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We are the National Copper Corporation (CODELCO), a Chilean State-owned company.

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We are the National Copper Corporation (CODELCO), a Chilean State-owned company, specialized in the exploration, development, and exploitation of copper mining resources and its by-products, including their processing into refined copper and subsequent commercialization.

G4-7

Created on April 1st, 1976 by way of Decree Law 1.350, the Corporation is registered with the Securities and Insurance Superintendence (SVS), as a public offering bond issuing entity. This means that Codelco must submit to the SVS and to the general public the same information, with equal frequency, publicity media, and form than mandated to open corporations. Also, our actions are supervised by the Comptroller General of the Republic and the Chilean Copper Commission (COCHILCO).

Headquartered in Santiago de Chile, our company consists of eight divisions: the North district includes Chuquicamata, Radomiro Tomic,

Ministro Hales, and Gabriela Mistral divisions. The Center South district consists of Salvador, Ventanas, Andina, and El Teniente divisions.

Codelco pursues national and international exploration activities aimed to maintain and expand its mining base. All exploration activities undertaken by Codelco are conducted pursuant to corporate standards and commitments and local legislations.

G4-9

Codelco owns assets for US\$33,443 million, total liabilities for US\$23,711 million, while total owner's equity by 2015 year-end was US\$9,732 million. Our net revenues totaled US\$11,963 million.

In 2015, our production was 1 million 891 thousand MT of refined copper, considering the contributions from El Abra (49%) and Anglo American Sur (20%).

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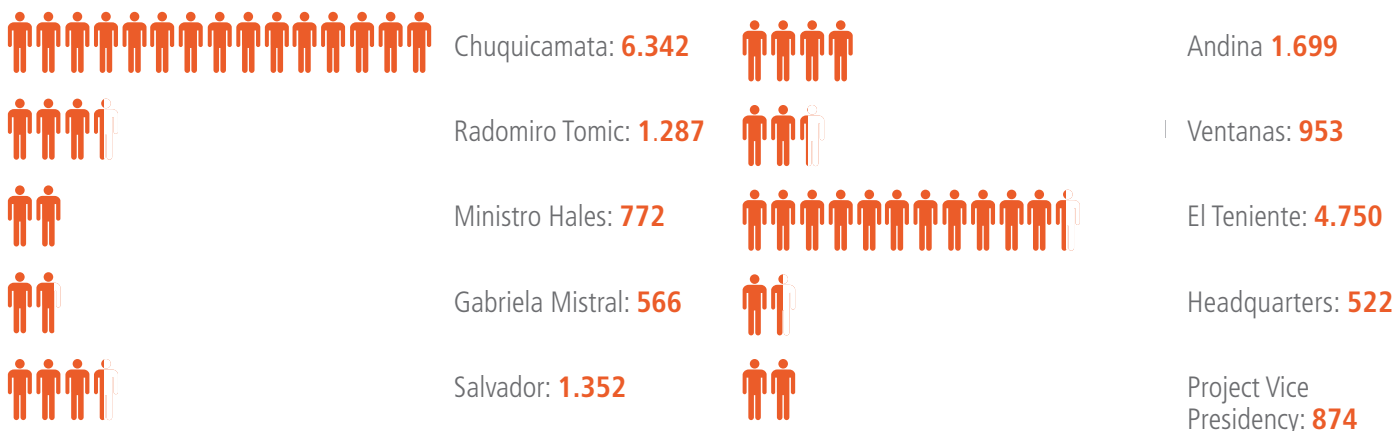
Our main products are copper cathodes and concentrates, roasted molybdenum concentrate, anode slimes, and gold, silver, and sulfuric acid as by-products. In 2015, copper sales reached 2,023 million tons, out of which 66% was refined copper. 64% of this volume was shipped to Asia, 15% to Europe, 11% to South America, 9% to North America, 1% to Africa, and 1% to Oceania.

G4-10

As of December 31st, Codelco had a total of 19,117 male and female workers (8.9% are women), most of them holding permanent contracts. Personnel from contractor companies are 46,348, most of them concentrated in El Teniente and Chuquicamata Project Vice Presidency.

In all, 65,465 people perform different duties within the Corporation.

**Own-workforce
 distribution in 2015**



From total own-workers with permanent contract, 16,500 are men and 1,602 of them are women. As to workers holding temporary contracts, 911 are men and 104 are women.

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Economy of adjustments

Just as during the previous year, the copper industry continued to be impacted by the international copper price drop (US\$249.2 c/lb, which is 20% lower than the 2014 average).

This called for a redoubling of efforts across the Corporation to reduce expenses, contain costs, fulfill our production goals, and generate the surplus required by the country.

Under this scenario, Codelco drove all management efforts into fulfilling the goal of saving US\$ 1,000 million through two types of initiatives:

- Enhance efficiency and productivity through the optimization of consumption indicators, contract rationalization, maintenance management, and reducing consultancy services, studies, investments, and others.
- Seize the opportunities created by the price drop of critical consumables, particularly oil. In this case, the offsetting effects of the current exchange rate are also included.

Production, costs and surplus

Codelco is a worldwide copper producer leader, main exporter in Chile, and the largest contributor to national economy. In 2015, its plant production reached 1,891,376 MT of fine copper (FMT), coming from Codelco-operated deposits plus the contributions from Minera El Abra (49% share) and Anglo American Sur S.A. (20% share).

2015 production increased in 51 thousand FMT (2.8%) as opposed to 2014 (1,840,691 FMT), mainly due to Ministro Hales division

contribution, which achieved better results in the concentrator and roasting plants and the contribution from El Teniente division.

Division's manufacture -that is, excluding El Abra and Anglo American share- reached 1,731,688 FMT which is 3.6% higher than 2014 figures.

As far as costs is concerned, we are confronted against a complex panorama framed by some of our aging deposits whose minerals offer lower grades which, in turn, translates into highest production costs. Likewise, the increase of energy costs has influenced the final production costs.

By the end of 2015 we fulfilled our cost containment plan in 120%, generating US\$ 1,203 million in savings.

Given the above, the main unit cost indicators were lowered with respect to 2014 results. For the third year in a row, we were able to maintain the downward tendency costs.

Nest cost of cathodes was reduced in 8% moving from 213.3 c/lb to 196.9 c/lb.

Our direct costs (C1) for 2015 were 138.7 cents per c/lb, which is 8% lower than 2014. C1 represents the type of cost employed by the mining industry to benchmark the management of different companies.

The concept of surplus is understood as results before income taxes, pursuant to Law 13.196, which levies a 10% tax on returns for the sale of copper and own by-products overseas. In 2015, the generated surplus allowed Codelco to contribute US\$ 1.088 million to the State.

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The Table below shows the economic value generated and distributed in Codelco:

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Generated and distributed economic value	
	2015 US\$ million
Generated economic value	15,444
Revenues	
Revenues for the sale of products and others	13,909
Credits	1,288
Other revenues	247
Distributed economic value	15,567
Cost of Operations	13,937
Salaries (and own-workers' benefits)	1,672
Acquisition of goods and services	6,830
Acquisition of capital assets	3,847
Investment on environment, occupational health and safety	479
Other cost of operations	1,108
Interests	542
Contribution to State	1,088
Net profits paid	0
Income tax	221
Law 13.196	867
Others	0
Retained economic value	-122

* Values taken from the 2015 consolidated cash flow statement; that is, includes Codelco subsidiaries.

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Investment and project portfolio

Codelco's portfolio holds six structural projects, at different construction stages. There is also a divisional project and study portfolio which must be executed annually to keep assets operating under the required standards and to ensure their long-term competitiveness.

Chuquicamata division

Chuquicamata Underground structural project

This centennial open-pit mine, the largest in the world, is being transformed into an underground mine with the object of extracting the ore hosted under the existing pit. The material will be mined by applying the block caving method. Thus, Chuquicamata useful life will be extended for the next 40 years.

Other sustainability-related investment projects

A Pierce-Smith converter and its gas collection hoods were replaced in the smelter. Studies were conducted to introduce double contact/double absorption technology in the sulfuric acid plants in order to ensure compliance with environmental regulations and reduce operational vulnerabilities.

As next step, the Talabre dam - Stage VIII was expanded. This project consisted in raising the tailings dam walls while, simultaneously, the feasibility study to construct a system to deposit thickened tailings in the dam was being developed.

Radomiro Tomic division

Radomiro Tomic sulfides structural project

This project seeks to extract and process sulfide ore reserves, estimated

to be 2,800 million tons, approximately, with an average copper grade of 0.51%. This represents our first strategic development where the desalted water supply has been considered for its operation, irrespective of other available and properly authorized sources that may be used.

The project was environmentally processed in 2015 while awaiting the Environmental Qualification Resolution and, based on the ILO 169 Convention, the indigenous consultation process held with most of the communities inhabiting the area of influence was successfully completed, in accordance with Codelco's proposal.

Other sustainability-related investment projects

In 2015, new haul trucks arrived at the company and new ancillary mining equipment was acquired to make extraction and crushing tasks safer and to improve water supply for operations. Additionally, the connection of the Colana water supply line to the division's storage tanks was completed.

Ministro Hales division

Sustainability-related investment projects

In 2015, we started the drilling of wells intended to conduct hydrogeological monitoring and control of the mine, the implementation of the fire detection and extinction system in the electrical rooms and conveyor belts while, in aspects of community commitments, we continued to support the accessibility and integration of Tucnar Huasi and Huaytiquina villages.

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Gabriela Mistral division

Sustainability-related investment projects

The most significant sustainability challenge in the investment portfolio was the project intended to install a waterproof liner for Stage VI of the tailings dump so that this material can be stacked as mandated by the division's business plan. Additionally, the basin was hydrogeologically explored with a view to enhance the water supply.

Salvador division

Rajo Inca structural project

Given the depletion of exploitable ore by way of underground mining, the operation of the existing Salvador division sulfur line would be shut down in the next five years. Under these circumstances, project Rajo Inca would extend the useful life and ensure operational continuity for the division. This structural project is under prefeasibility stage, where open-pit exploitation is being studied.

Other sustainability-related investment projects

Mention should be made of the investments made to remediate the devastating effects of March 2015 landslide, including emergency response activities to restore damaged assets and repair the areas impacted by floods and damages sustained by industrial installations and the division's mine camp.

Additionally, we continued to work on improving gas capture and treatment levels in Potrerillos smelter. These efforts will provide a technical solution that is both integral and compliant with the new emission standards for copper smelters.

Andina Division

Andina future development structural project

In September 2015, we dropped the environmental impact study of project Andina Expansion 244. Nowadays we are looking for a new development alternative capable of offsetting the need to use the higher volumes of available ore with a lower-investment business case, lower construction times, and flexible enough to adapt to current industrial and environmental scenarios.

New Andina transfer system structural project

We moved to the execution of this project destined to replace the current primary crushing system and ore transport, considering that the latter will be affected by the pit's expansion and the construction of a new primary crushing station and a new ore transport system up to Cordillera plant to ensure that current levels of mineral processing are maintained.

Other sustainability-related investment projects

The projects aimed to ensure wall stability of Ovejería tailings dam were completed; among these tasks are the incorporation of a new sand distribution line running all along the dam, properly equipped with instrumentation and pumping system. This will allow for higher sand deposition rates on the main wall, as required by the new water and tailings flow, due to water recirculation and the new production scenario.

At the same time, we started the works required to ensure operational continuity of the tailings dam over 640 masl. Also, investments were carried out to implement preventive and corrective measures destined to control infiltrations occurring downstream of the Ovejería tailings dam wall; mainly, to ensure that underground water quality maintains its fit for human consumption quality.

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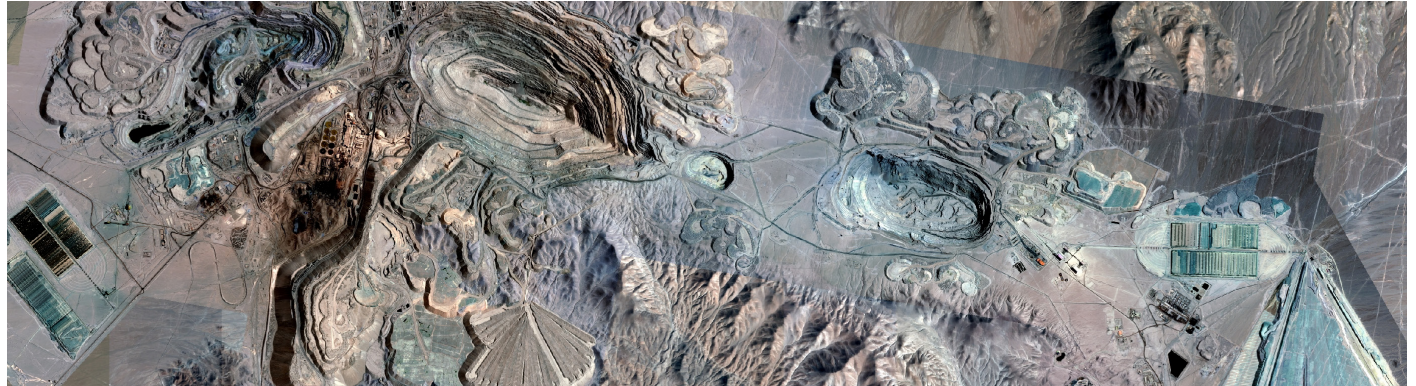
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Codelco portfolio holds six structural projects at different construction levels.

Ventanas division

Sustainability-related investment projects

The largest investments were focused on the completion of fugitive-gas handling projects to ensure compliance with the new emission standards for copper smelters. Particularly, in secondary gas capture and bleeds from El Teniente converter, Pierce Smith converters and electric furnace, fugitive gas and bleeds treatment, elimination of visible fumes in the fire refining area, and the start-up of the tail gas treatment plant project from the acid plant. Additionally, a feasibility study will be conducted to abate arsenic from the electric furnace.

With regard to energy efficiency, we completed the project to replace diesel burners for oxy-gas burners in the electric furnace with the purpose of generating savings as compared to diesel oil consumption while keeping the process cleaner.

El Teniente division

New mine level structural project

This development will allow El Teniente deposit, the largest underground mine in the world, to go deeper into the current level and incorporate nearly 2,000 million tons, with 0.86% of average copper grade and 220 ppm of molybdenum. Thus, the division will be able to continue treating 137 thousand tons of ore per day beyond the next 50 years.

During 2015, further studies and analyses were carried out to respond more appropriately to the geomechanical conditions identified in the rock mass and adjust some aspects associated to the project's engineering.

Other sustainability-related investment projects

The Caren dam wall raise project – Stages VI & VII is still under development. This will allow operational continuity until 2019 and 2023, respectively. This project considers, also, complementary

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works, such as roadways, collection and floodway works, and other infrastructure.

In Caletones we started feasibility studies for the following projects:

- Emission reduction from gas scrubbing plants.
- Slag treatment plant of El Teniente converters.
- Prefeasibility study to reduce opacity of anode furnace fumes.
- Optimization of fluosolids drying plant.

Supply Chain

G4-12

Building trust-based relationships with our suppliers is of the utmost importance for Codelco considering the high volumes of goods and services required by the company to expedite the execution of projects, investments, and production activities.

Procurement and supplier evaluation tasks are performed pursuant to equality, transparency, and competitiveness principles defined in corporate policies and applicable regulations. The supplier selection process considers those applicants technically, financially, legally, and economically eligible to provide goods and/or services, in line with the volume of services or goods required.

In 2015, a total of 3,718 suppliers did new businesses with Codelco; 3,483 of them were Chilean while 235 were foreign suppliers. The total amount transacted was US\$6,945 million, including long-term contracts for the supply of energy and fuel.

Codelco suppliers

G4-EC9

New businesses with domestic suppliers represent 97.9% of the total of new businesses made by the Corporation.

Goods and services consumption in 2015 (in million dollars)			
	Goods	Services	Total
Operations	1,780	3,641	5,421
Investments	258	1,397	1,655
Total	2,038	5,038	7,076

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Acquisition of goods and services in 2015

	National	International	Total
N° of suppliers	3,483	235	3,718
Amount (million US\$)	6,802	143	6,945
% (total acquisitions)	95.5%	4.5%	100%

Total business in 2015 per assignation type

Type of assignation	Amount (thousand US\$)	% total amount
Public bid	2,092,390	30.13%
Private bid	3,915,667	56.38%
Direct assignation-investment	326,332	4.70%
Direct assignation-operation	104,434	1.50%
Direct assignation to subsidiaries or associated companies	21,760	0.31%
Single-offer public or private bid	14	0.0002%
Single supplier (materials or services)	455,017	6.55%
Low-amount contract or purchase procedure	1,879	0.03%
Purchase of testing material	5,379	0.08%
Public or private bid, minor work order	3,595	0.05%
Other agreements	18,967	0.27%
Total	6,945,434	100%

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Total suppliers with current businesses as of 2015 per place of origin

Region	Number of suppliers
Arica y Parinacota	3
Tarapaca	37
Antofagasta	475
Atacama	71
Coquimbo	47
Valparaíso	353
Metropolitana	3,058
O'higgins	258
Maule	10
Bio bio	67
Araucania	6
Los Ríos	0
Los lagos	9
Aysén	0
Magallanes	2
National	4,396
International	350
Total	4,746

