD	DESCRIPTION	PAGE / OMISSION	PRINCIPLES GLOBAL PACT*	SDG+
GRI 407: 2016 Freedom of association and Collective bargaining	HUMAN RIGHTS MANAGEMENT APPROACH (103-1 / 103-3 / 103-3)	35		
	407-1 Operations and suppliers in witch the right to freedom of association and collective bargaining may be at risk	44 - 56	3	8
GRI 408: 2016 Child labor	408-1 Operations and suppliers at significant risk for incidents of child labor	44	5	8, 16
GRI 409: 2016 Forced or compulsory labor	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor forced or required	44	4	8
GRI 411: 2016 Rights of indigenous people	TERRITORIAL DEVELOPMENT AND INDIGENOUS PEOPLES. MANAGEMENT APPROACH (103-1 / 103-3 / 103-3)	105		
	411-1 Incidents of violations involving rights of indigenous peoples	112 - 116	1	2
	HUMAN RIGHTS. MANAGEMENT APPROACH (103-1 / 103-3 / 103-3)	35		
GRI 412: 2016 Human rights assessment	412-1 Operations that have been subject to human rights reviews or impact assessments	To date only 1 operation (división Radomiro Tomic) has undergone a <i>due diligence</i> assessment on matters of human	1	
	412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	44	1, 2	
GRI 413: 2016 Local communities	TERRITORIAL DEVELOPMENT AND INDIGENOUS PEOPLES. MANAGEMENT APPROACH (103-1 / 103-3 / 103-3)	105		
	413-1 Operations with local community engagement, impact assessments and development programs	108 - 112 - 113	1	
	413-2 Operations with significant actual and potential negative impacts on local communities	117	1	1
GRI 415: 2016 Public policy	415-1 Political contributions	64		16
GRI 419: 2016 Socio-economic compliance	SOCIAL COMPLIANCE. MANAGEMENT APPROACH (103-1 / 103-3 / 103-3)	49		
	419-1 Non-compliance with laws and regulations in the social and economic area	70		16

**MINING SECTOR SUPPLEMENT INDICATORS**

GRI STANDARD	DESCRIPTION	PAGE / OMISSION	PRINCIPLES GLOBAL PACT*	SDG+
MM1	Amount of disturbed or restored land (owned or leased, and managed for extractive, production or use activities).	86		6, 14, 15
MM2	Number and percentage of sites identified as needing biodiversity management plans, according to criteria established, and number (percentage) of those sites that are already covered under such plans.	86		6, 14, 15
MM3	Total overburden, waste, tailings, sludge, and associated risks.	82 - 148		3, 6, 12
MM4	Number of strikes and lockouts lasting longer than a week, per country.	41 - 139		8
MM5	Total number of operations located in or adjacent to indigenous peoples' territories, and number and percentage of operations or sites that have formal agreements with local communities.	110 - 112		1, 2,
MM6	Number and description of significant conflicts related to land use, local community customs rights and indigenous people's rights.	112		1, 2
MM7	Extent to which complaint mechanisms were used to resolve conflicts related to land use, community or indigenous people customs rights. Indicate outcomes.	115 - 116		1, 2
	CLOSURE OF SITES MANAGEMENT APPROACH (103-1 / 103-3 / 103-3)	73		
MM10	Number and percentage of operations with closure plans.	92		



ANNEXES

CHAPTER 3:

PRIORITY #1:

OCCUPATIONAL HEALTH AND SAFETY

CODELCO PERSONNEL ACCIDENT RATES

DIVISION / VP	GENDER	TOTAL ACCIDENTS	ACCIDENTS WITH LOST TIME	ACCIDENT FREQUENCY RATE	SEVERITY RATE	LOST DAYS PER ACCIDENT (*)	FATALITIES
Radomiro Tomic	Female	2	0	0	0	0	0
	Male	6	1	0.46	148	324	0
Chuquicamata	Female	3	1	1.05	0	0	0
	Male	47	16	1.78	150	1,352	0
Ministro Hales	Female	0	0	0	0	0	0
	Male	6	1	0.67	201	302	0
Gabriela Mistral	Female	2	0	0	0	0	0
	Male	3	1	1.20	94	78	0
Salvador	Female	0	0	0	0	0	0
	Male	24	4	1.41	187	533	0
Andina	Female	0	0	0	0	0	0
	Male	19	6	2.04	187	549	0
Ventanas	Female	1	0	0	0	0	0
	Male	16	1	0.65	4	89	0
El Teniente	Female	3	0	0	0	0	0
	Male	45	5	0.79	1,027	7,778	1
Head Office	Female	1	0	0	0	0	0
	Male	0	0	0	0	76	0
VP of Projects (VP)	Female	1	0	0	0	0	0
	Male	1	0	0	197	0	0
TOTAL		180	36	1.08	325	11,081	1





EXTERNAL PERSONNEL ACCIDENT INDICATORS

DIVISION / VP	GENDER	TOTAL ACCIDENTS	ACCIDENTS WITH LOST TIME	ACCIDENT FREQUENCY RATE	SEVERITY RATE	LOST DAYS PER ACCIDENT (*)	FATALITIES
Radomiro Tomic	Female	2	0	0	0	0	0
	Male	35	5	0.62	42	339	0
Chuquicamata	Female	5	1	0.62	11	17	0
	Male	36	10	0.68	45	661	0
Ministro Hales	Female	2	0	0	0	0	0
	Male	38	3	0.70	735	3,169	0
Gabriela Mistral	Female	0	0	0	0	0	0
	Male	17	3	0.50	36	230	0
Salvador	Female	1	0	0	0	0	0
	Male	30	2	0.27	44	329	0
Andina	Female	1	0	0	0	0	0
	Male	37	6	0.70	67	575	0
Ventanas	Female	2	0	0	0	0	0
	Male	17	1	0.47	165	351	0
El Teniente	Female	9	0	0	0	0	0
	Male	179	15	0.65	51	1,177	0
Head Office	Female	0	0	0	0	0	0
	Male	2	0	0	0	0	0
VP of Projects (VP)	Female	14	0	0	0	0	0
	Male	239	25	0.67	56	2,088	0
TOTAL		666	71	0.58	73	8,936	0



**OCCUPATIONAL ILLNESS FREQUENCY RATE**

	2019
RADOMIRO TOMIC	0.52
CHUQUICAMATA	1.06
MINISTRO HALES	0.61
GABRIELA MISTRAL	0.71
SALVADOR	0.54
ANDINA	0.97
VENTANAS	0.5
EL TENIENTE	0.64
VICE-PRESIDENCY OF PROJECTS	0.58
HEAD OFFICE	0
REFERENCE VALUES	0.9



**2019 JOINT HEALTH AND SAFETY COMMITTEES (CPHS)**

DIVISION	CPHS No.	No. OF WORKERS REPRESENTED ON THE COMMITTEE	% OF WORKERS REPRESENTED	No. OF WORKER PARTICIPANTS (CPHS No. 3*)	No. OF MANAGEMENT PARTICIPANTS (CPHS No. 3*)
Radomiro Tomic	2	1,229	100%	6	6
Chuquicamata	14	5,198	100%	42	42
Ministro Hales	2	787	100%	6	6
Gabriela Mistral	1	524	100%	3	3
Salvador	6	1,490	100%	18	18
Ventanas	1	854	100%	3	3
Andina	6	1,629	100%	18	18
El Teniente	8	4,398	100%	24	24
Head Office	1	520	100%	3	3
VP of Projects (VP)	6	997	100%	18	18

Note: The indicated staffing corresponds to the annual average, unlike indicator 102-8, which corresponds to staffing as of December 31, 2019.

**EXPOSURE TO THE MAIN RISK AGENTS PRESENT AT CODELCO SITES**

DIVISION	SILICA	NOISE	ARSENIC	ACID MIST
Radomiro Tomic	YES	YES	NO	YES
Ministro Hales	YES	YES	YES	NO
Chuquicamata	YES	YES	YES	YES
Gabriela Mistral	YES	YES	NO	YES
Salvador	YES	YES	YES	YES
Andina	YES	YES	NO	NO
Ventanas	YES	YES	YES	YES
El Teniente	YES	YES	YES	YES
Vice-presidency of Projects (VP)	YES	YES	YES	NO
Head Office	NO	NO	NO	NO





ANNEXES

CHAPTER 4:

CODELCO TEAM

IN-HOUSE STAFF PER WORK CENTER AND AREA

(102-8)

	2018	2019	VARIATION %
CHUQUICAMATA	5,494	4,899	-12.1%
RADOMIRO TOMIC	1,216	1,252	2.9%
MINISTRO HALES	810	791	-2.4%
GABRIELA MISTRAL	564	449	-25.6%
SALVADOR	1,652	1,437	-15.0%
ANDINA	1,671	1,597	-4.6%
EL TENIENTE	4,248	4,058	-4.7%
VENTANAS	858	852	-0.7%
HEAD OFFICE	490	468	-4.7%
VICE-PRESIDENCY OF PROJECTS	997	879	-13.4%
GENERAL AUDITING	36	44	18.2%
TOTAL	18,036	16,726	-7.8%

**NUMBER OF STRIKES AND BLOCADES / LOCKOUTS EXCEEDING 1 WEEK**

(MM4)

WORK CENTER	NUMBER OF STRIKES	WEEKS DURATION
CHUQUICAMATA	1	2
RADOMIRO TOMIC	0	0
MINISTRO HALES	0	0
GABRIELA MISTRAL	0	0
SALVADOR	0	0
ANDINA	0	0
EL TENIENTE	0	0
VENTANAS	0	0
HEAD OFFICE	0	0

2019 COLLECTIVE BARGAINING

(102-41)

DIVISION	UNION	ROLE
CHUQUICAMATA	WORKERS UNION NO. 1 ANTOFAGASTA WORK CENTER	B
CHUQUICAMATA	WORKERS UNION NO. 1	B
CHUQUICAMATA	WORKERS UNION NO. 2	B
CHUQUICAMATA	WORKERS UNION NO. 3	B
CHUQUICAMATA	WORKERS UNION	B
CHUQUICAMATA	WORKERS UNION NO. 5	B
SALVADOR	SUPERVISORS AND PROFESSIONALS UNION	A
GABRIELA MISTRAL	PROFESSIONALS AND ANALYSTS UNION	A

**UNIONIZED WORKERS BY DIVISION**

(102-41)

DIVISION/ VP	Type of contract	Total Employees	Number of unionized personnel	Unionization %	No. of unions
Chuquicamata	Permanent	4,818	4,686	97.26%	7
	Total	4,818	4,686	97.26%	-
Radomiro Tomic	Permanent	1,079	970	89.90%	3
	Total	1,079	970	89.90%	-
Ministro Hales	Permanent	765	721	94.25%	2
	Total	765	721	94.25%	-
Gabriela Mistral	Permanent	446	392	87.89%	2
	Total	446	392	87.89%	-
Salvador	Permanent	1,324	1,250	94.41%	3
	Total	1,324	1,250	94.41%	-
Andina	Permanent	1,566	1,530	97.70%	4
	Total	1,566	1,530	97.70%	-
El Teniente	Permanent	3,989	3,848	96.47%	7
	Total	3,989	3,848	96.47%	-
Ventanas	Permanent	818	741	90.59%	2
	Total	818	741	90.59%	-
Head Office	Permanent	515	302	58.64%	2
	Total	515	302	58.64%	-
VP of Projects (VP)	Permanent	902	650	72.06%	1
	Total	902	650	72.06%	-
CODELCO	Permanent	16,222	15,090	93.2%	33
	Total	16,222	15,090	93.2%	33

PERCENTAGE OF ABSENTEEISM BY GENDER

(403-9)

GENDER	PERCENTAGE
FEMALE	6.59%
MALE	3.69%
TOTAL	3.87%

Note: Does not consider pre-post natal leave.





ANNEXES

CHAPTER 5:

EFFICIENT, COMPETITIVE AND ETHICAL

GENERATED AND DISTRIBUTED ECONOMIC VALUE

(201-1)

GENERATED ECONOMIC VALUE	16,811
Revenue	
Revenues for the sale of products and others	14,381
Credits	2,149
Other income	281
DISTRIBUTED ECONOMIC VALUE	16,919
Operations costs	15,296
Salaries (and own workers' benefits)	1,800
Procurement of goods and services	7,481
Procurement of capital assets	3,269
Investment on environment, occupational health and safety	1,270
Community investment costs	9
Other operations costs	1,467
Interests	623
Contribution to State	1,000
Net profits paid	
Income tax	82
Law No. 13,196	918
Others	
RETAINED ECONOMIC VALUE	-108

TOTAL BUSINESS IN 2019 PER AWARD TYPE

(204-1)

AWARD TYPE	AMOUNT (THOUSANDS OF DOLLARS)	TOTAL PROJECT %
OPEN TENDER	5,211,686	90.64%
TENDER WITH PANEL OF SUPPLIERS	170,084	2.96%
DIRECT AWARD-INVESTMENT	76,833	1.34%
DIRECT AWARD-OPERATION	17,102	0.30%
DIRECT AWARD TO AFFILIATES OR ASSOCIATED COMPANIES	70	0.00%
PUBLIC OR PRIVATE TENDER WITH ONE SINGLE BID	15,485	0.27%
SOLE SUPPLIER (MATERIALS OR SERVICES)	232,804	4.05%
PURCHASE PROCEDURE OR LOW AMOUNT CONTRACT	750	0.01%
PROCUREMENT FOR TESTING	4,217	0.07%
PUBLIC OR PRIVATE TENDER, MINOR WORK ORDER	11,995	0.21%
PURCHASE PROCEDURE	8,984	0.16%
TOTAL	5,750,010	100.00%

2019 PROCUREMENT OF GOODS AND SERVICES (IN MILLIONS OF US\$)

	NATIONAL	INTERNATIONAL	TOTAL
GOODS	804	81	884
SERVICES	4,858	8	4,866
TOTAL	5,661	89	5,750

**BOARD OF DIRECTORS**

(102-22)

	JUAN BENAVIDES F.	HERNÁN DE SOLMINIHAC T.	BLAS TOMIC E.	JUAN ENRIQUE MORALES J.	ISIDORO PALMA P.	PAUL SCHIODTZ O.	RAIMUNDO ESPINOZA C.	GHASSAN DAYOUB P.
Executive / Non Executive	Non-executive	Non-executive	Non-executive	Non-executive	Non-executive	Non-executive	Non-executive	Non-executive
Independence	yes	yes	yes	yes	yes	yes	Worker	Worker
Years in company	2 years	2 years	7 years	5 years	5 years	3 years	8 years	3 years
Gender	Male	Male	Male	Male	Male	Male	Male	Male
Participation in which committees	All	Management Science, Technology Innovation Sustainability	Auditing, Compensation and Ethics Sustainability	Science, Technology and innovation Auditing, Compensation and Ethics Projects and Financing of investment Sustainability	Projects and Investment Financing Auditing Compensation and Ethics Management	Sustainability Auditing, Compensation and Ethics Projects and Financing of Investments, Sciences, Technology and Innovation	Projects and Financing of investment Management	Science, Technology and innovation Sustainability Management
Economic, environmental and other boards in which they participate. Skills related to social aspects	Member of the Board of Directors of the Chilean Institute of Rational Business Administration (ICAR), Real Estate Elevator Spa and Glasstech S.A. and Le Fournil S.A. Between 2012 and 2013, he was President of Banco Falabella Perú, Director of Falabella Financial Investments S.A., Director of Banco Falabella Chile and Director of CMA Falabella S.A.	Director of the Latin American Center for Economic and Social Policies of the Pontificia Universidad Católica de Chile (CLAPES UC). He was Minister of Public Works between 2010 and 2011. In 2011 he assumed the position of Minister of Mining, which he held until 2014. In this same period, he served as president of the National Mining Company (Enami) and the Chilean Copper Commission (Cochilco).	Mr. Tomic's career has been tied closely with international organizations such as the Chilean National Copper Corporation (Codelco), the Economic Commission for Latin America and the Caribbean (ECLAC), the Regional Employment Program (Prealc) and the Inter-American Development Bank (IDB), where he was executive director between 1992 and 1994.	Director of the SONAMI Technological Foundation and Member of the Advisory Council of the Innovation Club. Mr. Tomic's professional career spans more than 40 years in the mining sector at the level of senior management and as a specialist in mining-metalurgical projects and processes in public and private mining companies. Between 2012 and 2014 he was Director of the Mining Innovation Center of the Adolfo Ibáñez University.	Member of the Advisory Council of the Center for Corporate Governance of the Universidad Católica de Chile and member of the Board of Directors of numerous public limited companies. He has a long history in the areas of corporate finance, as an independent consultant in corporate strategy, project financing and arbitration.	Chairman of the Board of the Chilean Security Association (ACHS), director of Cintac SA and director of Dadneo. He has worked in the natural resources area for 32 years in Chile, Canada and the United States, in the forestry, mining, oil and gas and petrochemical industries.	In 1991 he assumed the position of vice president of the Federation of Copper Workers, FTC, until 1993, when he became president of the federation, a position he has held until today. His career as a union leader began in 1988 when he joined the Union No. 1 of the Salvador Division of Codelco, where he has held the position of director and president.	Director of regional ANSCO in the VI Region of the El Teniente Division. Director of the United Syrian Club and national director of the Federación de Identidad Árabe. He worked at Importadora y Exportadora MAGD Ltd, At Holding Dimeiggs S.A. and at DHL Express Santiago. He entered Codelco in 2009 and in 2012 he was promoted to senior specialist engineer.



JUAN BENAVIDES F.	HERNÁN DE SOLMINIHAC T.	BLAS TOMIC E.	JUAN ENRIQUE MORALES J.	ISIDORO PALMA P.	PAUL SCHIODTZ O.	RAIMUNDO ESPINOZA C.	GHASSAN DAYOUB P.
<p>Between 2004 and 2012, Mr. Benavides was CEO of falabella S.A.C.I. and, between 1995 and 2004, corporate general manager of financial retail. Between 2005 and 2010 he was also a member of the Directory of the pharmacy chain Ahumada.</p>	<p>In the private sector, Mr. Solminihac has been an advisor to public institutions and private companies both in Chile and abroad. He is a member of the Infrastructure Policy Council (CPI) and the Chilean Academy of Engineering.</p>	<p>Mr. Tomic was Business Loans manager at Banco del Desarrollo and later partner and general manager of Execom. In the mid-1990s, he joined VTR Telecomunicaciones as CEO and then led VTR Banda Ancha as CEO. In 2005, he was executive president of Express de Santiago and Inversiones Alsacia and two years later he joined Metro de Santiago as chairman of the board.</p> <p>Between 1994 and 2009, Blas Tomic joined the boards of Colbún, Telefónica del Sur, CTCVTR Telefonía Móvil (Startel), Transelec, Quintec, Soquimich Comercial, Cristalerías de Chile and the Peñalolén Municipal Development Corporation.</p>	<p>Previously, he served as Vice President of Development for Codelco (1994 -2011). Mr. Tomic also worked between 1981 and 1992 in the field of mining developments as project manager and engineering manager. From 1971 to 1980 he worked at ENAMI and in medium-sized copper mining companies. He was Executive Vice President of Cochilco in 1993 and member of the Council of this government entity between 1990 and 1992.</p>	<p>Since 1991 he has been a key partner and executive director of Inversiones y Asesoría Prime, a management consulting company. He was also Vice President of Citicorp Chile and General Manager of Inversiones Citicorp Chile (1980-1991). For 12 years he was a member of the Risk Classification Commission and a member of the Supervisory Committee of investment and real estate investment funds.</p> <p>Between 1976 and 1980 Isidoro worked in New York at the Banco de Santiago office and at the Production Development Corporation, Corfo.</p>	<p>Since 1991 he has been a key partner and executive director of Inversiones y Asesoría Prime, a management consulting company. He was also Vice President of Citicorp Chile and General Manager of Inversiones Citicorp Chile (1980-1991). For 12 years Mr. Schiodtz was a member of the Risk Classification Commission and a member of the Supervisory Committee of investment and real estate investment funds.</p>	<p>From 1994-1998, President Eduardo Frei Ruiz-Tagle appointed him as director of Codelco to represent copper workers. This position has been ratified over several presidential periods to date.</p>	<p>He was selected from a shortlist in April 2017 by President Michelle Bachelet as the representative of supervisors on the Board.</p>

**EXECUTIVE LEVEL LIABILITY FOR ECONOMIC, ENVIRONMENTAL AND SOCIAL ISSUES**

(102-20)

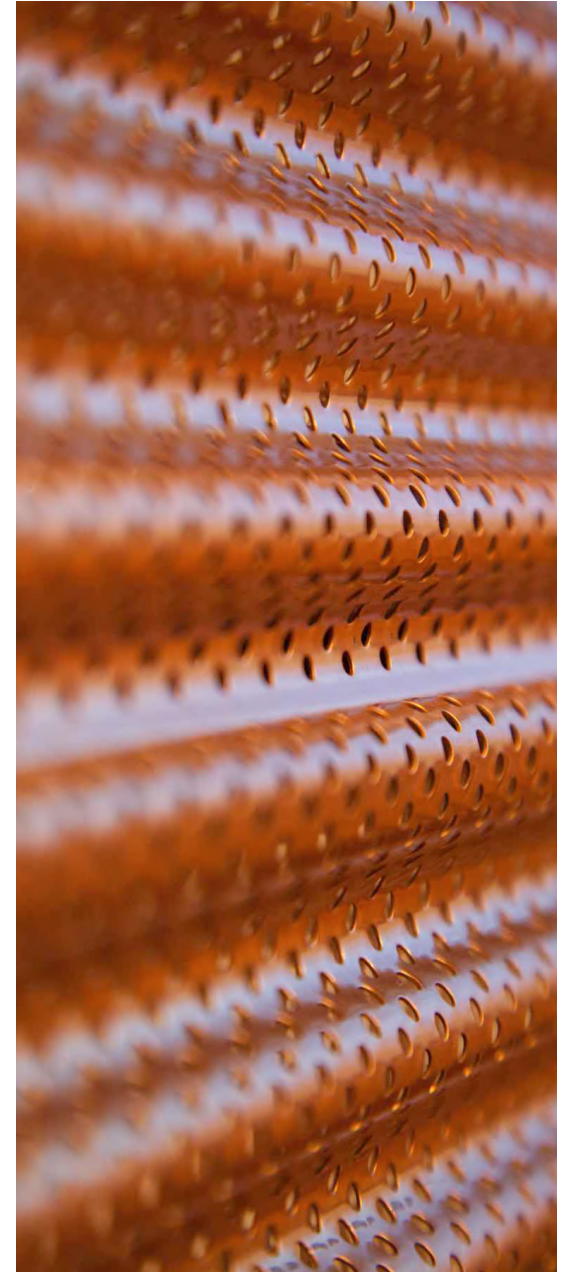
POSITION	TYPE OF RESPONSIBILITY	HOW ARE THEY ACCOUNTABLE TO SUPERIOR GOVERNING BODY
Vice President of Corporate Affairs & Sustainability	Environmental and social	Reports directly to the CEO. Must periodically account for his/her performance before the Board and different committees.
Sustainability and Institutional Relations Executive Vice-President	Environmental and social	
Occupational Health and Safety Executive Vice-President	Environmental and social	
Vice President of Administration and Finance	Economic	
Finance Executive Vice-President	Economic	
Corporate Risk and Control Department	Economic, environmental and social	
Budget and Department Control Executive vice-president	Economic	
Vice President of Productivity & Costs	Environmental and social	Reports directly to the Vice President or the CEO. Must periodically account for his/her performance before the Board.
Smelter and Refinery Optimization Executive Vice-President ("FURE")		
Technical Management of Divisional Projects		
Supply Chain Department		
Management and Supervision of Contractors Companies		
Strategic Supply Department		
Corporate Tailings and Water Department		
Vice President of Human Resources	Social	
Corporate Labor Relations Department		
Corporate Human Resources Department		
Recruitment and Development Department		
Gender Diversity Management		
Corporate Health Projects Management		



SIGNIFICANT RISKS RELATED TO CORRUPTION DETECTED FROM EVALUATIONS

(205-1)

- Codelco employees or contractors that grant economic incentives, gifts and / or favors of any nature, including the assignment to purchase goods and services to public officials as consideration for some type of administrative power in favor of the Company, during the processing or the request of a permit for customs processes, explosives, internments, and / or to avoid penalties as a result of an inspection, among others.
- Delivery or receipt of an improper benefit for the purpose of directly or indirectly receiving favor in a process of awarding, purchasing or managing a contract.
- Offer or give financial incentives, gifts and / or favors to national customs officials or port agents in order to avoid or reduce fines and / or expedite procedures.
- Accept or receive, offer or give an economic or other benefit to favor a particular supplier / customer during a process of buying / selling copper and / or by-products thereof and / or sales of sulfuric acid and / or to close a claim in the post sale service.
- Codelco employees offer and / or receive incentives, economic benefits or of any other nature to representatives of communities or institutions, among others, in exchange for advantages and / or privileges in said relationship, in favor of Codelco's interests.
- Codelco employees who make contributions via agreements to organizations related to a public official which could be interpreted as an incentive to receive a benefit on the occasion of the contribution.
- Codelco workers who, within the framework of relations with a government institutions, which have the objective of promoting their interests, offer public officials any economic benefit or benefit of any other nature as consideration for an action to be taken in favor of Codelco.
- Promotion and financing of electoral activities carried out by public officials who have a benefit in the interests of Codelco, in the event that these officials are winners in an electoral process.
- Codelco workers who offer financial or other incentives to officials of the Ministry of Treasury in order to ensure or accelerate the approval of a debt plan.
- Receive economic benefits, or those of any other nature as favorable consideration or have favored any financial institution, brokerage or insurance company, in fund placement operations (overnight, purchase of bonds, repurchase agreements and mobilization of current accounts), and / or the award of insurance contracts.
- Hiring a ex-former public official or a relative thereof as consideration for the Bribery Commission for the benefit of Codelco
- Hiring a person or a relative thereof as consideration for a third party as an action committed in favor of the Corporation.
- Union and union organizations using funds received as contributions from the Corporation, to make payments to public officials with the intention of obtaining some benefit





ANNEXES

CHAPTER 6:

COMMITTED TO THE PLANET

2019 WATER COLLECTION (THOUSANDS OF M₃)

(303-3)

CATCHMENT		CALAMA							Total	
		Chuquicamata	Ministro Hales	Radomiro Tomic	Gabriela Mistral	Salvador	Andina	Ventanas		El Teniente
Collection per source	Water On the surface	19,239	-	-	-	16,271	14,264	-	38,360	88,135
	use Underground	36,430	2,010	-	6,874	2,366	6,272	893	-	54,844
	Mine water	203	1,063	17	-	-	5,776	-	8,970	16,029
	Total collected Own	55,873	3,072	17	6,874	18,637	26,312	893	47,330	159,007
Water purchased from third parties		7,091	1,829	1,527	-	-	10	348	-	10,805
Water transferred between divisions		-15,411	6,994	8,417	-	-	-	-	-	-
TOTAL		47,553	11,896	9,961	6,874	18,637	26,322	1,241	47,330	169,813

Note: Recirculation percentage is obtained by dividing the total amount of recirculated water by the total volume of water used in the divisions, including withdrawal, recirculation, and waters received from third parties.

**SOLID WASTE SENT FOR ELIMINATION OR ASSESSMENT, PER TYPE (IN TONS)**

(306-2, 306-4)

DIVISION	2018		2019	
	HAZARDOUS	NON HAZARDOUS	HAZARDOUS	NON HAZARDOUS
Radomiro Tomic	3,361	16,135	2,566	9,622
Chuquicamata	79,844	84,219	11,548	69,782
Ministro Hales	48,771	3,417	48,864	3,071
Gabriela Mistral	1,115	10,032	1,460	6,314
Salvador	8,605	1,124	9,407	1,525
Ventanas	40,696	6,675	31,869	1,604
Andina	3,576	9,890	1,898	10,337
El Teniente	42,631	19,801	40,424	50,636
TOTAL	228,599	151,293	148,036	152,891

This table does not consider 73.3 ton of PCB waste generated in the previous years at División Chuquicamata, which were finally eliminated in Europe in 2019 after the respective legal process, in compliance with the national and international regulations (this clarification was issued on July 20, 2020; for this reason it was not considered for external verification).

SMELTER EMISSION (THOUSANDS OF TONS)

(305-7)

SMELTER	TYPE OF EMISSION	2015	2016	2017	2018	2019	LIMIT OF EMISSION*
Chuquicamata (Division Chuquicamata)	SO ₂	95.42	85.8	76	54.56	5.21	49.7
	MP	0	0	0	0.43	0.01	-
	As	0.32	0.19	0.42	0.08	0.03	0.48
Potrerillos (Division Salvador)	SO ₂	67.6	60.2	49.3	28.0	6.8	24.4
	MP	0.18	0.12	0.16	0.03	0.01	5.5
	As	0.58	0.56	0.56	0.47	0.05	0.16
Ventanas (Division Ventanas)	SO ₂	14.14	13.86	10.56	10.01	9.46	10.56
	MP	0.12	0.08	0.051	0.054	0.085	0.1
	As	0.05	0.05	0.039	0.026	0.026	0.05
Caletones (Division El Teniente)	SO ₂	54.41	69.06	52.81	52.81	25.76	47.68
	MP	B	0.65	0.74	0.30	0.02	-
	As	0.22	0.22	0.18	0.15	0.024	0.13

- : Application of the emissions standard for air quality

B: In 2003, the Caletones smelter ceased to measure its emissions and today must apply the Quality Standard for Particulate Material.

(*) These restrictions apply as of 2017 or 2019 according to Supreme Decree No. 28 of the Ministry of the Environment.

**LIQUID INDUSTRIAL WASTE**

(306-1, 306-5)

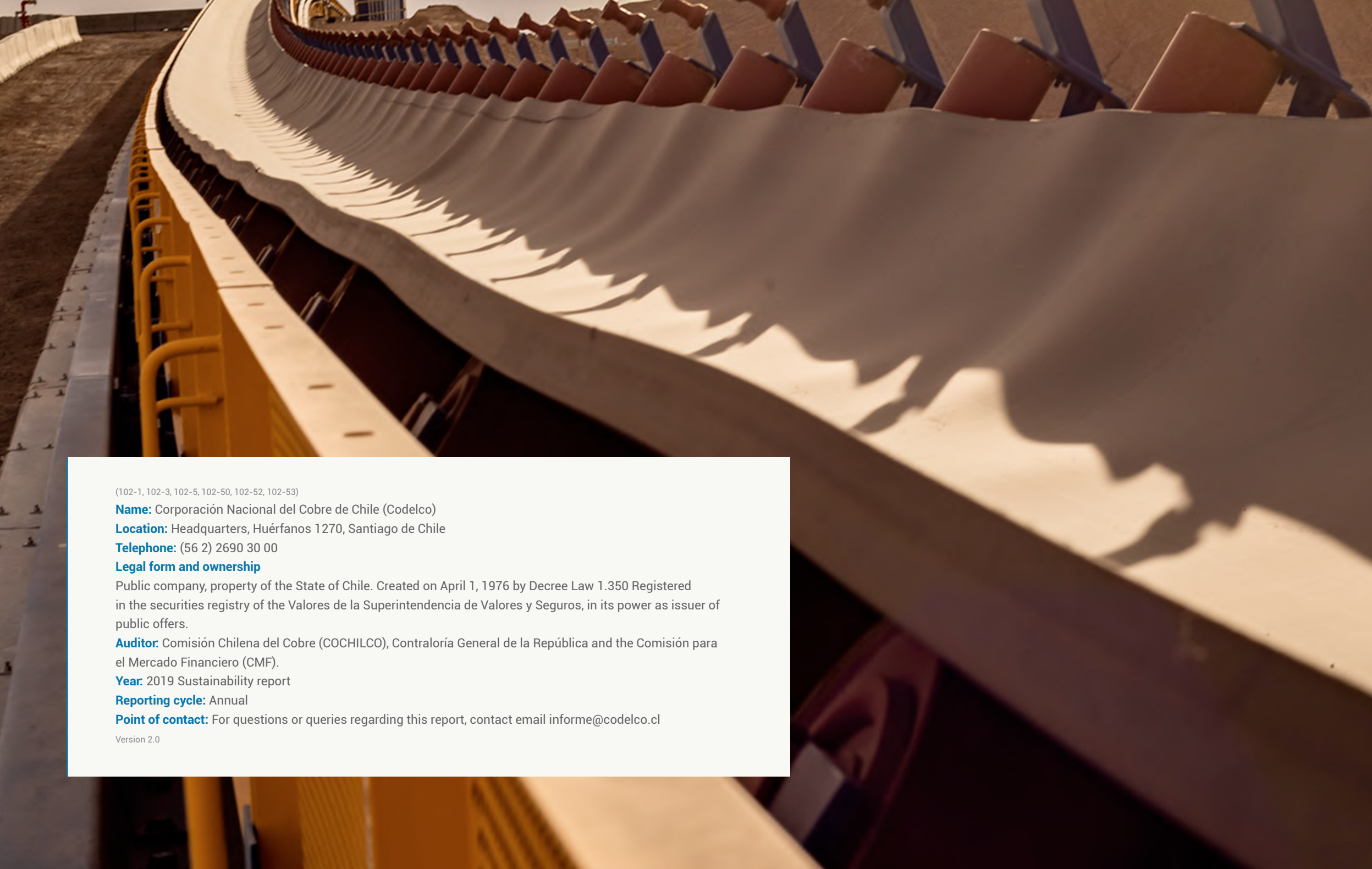
DIVISION	NO. OF DISCHARGE DELIVERY END	TOTAL DISCHARGE VOLUME (THOUSANDS OF M ₃)					DESTINATION TYPE
		2015	2016	2017	2018	2019	
SALVADOR	3	0	115	258	127	NO DISCHARGE	SURFACE WATER, QUEBRADA NORTE POTRERILLOS
ANDINA(*)	4	13,678	10,851	9,856	9,856	7,785	SURFACE WATER, RIO BLANCO
VENTANAS	1	335	310	287	220	183.7	SEA WATER, QUINTERO BAY
EL TENIENTE	1	41,976	45,976	50,380	39,318	21,459	SURFACE WATER, ALHUÉ ESTUARY
TOTAL	9	55,989	57,252	60,781	49,521	29,428	

(*) In 2015, after a management process conducted on discharge elimination systems, the Andina division submitted a request for review of the liquid industrial waste to the Superintendence of Environment, which established in Resolution 490/2016, decreasing discharge points from 10 to 4. Note: Discharge points have monitoring programs in place (Superintendence of Sanitary Services / Directemar).

QUANTITY OF BULK MINING WASTE GENERATED IN 2019 (THOUSAND TONS)

(MM3)

DIVISION	TAILINGS	SLAG	WASTE ROCK	LOW GRADE ORE	LEACH TAILINGS
RADOMIRO TOMIC	NA	NA	135,196	0	0
CHUQUICAMATA	56,527	26	34,372	0	23,972
MINISTRO HALES	17,856	NA	120,973	0	0
GABRIELA MISTRAL	NA	NA	17,939	0	11,900
SALVADOR	7,598	NA	1,044	3,991	2,583
VENTANAS	NA	252	NA	NA	NA
ANDINA	28,729	NA	37,472	NA	NA
EL TENIENTE	63,826	0	2,364	NA	NA
TOTAL	174,536	277	349,360	3,991	38,455

A large stadium with a curved roof and rows of seats. The seats are arranged in a semi-circle, and the roof is a light color. The stadium is surrounded by a concrete wall with yellow railings. The background shows a dirt field and some trees.

(102-1, 102-3, 102-5, 102-50, 102-52, 102-53)

Name: Corporación Nacional del Cobre de Chile (Codelco)

Location: Headquarters, Huérfanos 1270, Santiago de Chile

Telephone: (56 2) 2690 30 00

Legal form and ownership

Public company, property of the State of Chile. Created on April 1, 1976 by Decree Law 1.350 Registered in the securities registry of the Valores de la Superintendencia de Valores y Seguros, in its power as issuer of public offers.

Auditor: Comisión Chilena del Cobre (COCHILCO), Contraloría General de la República and the Comisión para el Mercado Financiero (CMF).

Year: 2019 Sustainability report

Reporting cycle: Annual

Point of contact: For questions or queries regarding this report, contact email informe@codelco.cl

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