

History

Corporate profile

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Highlights



Large-scale mining in Chile is part of our history.

At Codelco we have inherited a historic link between the first inhabitants of this land and the mineral resources of the Andes, the world's largest copper deposit.

The discovery of artefacts proves that several Andean cultures – especially the Atacameños, Diaguitas, Tiahuanacos and Incas – used this metal from very early on. Afterwards, during the Colonial period, a small copper industry developed and produced **19,000 tonnes in 1810**. Between 1820 and 1900 Chile produced 2 million tonnes of the red metal, becoming the world's first producer and exporter. However, the depletion of high-grade deposits and the impact of saltpetre caused production to fall to **21,000 tonnes in 1897**.

This scenario changed in the 20th century during the boom period of large-scale copper mining in Chile; El Teniente mine was opened in 1905, Chuquibambilla in 1915 and Potrerillos in 1927.

In 1951 the **Washington Convention** was signed, giving Chile control over 20 per cent of copper production. A year later, in February, Law 10,255 was passed, which at the time was known as the Copper Law. This law allowed Chile to unilaterally terminate the Washington

Convention and to put the Central Bank in charge of marketing all the copper, not just 20 per cent, and it opened sales to the European market and the US market. In 1955, the **Copper Department** was created to oversee production and participate in international copper markets.

A decade later, a crucial step was taken. In 1966 began the **Chileanisation of Copper**; Law 16,425 set out that the Copper Department would become the Copper Corporation and it had a decisive role in producing and marketing copper. Through joint ventures with foreign mining companies, the Chilean State owned 51 per cent of the emblematic mines in Chuquicamata, El Teniente and Salvador. This Chileanisation also aimed to refine all the copper produced in Chile and to increase production to one million tonnes.

In 1971, National Congress unanimously approved the Draft Bill 17,450, for the **Nationalisation of Large-Scale Copper Mining**. The assets and facilities owned by the foreign companies involved in large-scale copper mining became property of the Chilean State, and partnerships were created to control these operations; the Copper Corporation coordinated and managed the state-owned mines.

On 1 April 1976, Decree Laws 1,349 and 1,350 divided the Copper Corporation into two independent organisations: the Chilean Copper Commission, Cochilco, a technical and advisory service agency; and **Corporación Nacional del Cobre de Chile, Codelco**, the state-owned producer that groups the mines together under one mining, industrial and trading company, acquiring full legal status and capacity.

In November 2009, changes were made to the Company's corporate governance structure by Law 20,392 that amended the Codelco Chile's organic law (D.L. 1,350, 1976) and standards related to the disposal of assets currently in operation (Law 19,137). The new guidelines amended, including, but not limited to, the composition of the Codelco Board and have been in effect since 1 March 2010.

In 2015, corporate governance provided several strategic alignments to confront Codelco's future challenges:

- Become a productive and competitive Company; ensuring transparency, probity and best practices.
- Seek business innovation.
- Achieve sustainable mining, sensitive to the community and the environment.
- Incorporate more female talent, views and skills into the mining business.