

Human resources

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Sustainability

Market development

Values & transparency



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New strategy on Human Resources management

The company board approved the Policy on Human Resources Management, which came into force on August, 1 2015.

The strategic orientation of this managerial tool lies on facilitating the acquisition of a new standard on production and organizational matters, both promoting team work and establishing human resources on businesses as the main focus of attention.

Having this new view in mind we have substituted the following action fields:

- People become the center of our organizational management.
- Furthermore, people are both the center of our organizational management and the center of our labor relations.

- We promote the performance and productivity of our staffing through merit, excellence in processes, operation and economic results of the company.
- We promote participation industrial relations, an atmosphere of teamwork, on the basis of dialogue, trust, transparency, responsibility and the reconciliation of work with the quality of life of the people who work at Codelco.
- The competencies required by the mining of the future, both in the organizational and cultural institutionalities as well as in the new technologies and innovation, are key dimensions within the process of change of the enterprise and the human resources management.

During the course of the year we carried out a highly participative planning process that got started by the definition of our corporate strategy, from which we elaborated our proposal to provide more value to our company through a strategy mainly grouped into five priority focal points:

- Being adequately resourced to provide staffing in case of the succession of a critical job vacancy.
- Developing a collaborative and transforming type of leadership.
- Aligning the individual performance with the one of the business.
- Managing a strategic business deal in order to reinforce mutual trust relations.
- Articulating the management of the transformation within the company

One of the most important achievements reached in 2015 deals with the collaborative work carried out between the administration of the

Strategic Business Deal

On November, 4 2015, the Business Strategic Deal of Economic Governance was officially presented to the President of our country, Michelle Bachelet, deal which was conceived between the company administration and the Asociación de Trabajadores del Cobre (ATC) (Copper Workers Association (CWA)), so as to provide sustainability and competitiveness to Codelco.

company and the Asociación de Trabajadores del Cobre (ATC) (Copper Workers Association (CWA)) through which the company subscribed and implemented the Strategic Business Deal and which was presented to the President of our country at La Moneda Palace.

Throughout most part of that year, a pertinent team was dedicated to elaborate and validate an agreement reflecting the interests of both parties, and above all, working as a managerial tool providing support to the successful performance of this business deal.

A final agreement was reached on September, 30, which had the consent of the company board, the executive president of the National Board of the Asociación de Trabajadores del Cobre (ATC) (Copper Workers Association (CWA)) and the base unions' boards of directors. On November, 4 2015, the board president, the executive president and the president of the Asociación de Trabajadores del Cobre (ATC)

officially made public the Governance Strategic Business Deal.

Collective bargaining and trade unionizing

As in relation to collective bargaining matters, during 2015 we had to face 6 processes in 4 divisions and all of them immersed in progressively deteriorated contexts concerning the price of copper.

At that time, we were able to install a new vision in relation to the bargaining negotiations, one that was in compliance with the company circumstances and mining industry, in which we tried to associate some benefits to the company productivity.

The most complex situation took place during the collective bargain

The type of mining we want to have in a near future requires certain competences from the organizational scope, cultural institutionality and from new technologies and innovation perspectives. These aspects are key dimensions within the changing process of the company and the human resources management.

carried out by the professionals of Radomiro Tomic the one that coincided with the most abrupt moment of deterioration that the copper had ever had to face and therefore, the moment of the biggest break of expectations. The outcome was a 12-days strike, after which a collective contract was signed into an alignment with the copper

Collective negotiations 2015

Division	Union	Validity (months)
Ministro Hales	Workers	46
Ministro Hales	Professionals	39
Andina	Supervisors	38
Radomiro Tomic	Supervisors	24
Ventanas	Number 1	24
Ventanas	Shifts	24

industry restrictions.

The current Codelco union membership on December, 31 2015, reached a 92,5% of the staffing having an indefinite contract.

During 2015, we reduced up to a 0 (zero) the negative impact that the labor conflicts had caused onto the Company production.

Persons (human resources) management

This year we stimulated the institutionalization of the model and the management of jobs succession system, which seeks to assure the professionals' availability of those having a high performance and potential who can give some level of continuity to the business strategy in a medium and long term basis. In this process, the identification, evaluation and generation of development plans are highlighted for those who can become successors of the strategic jobs in the company. A 55 % of the critical job vacancies in this period was filled by persons who were in the base group of male and female successors.

By the end of the year, a 13,3% of the staffing for executive and professional jobs both for women and men give shape to the base group for jobs succession at Codelco. (14,3% women).

We also designed a leadership model and updated the competences descriptions in order to depict our strategic challenges:

- Excellency and results orientated.
- Responsibility and commitment.
- Communication and negotiation.
- Collaboration and team work.
- Context of the business and strategic orientation.
- Self - development and other workers' self – development.
- Innovation y creativity.
- Leader who mobilizes and transforms people.

Additionally we developed the Program of leadership and communication skills within the whole company, with the aim to align the persons with the business strategy so as to develop both communication and leadership skills and to facilitate the performance of the management processes. In this period, there were 932 supervisors actually being in



We promote the conciliation between the labor activity and the persons's quality of life.

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charge of some workers who took this program.

In the performance management area the main purpose was found in aligning the individual performance with the business results and also by strengthening the role of the assessor and also by improving the quality of the feedback conversations. The phase set to evaluate the performance reached a number of 3.884 executives and professionals, which represents a participation of 99,3 % of the whole company staffing.

Regarding the training area, during the year 2015 a number of 16.417 persons were trained and 687.217 hours of training were provided which implied an investment of more than US\$ 14 millions.

Training 2015

Average number of hours per person	36.0
Average of investment spent per worker (US\$)	750.4
Training Index	1.7

Recruitment and selection

We incorporated considerable improvements both in the processes and regulations for provisioning jobs, in order to attract the best professionals, male and female workers from the internal and external markets.

In relation to the internal mobility we carried out 386 processes and provided 270 vacancies which generated either the staffing inter-divisional promotion or transfer. We processed 3.962 applications, which were sent by 2.393 persons. It may be pointed out that 7.2 % of those applications belonged to women.

In general terms, we held 329 labor processes that were oriented towards the external market and we provided 1.074 job vacancies. A number of 139.420 applications were received, belonging to 55.391 persons, 9,6 % of which were women.

One of the main aspects of the whole process for recruiting and selection purposes, that must be done on an early and expert stage of this process, is to seek and attract young people with a high labor potential; all of them also possessing a high level of commitment with the progress of the country. Therefore, we developed a series of activities to be able to find and contact those young professionals, such as positioning the company within the universities students' data thus; the company can have access to the professional practices processes and even to the Graduated Program itself. In fact we have some figures to support this, for example 6.219 youngsters applied to the latter, from whom 34 entered to the different divisions of the company (14 women and 20 men from studies like geo-mining, metallurgic and maintenance)

On the other hand, we also carried out some activities that were oriented to keep and stimulate the bond with Chilean universities by participating into five recruitment and business fairs. Besides the program of academic excellency scholarships was able to keep its continuity thanks to eight students from Civil Engineering specialized in Mining at the university called Universidad de Chile.

Gender diversity

Here in Codelco we have defined the gender diversity as an actual strategic challenge, turning this into a whole new division in charge of this aspect from 2015. Thus the new Gender Diversity Division (or Department) has the aim of giving shape to this key cultural axis in a transversal way within the whole company in order to strengthen the equity principle already implemented between men and women on a daily basis. At the same time, we seek to consolidate the role of leadership inside the mining industry of the copper, by acknowledging that we are generally recognized as a company with a cultural and labor atmosphere that integrates the gender diversity into its management

as a substantial aspect of its competitiveness.

More precisely, this year in March, we fully committed to incorporate gender diversity as one of the aspects included in the Single Performance Agreement of the company, which has become a key management instrument. Being Codelco, a government-owned company, pivotal aspects such as gender diversity, inclusion and equity are fundamental and transversal issues that are also coherently aligned with the value of our company principles and business grounds.

Gabriela Mistral, first female miner with Sello Iguala ('Iguala' seal)

Our strategy is to have the company gender diversity institutionalized, by establishing a Gender Policy and a Master Plan for Gender Diversity by 2020, which will allow us generate focalized actions to close the gaps and will also help keeping up with the continuity of the Chilean Norm Certification process number 3262. This norm refers to gender equity and the labor, personal and family life conciliation. In 2015, the Gabriela Mistral Division became the first mining organization of this sort in Chile to certify such norm, by receiving the Iguala Seal. During this period, both Ventanas Division and the one from the Main House decided to work for being granted the same certification by 2016.

It may be pointed out that we can join our work to these efforts with the purpose of increasing the amount of infrastructure and personal protection equipment especially designed for women, as well as to increase the number of the Alma rooms (created for mother's milk extraction and storage purposes) which currently are 9 rooms

In terms of female participation, our staffing slightly stands out with an increasing percentage of 8.9% as compared with a percentage of 8.7 last year. Another interesting figure concerning women staffing is

the percentage rate women have in the mining industry because it has reached a 7.7% in 2015, according to data from the Chile Foundation and the Mining Council. Based on these figures, we can conclude that our female participation rate is the biggest one among the national mining industry.

In 2015, there were 1.706 women working at Codelco, from which 892 were hired by Codelco, 789 were professionals and only 25 were executives. The average age is 41 years old. In addition to this, a 12.8% of the signed contracts from 2015, belonged to women.

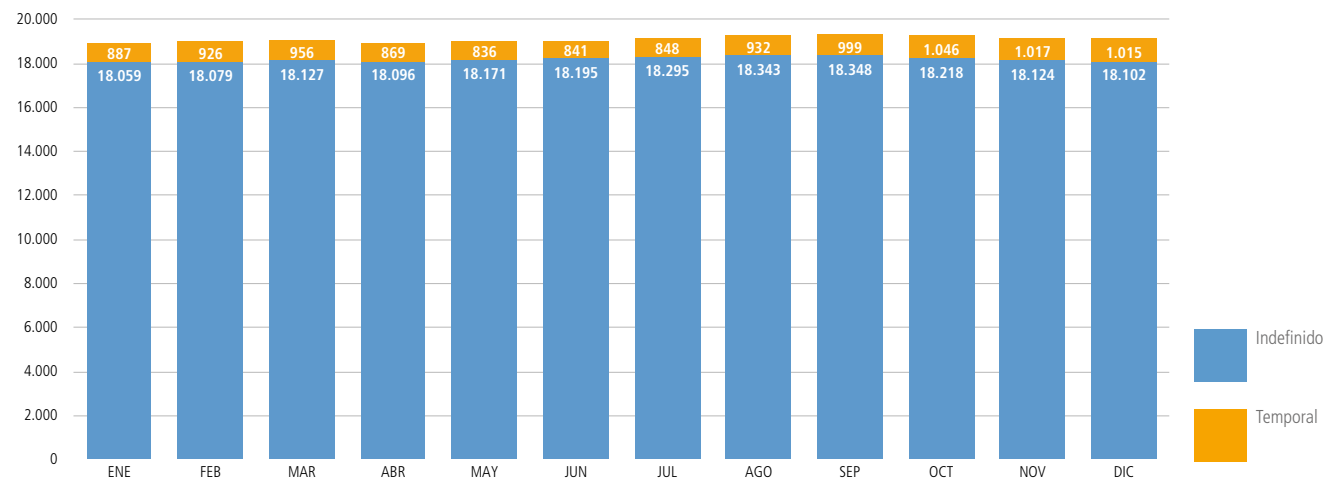
Female staffing 2015

Work Center	Number	Percentage
Chuquicamata Division	565	8.9%
Radomiro Tomic Division	87	6.8%
Ministro Hales Division	100	13.0%
Gabriela Mistral Division	109	19.3%
El Salvador Division	91	6.7%
Ventanas Division	67	7.0%
Andina Division	89	5.2%
El Teniente Division	219	4.6%
Main House	208	39.8%
Projects	171	19.6%
Total	1.706	8.9%

Staffing

By December, 31 2015, the Company own staffing has reached a number of 19.117 male and female workers (including those with indefinite contracts plus the ones with a temporary contract), which represents a 0.2% more if compared to the same period in 2014. The annual average of

The company own Staffing in 2015



The company own staffing 2014-2015

Codelco	December 2014	December 2015	Variation %
Executives	301	265	-12.0%
Professionals / supervisors	3,927	3,907	-0.5%
Workers / administrative workers	13,916	13,930	0.1%
Enrolled staffing	18,144	18,102	-0.2%
Temporal staffing	934	1,015	8.7%
Total staffing	19,078	19,117	0.2%

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The company own staffing per division

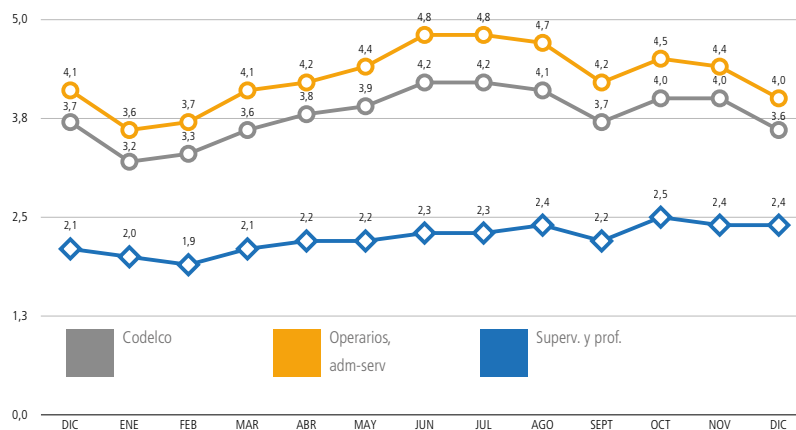
Division	December 2014	December 2015	Variation %
Radomiro Tomic	1,237	1,287	4.0%
Chuquicamata	6,214	6,342	2.1%
Ministro Hales	790	772	-2.3%
Gabriela Mistral	527	566	7.4%
Salvador	1,445	1,352	-6.4%
Andina	1,648	1,699	3.1%
El Teniente	4,921	4,750	-3.5%
Ventanas	974	953	-2.2%
Main House	503	522	3.8%
Vice-Presidency Projects	819	874	6.7%
Codelco - Chile	19,078	19,117	0.2%

the staffing was a number of 19.111 workers.

Absenteeism

The annual average of absenteeism (1) in Codelco came to a 3.8% in 2015, keeping the same index as in 2014. While the index of total absenteeism (2) reached a 3.6 in December, 2015, which was a slightly minor one if compared to the 3.7 calculated the previous year.

On the other hand, the absenteeism rate of supervisors and professionals was 2.4, a larger number if compared with December, 2014 when it reached 2.1. Regarding the absenteeism rates of workers, administrative staffing and service workers, the number reached a 4.0, which is barely



1. The index considers the following concepts of absenteeism: permissions, accidents, diseases and faults.
2. It considers indefinite staffing of supervisors, professionals, hard-working operators, administrative officers and people from services.
3. It also considers a number of 180 monthly hours.