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# ICMM



**Just as the main mining and metal companies of the world, Codelco belongs to the International Council on Mining and Metals.**

Just as the main mining and metal companies of the world, Codelco belongs to the International Council on Mining and Metals (ICMM) which, since 2001, brings together the extractive mining and metallurgy leaders and catalyzes the best practices in sustainable development in that industry.

ICMM is formed by regional, national, and commodities associations that share their commitment of enhancing their performance through sustainable development and responsible production of the mineral and metal resources needed by society.

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

- Integrate the set 10 principles of sustainable development and the supporting position statements into 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 –an independent auditor must review and assess the quality of our reports, systems, and processes in accordance with ICMM's Assurance Procedure.

ICMM is governed by 10 basic principles that guide its actions and those of member organizations in sustainable development matters and, as full member, the Corporation commits itself to:

- 1 Implement and maintain ethical business practices and sound systems of corporate governance.
- 2 Incorporate sustainable development topics to the company's decision-making process.
- 3 Uphold fundamental Human Rights and respect the culture, customs, and values, in relations with employees and other groups affected by our activities.
- 4 Implement risk management strategies based on valid information and a sound scientific base.

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- 5 Seek continuous improvement in our health and safety performance.
- 6 Seek continuous improvement in our environmental development.
- 7 Contribute to the conservation of biodiversity and integrated approaches of territorial planning.
- 8 Facilitate and encourage the design, use, re-use, recycling, and responsible disposal of our products.
- 9 Contribute to the social, economic, and institutional development of the communities existing in the areas where we operate.
- 10 Together with our stakeholders, implement information, communication, and engagement mechanisms that are effective, transparent, and independently verifiable.

As stated in Codelco's Chart of Values, all our actions are guided by sustainable development criteria, always seeking to fulfill the production goals, without jeopardizing the natural or social environment. These commitments are contained in its sustainability policy which has been implemented in all its operation centers through the standards that address important issues associated to sustainability.

The Corporation not only complies and abides by the Principles but it also adheres to the 6 position statements that throw light on the commitments contained in the 10 ICMM Sustainable development principles. Namely:

- ICMM principle for the design of climate change policies

(complements Principles 4 and 6) – June 2011.

- Mining position statement: Partnership for development (complements Principle 9) – January 2010.
- Position statement on mineral revenues transparency (complements Principle 1) – July 2009.
- Position statement on mercury risk management (complements Principles 4, 6 and 8)- February 2009.
- Position statement on indigenous peoples and mining (complements Principle 3) – May 2013.
- Position statement on mining and protected areas (complements Principles 6 and 7) - September 2003.

Our sustainability development is submitted to our stakeholders each year through the Sustainability Report. To this respect, it must be noted that we were the first company to use, in 2002, the Reportability standard proposed by the Global Reporting Initiative (GRI).

Codelco reports are available on its website both in Spanish and English and disseminated among its strategic stakeholders through corporate notifications and the relationship channels in place in its operation centers.

Joining the ICMM meant going through a strict assurance procedure that specified the ICMM requirements to fulfill performance commitments. Additionally, an external independent verification is conducted each year to check the level of performance against the the 10 Principles and Position Statements and the way in which the Corporation identifies, addresses, and manages material

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sustainability risks in the business through continual improvement and control of its management systems and processes.

### Sustainability performance

Codelco conducts an annual survey of critical or high-impact aspects that may affect the business and its management axes. This survey -carried out by its Corporate Risk Management System in each work center Management- includes risks associated to sustainable development topics, known as social-environmental vulnerabilities. This process is supported by divisional Sustainability and External Affairs Managements or their equivalents and sets up management plans to eliminate these risks or control their impacts.

As part of the performance agreements, each work center must report the progress made in social-environmental vulnerabilities management plans and their respective programs; in fact, continuous follow-up is conducted by their General Managers and the HQ Vice Presidency of Corporate Affairs and Sustainability. Progress status and results are periodically reported to the Board's Corporate Governance and Sustainability Committee.

### Systems, processes, and compliance status

In Codelco, the management of significant environmental and community sustainability issues falls under the responsibility of the Sustainability and Institutional Relationship Management which, through the Environmental Risk Management System and the Community Development Management System, identify and monitor the impacts that might affect the different operations. In 2015, 10 vulnerabilities were closed and 40% of gaps identified were totally closed.

On the other hand, the Occupational Health and Safety Management, with the aid of a robust management system, monitors the performance against the standards associated to these topics. Sustainability management is strengthened not only by Human Resources management but also by the proposals of integration and enhancement of collaborators' quality life; communication and grievance mechanisms are put in place to improve the participation and management of whistleblowing reports from own and contractor workers.

Besides the grievance mechanisms made available for collaborators, Codelco has opened whistleblowing channels for its communities and other external stakeholders. These channels are administered by third parties but managed by the company to ensure strict confidentiality and anonymity will be kept regarding these reports.

In this 2015 Sustainability Report all issues of material importance for the company and its stakeholders are described in terms of their importance for the company and its stakeholders while the management mechanisms and the results obtained from that management have been made fully transparent.