

Values & transparency



Our core value is respect for the life and dignity of all individuals.

Statement of Values and the Code of Conduct are the guiding principles that inspire and direct us into decision-making and in day-to-day operation in Codelco.

Shared values

The [Statement of Values](#) is the formal and official statement for all guiding principles that inspire and support decisions and actions of everyone working at Codelco. Our values are:

- Respect for the life and dignity of all individuals. Nothing justifies assuming uncontrolled risks that threaten our health or safety.
- Working at Codelco takes great pride, is a great responsibility and an enormous commitment.
- We value and recognize competent employees, with initiative and leadership, facing changes with determination and courage.
- We promote teamwork, responsible participation and contribution from diversity of experiences and workers' organizations.

- We pursue excellence in everything we do and we practice ongoing improvement, to be among the best in the industry.
- We are a creative company, which relies on innovation to generate new knowledge, create value and enhance our leadership.
- We are committed to sustainable development in our operations and projects.

Business code of conduct and hot line

Launched in August 2011, the Code of Conduct is our guideline to apply on a daily basis, the Company's Statement of Values, allowing to effectively develop and implement the strategy regarding good business practice.

Since August 2009, to implement the Code of Conduct, we have a hot line, this instrument allows anyone can make an anonymous, safe and confidential report of a suspected violation in the workplace.

During 2015, the hot line received 229 reports, of which 142 resulted in an investigation and 80 are currently under review. Of those completed, 19 reports resulted in a sanction, (47% resulted in dismissal). There were 3% less reports than in 2014.

Integrity and transparency

During 2015, the Board approved regulations on transparency, integrity and good corporate governance. It involves regulations based on demanding international standards on different areas of the company's behavior such as business relations, institutional linkages and lobby, in addition to people management processes. From these initiatives, we stand out the following:

Conflict of Interest Policy: We issue this policy that applies to the entire company and its subsidiaries.

Related persons: Update and strengthen existing regulations on business operations with related persons, establishing a regulation that applies to all commercial and business operations of the company, whether they are presented and approved by higher authorities.

Gifts and invitations: We regulate the criteria for acceptability of gifts for all the people who work in the company, reducing existing monetary limits and setting new limits where none existed. We are also obliged to inform to the direct supervisor of any gift or invitation that exceeds 1UF, with a maximum of 5 UF.

Lobby: We established an internal standard that reflects the application of the Lobbying Law, demanding for senior management standards more stringent than the law itself.

Politically exposed persons or companies: We have a demanding standard for evaluating business with politically exposed persons (PEP) and companies that have PEP. Moreover, we deepen and extended the definition of PEPs.

People exposed to Codelco: We set this new concept referring to certain positions or functions for Codelco. People who have worked in those positions and then are terminated those functions, they have restricted powers regarding possible future business with Codelco, which will require further authorization from senior management.

Interest and assets statements: We extended the request for a statement of interests and assets to all persons with authority to authorize business, influence in their assessment or management.

We went from 70 people who were supposed to declare according to the Law, to a universe of 2,000 people.

Reportability: We have information mechanisms to the Board on compliance with all regulations addressing integrity and conflicts of interest in the company.

This package of measures complements demanding regulations on transparency and integrity in force in the company since the adoption of Codelco's Corporate Governance Law, which incorporates standards set out by OECD for state-owned companies from member countries of the organization.

Additionally, the Board approved (in September 2014) a first package of measures intended to improve its corporate governance, including setting limits and controls for the management of allocated resources to the Board's operation; implementation of a transparent and traceable system of management applications for recruitment, promotion and dismissal of Codelco's Executive Staff and employees, and the creation of a mechanism to regulate the relationship between those who compose the Board, company management and related parties.

Lobby regulation

In Codelco we work according to Law 20,730, regarding activities considered as lobbying and are subject to regulations and obligations of the legislation. Although our company does not qualify as one of the lobby taxpayers, stipulated in the law, we consider essential the imperative of transparency in our actions as a state-owned company.

In that sense we have self-imposed a higher standard to the provisions of the Lobbying Law, creating a record and monitoring rapprochement

actions with authorities. From July 1, 2015, Codelco's Board approved Corporate Relations and Lobbying Regulations, applied to the whole company and our subsidiaries. This procedure specifies that some arrangements and approaches of third parties to the company could be resembled as lobby taxpayers, so specific and transparent procedures were adopted on the internal regulations.

Political campaigns

Our BUSINESS CODE OF CONDUCT is very clear in stating that the company transcends political preferences and actions, so it will always maintain an impartial position on any political activity or party. It also stipulates that the company does not perform or will perform, under any circumstances, contributions or political donations of any kind.

In the case that people working in the company engage in political activities or make donations for political organizations, they do so in their personal capacities and under no circumstances on behalf of Codelco. There are specific behaviors in this matter, informed to all staff, indicating the ban on political contributions and donations from the company.

Transparency law

Since April 2009, when Law 20,285 on Transparency of the Public Function and Access to the Administration of the State, in Codelco we maintain a section on www.codelco.com, disclosing all the information required by this law. This is:

- Regulatory framework
- Organizational structure.

- Responsibilities and competencies of executive staff.
- Financial statements and annual reports.
- Subsidiaries, affiliate companies and interest in other entities and organizations.
- Composition of the Board of Directors and individual responsibilities of the management team.
- Employee consolidated information.
- Codelco Board member allowance and employee, CEO and Manager Remunerations.

Board Committee Management Report

During the year, the Board Committee was initially composed by Directors: Marcos Lima Aravena, Marcos Büchi Buc, Gerardo Jofré Miranda and Blas Tomic Errázuriz. In May 2015, Directors Marcos Lima Aravena and Marcos Büchi Buc completed their period. Thus, the Board of Directors was renovated, being named Juan Enrique Morales Jaramillo and Isidoro Palma Penco as new Directors. At regular meeting of May 28, 2015, by Agreement No. 17/2015, the Board formalized the people who will compose the Board of Directors: Gerardo Jofré Miranda, Juan Enrique Morales Jaramillo, Isidoro Palma Penco y Blas Tomic Errázuriz. The latter was appointed Chairman of the Board at said meeting.

During the period, the Board committed to fulfil their duties and exercise the powers set out in Decree Law 1,350 of 1976, and Corporations Law No 18,046, which among other areas meant reviewing the reports submitted by External Auditors, quarterly financial statements, remuneration systems and compensation plans for Managers and Senior Executives; and finally examine the background relating to operations referred to in Title XVI of Law 18,046 On this last point, it

is also worth noting that the Board analyzed the transactions referred to in said Title, stating that the operations performed comply with market conditions.

In 2015 the Committee met 16 times, considering a regular monthly meeting and 4 extraordinary meetings. The main topics reviewed were the following:

- Considered external auditors reports, balance sheet and other financial statements presented by Managers, on a quarterly and annual basis for the period 2014.
- Proposed to the Board names for external auditors and private risk rating agencies, at the regular meeting of March.
- Examined the background on operations referred to in Title XVI of Law 18,046, at each regular meeting.
- Reviewed the remuneration systems and compensation plans for Managers, Senior Executives, and Workers of the company. Recommended approval of Human Resources Comprehensive Policy
- Examined the application of Risk Control Policy.

Additionally, the Board Committee did not recruit consultancies during 2015.

Information and communication

Our company is a permanent source of news in Chile and abroad. It has an extremely high media exposure, both nationally and internationally. Only in 2015, **33,915 press releases** were issued about different management topics to major newspapers, magazines, radio, television and Internet. Within these news **14,940** were positive for the image of the company, representing 44.05% of the total; while 9,249 were classified as negative, equivalent to 17.26%.

Codelco reports its financial results on a quarterly basis through press conferences, which are also broadcasted live via streaming. We also report on the performance and the relevant aspects of management, through different communication channels, such as press conferences, website www.codelco.com, emails, social networks, magazines and bulletins targeting different audiences.

During 2015, the website www.codelco.com received **2,794,780 visits**, with 6,820,804 pages visited. This website has a Questions and Complaints section that collects all the company's electronic communication channels opened of the company to communicate with the community. One of these channels is the email address comunicl, in 2015 it received **16,211 emails** (44 emails per day), this figure is lower than the prior year, and most of these emails were questions about employment and recruitment.

We are pioneers in implementing a social media strategy, managing official accounts since 2009. During 2015, the company obtain the following results regarding 2014:

760,598 total views on YouTube,
with a growth of 42.36%.

111,649 followers on Facebook,
increased by 139,67%.

123,415 followers on Twitter
@Codelco Chile grew by 62,62%.

52,557 followers has the second account on Twitter,
@CodelcoCorp, grew by 85,91%.

5,934 images on Flickr

with 7,119,677 visits, increased by 55,18%.

175,472 people follow us on LinkedIn, we are the Chilean company with more followers in this network, an increase of 40.92% during the year.

Promotion and dissemination

We manage public affairs, through activities and participations aimed to publicize the performance of the company to different stakeholders. The following are the main promotion activities in 2015:

Mining fairs: We participated in Exponor, fair carried out in the city of Antofagasta, with a stand whose main theme was related to structural projects of the company. We also had participation in the Chilean pavilion at PDAC convention (Prospectors & Developers Association of Canada), held in Toronto.

Cultural exhibitions: At Galería Cultural Codelco, located in the central hall of the Head Office in Santiago, were held five exhibitions to promote art and culture in various disciplines. We stand out 100 años de Chuquicamata exhibition, which presented a visual journey through photographs and videos, showing the camp's 100 years of life and the world's largest open pit mine; La isla de los tesoros, el archipiélago Juan Fernández reimaginado en cobre exhibition, which recreated the flora, fauna and myths of the magical place, using the red metal nobility, and La Navidad en la Cultura Popular Chilena exhibition, with a selection of lanterns, from the heritage collection of Museo La Merced, and Nativities of the ceramist Haydee Herrera.

Codelco Educa: As Chile's leading company, we acknowledged our commitment to education, spreading on our site www.codelcoeduca.cl topics on copper and mining culture. These contents targeted to general public and students in particular. This year we introduced **Patrimonio Minero** minisite, which rescues the historical and heritage value of Chuquicamata, Potrerillos and Sewell camps. In 2015 the website recorded 823,445 total users, with **2,738,268 pages visited**.

Acknowledgments

In October, our company ranked third among the most transparent state companies during 2015, according to **Reporte de Transparencia Corporativa (Corporate Transparency Report)**, prepared by Inteligencia de Negocios consulting, Universidad del Desarrollo, KPMG and Chile Transparente. The ranking annually recognizes private and state-owned companies that make greater efforts and achieve the best indicators on corporate transparency and good practices, including recommendations from international organizations such as European Union, UN and OECD, among others.

During December, on the general ranking of **Monitor Empresarial de Reputación Corporativa, Merco (Business Monitor of Corporate Reputation)**, which recognizes the 100 companies with the best corporate reputation in the country, we ranked 11th and first place in mining companies. We also obtained the leadership as the company that best attract and retain talented staff, and eighth place in the top 10 of the most responsible and with best corporate governance companies, eight positions with respect to 2014 measurement. While our CEO Nelson Pizarro, was ranked 22 among 100 business leaders.

In November for the fourth consecutive year, we are leading the top 10 of Chilean companies deemed more socially responsible, according to CSR Corporate Social Responsibility Monitor 2015, Mori study measuring the Chilean perception on various companies and institutions, private and state-owned.

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