



CODELCO

Covid-19 Action Plan Report

July 2020

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As an industry standard, Codelco divides its mineral holdings into two categories, reserves and resources. Resources are ore bodies of economic value that have been identified and evaluated through exploration, reconnaissance and sampling. Reserves are the portion of the resource that can be extracted based on an economic, environmental and technological analysis set forth in the mining plan. Reserves and resources are both subdivided further, based on the degree of knowledge that Codelco has of their extent and composition. The system used by Codelco for categorizing mineral ore is according to the Chilean law (N° 20.235), which is in accordance with other systems widely used within the mining industry. The "Comisión Calificadora de Competencias en Recursos y Reservas Mineras" is the independent Chilean entity who regulates this and it is part of the Committee for Mineral Reserves International Reporting Standards (CRISCO).

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Summary



- Our Action plan, divided into four phases, **focuses on employee health and safety** and operational continuity
- The plan successfully delayed our employees getting infected. **Majority of cases happened outside of our operations** (*Causes of infection: 70% non-work related, 25% under investigation; 5% work-related*)
- We expanded our plan to include our employees' families and to communities and cities near our operations
- **New cases have been declining** in the last few weeks at Codelco and in cities near our operations
- Measures in place do not materially affect **our production target for 2020**

Fight against Covid-19: Employee safety and operational continuity are top priorities



We have implemented **health** and **safety guidelines** to protect our workers



We have taken measures to ensure **operational continuity**

Codelco's covid-19 action plan is divided into four phases

Implemented measures are evaluated on a daily basis



Phase 1

Planning
health and
safety

From January to March

Phase 2

Employees &
Operations

1st set of
measures

March and April

Phase 3

+Expand scope
of measures

2nd set of
measures

May and June

Phase 4

+Suspended
projects

3rd set of
measures

Since June

Fine copper production target (1.6MT) for 2020 has not been materially affected

Each set of new measures and protocols has been in addition to and reinforced previous ones

Phase 1: Health and safety planning and procurement

From January to early March 2020



- ✓ We performed a detailed planning process to ensure employee health and safety and operational continuity, including logistic strategies and coordination with clients
- ✓ Created a company-wide covid-19 executive committee and specific committees in each of our operations
- ✓ Committees discussed and assessed measures on a daily basis with support from health authorities, the Department of Infectious Diseases of Pontificia Universidad Catolica de Chile and McKinsey
- ✓ Continuous monitoring of the pandemic in the world and measures implemented by governments and peers
- ✓ We ensured procurement of health and safety supplies such as face masks and hand sanitizers

Phase 1 (cont.): Health and safety planning and procurement

From January to early March 2020



- ✓ Set reporting protocols to identify, report and monitoring confirmed and suspicious cases of infection
- ✓ Trained our internal medical and healthcare staff to respond to pandemic
- ✓ Provided our healthcare centers with the necessary infrastructure to respond to the crisis, including isolation areas and medical supplies
- ✓ Since March, we have been using infrared thermometers and thermal cameras, located across our operating sites, to measure employees' body temperature
- ✓ Immediate quarantine for employees who have been in direct contact with infected people

Phase 2: Containment measures focused on our employees and operations

March and April 2020



- ✓ Adapted transportation procedures to ensure the safe commute of employees in compliance with new restrictions imposed by central government
- ✓ Reduced bus capacity to half and established seating protocols to safeguard social distancing
- ✓ Strengthened social-distancing rules, using stickers on floors, on cafeteria tables and changing rooms
- ✓ Installed hand washing stations and sanitizer dispensers in all critical areas
- ✓ All site visits, in-person meetings and training sessions were suspended and replaced by online meetings and training. Microsoft Teams has allowed to maintain frequent communication across the company, almost eliminating the need to travel
- ✓ Implemented a daily “self-declaration form” required from all employees before entering operating sites in order to detect possible covid-19 cases
- ✓ Enhanced cleaning guidelines for disinfecting transport vehicles and common areas
- ✓ Created a call-center that offers Covid-19 related information to employees and their families. It also monitors and tracks people in quarantine or infected with Covid-19

Phase 2 (cont.): Everybody is aligned behind a common safety goal

March and April 2020



- ✓ Intensified communication campaigns to increase awareness of prevention and hygiene protocols at operating sites, as well as at our employees' homes
- ✓ Suspended services of third-party providers accounting for one-third of total contractors
- ✓ Without impact on production, we reduced the number of employees and contractors at operations favoring social distancing by: a) Employees aged 65 or over and high-risk population were told to stay at home (7% of employees); b) Remote working was implemented wherever possible (18% of employees); c) Temporary suspension of projects
- ✓ Active participation of unions at covid-19 committees and on-site monitoring of implemented measures by union leaders
- ✓ Temporary changes to shift schedules agreed with unions and employees (14x14; 12x12; 7x7) during the crisis. These changes reduced the number of shifts from 3 to 2 per day, with a direct decline in commuting
- ✓ Signed agreements with 18 unions: El Teniente (6), Ministro Hales (2), Gabriela Mistral (2), Salvador (3) and Chuquicamata (5)

Phase 3: Expanded Action Plan to local communities where we operate

May and June 2020



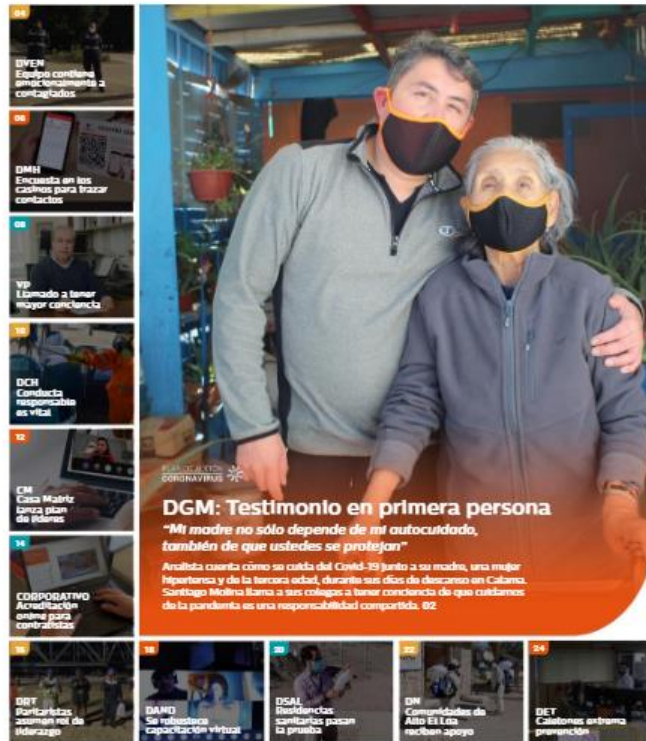
- ✓ Extended monitoring and oversight of implemented protocols by third-party service providers, not only at our operating sites, but also at their facilities
- ✓ Facilitated continuous supervision by government and regulatory authorities in all of our operations
- ✓ Created high-level management positions at Chuquicamata and El Teniente exclusively dedicated to covid-19 related issues. These new positions are primarily responsible for compliance with all health and safety guidelines. They have the same level of authority as the Head of each of the operations
- ✓ Launched **#Juntos nos cuidamos**: Support plan for communities where we operate (21 cities in 5 regions)
 - Provided personal protective and medical equipment, such as mechanical ventilators and PCR test kits to 69 healthcare centers (including 12 hospitals) as well as to residents in the communities
 - Created and equipped 7 sanitary residencies with 270 available beds for isolating suspected cases
 - On-going disinfection and sanitization of high-traffic areas, such as hospitals, government and police offices, in cities near our operations
 - Community funds to local entrepreneurs through #Juntosemprendemos program

Phase 3 (cont.): Communication campaigns for employees, their families and communities

May and June 2020



Nº11
PLAN DE ACCIÓN
CODELCO
PRINCIPALES NOTICIAS DEL 5 AL 11 DE JUNIO DE 2020



✓ **Action Plan:** Weekly publication that provides summary of measures and updates from each of Codelco's operations. Electronically-distributed across the organization and available at: www.juntosnoscuidamos.cl

✓ **Mi Codelco 2.0:** App that provides health and safety recommendations for employees at operating sites and for their families at home

✓ **Mass media campaigns** on TV and radio reaching more than 3.2 million people in regions where we operate



Phase 4: We enhanced our detection capacity and suspended more projects

Since June 2020



- ✓ Increased testing capacity. In addition to fast test kits, we complemented our testing capacity with antibody test kits. Sampling process of antibodies tests is similar to that of PCR tests and results are obtained after 30 minutes
- ✓ Since June 15, we report new and existing cases on a daily basis to each of our operations
- ✓ Reinforced our medical response capacity with an air ambulance. The air ambulance has transported 36 patients
- ✓ Temporarily suspended construction of all projects in our northern operations, including Chuquicamata Underground, and construction of El Teniente New Mine Level. These measures immediately reduced the number of employees and contractors at those operations, without impacting production
- ✓ Stopped smelting operations and reduced refining processes at Chuquicamata operation
- ✓ Since June 29, Codelco is not using Calama airport and operates with personnel resident in the region

Fine copper production target (1.6MT) for 2020 has not been materially affected

A photograph of four workers in full-body white protective suits and hoods walking in an industrial facility. The workers are wearing white suits with black hoods and face shields. Two workers on the ends are also wearing red safety vests. They are walking on a concrete floor in front of a complex industrial structure with blue and yellow components. The text "SITUATION UPDATE" is overlaid in white capital letters on a semi-transparent dark band across the middle of the image.

SITUATION UPDATE

Situation update

As of July 11, 2020



- We regret the death of **9** of our employees because of covid-19
- Currently, **37** of our employees are in hospitals
- Cumulative infected cases total **3,215** people
- Currently, active cases reach **742** people, of which **405** are people without symptoms
- **2,473** people have already recovered

New cases in Chile have been declining since June

Evolution of new cases Chile and Codelco



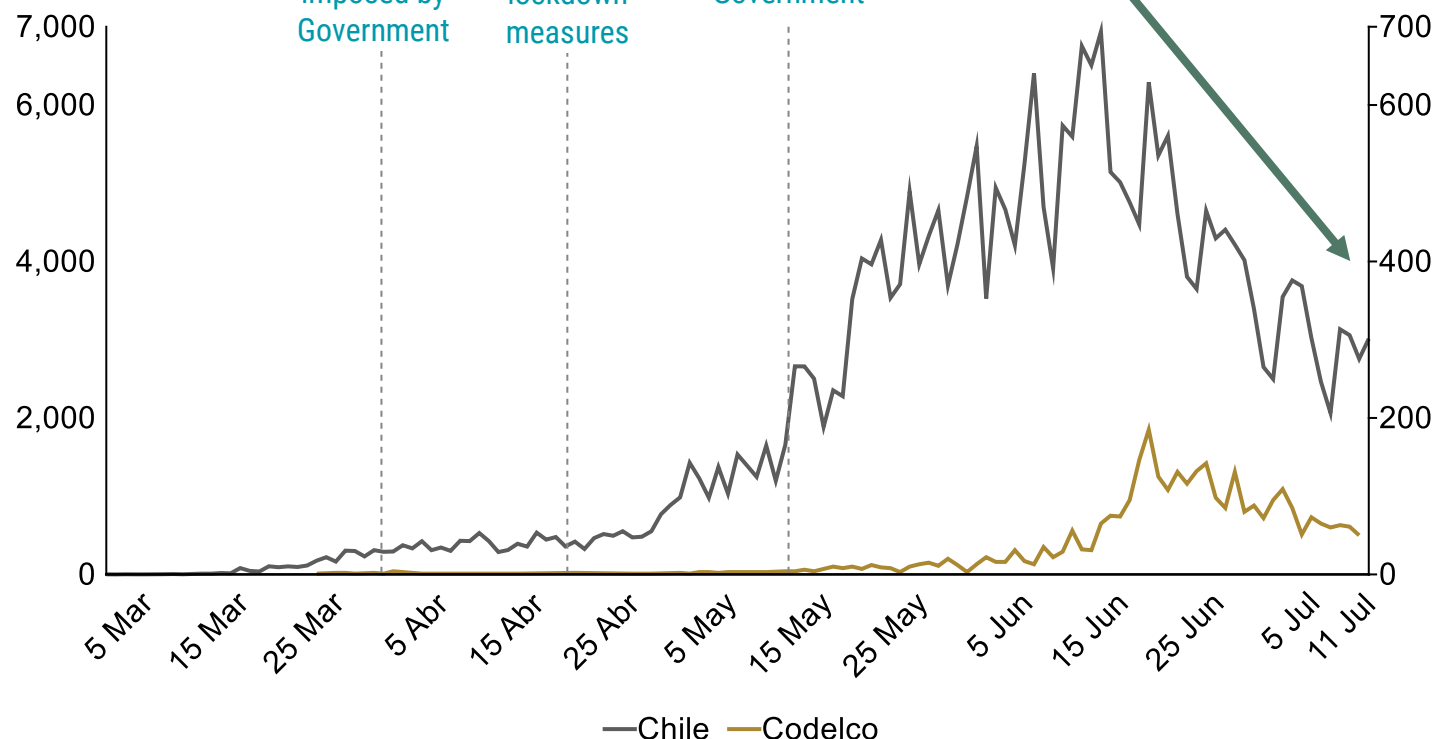
New cases per day in Chile
(# people)

Initial lockdown measures imposed by Government

Government partially removed lockdown measures

New lockdown measures by Government

New cases per day at Codelco
(# employees)

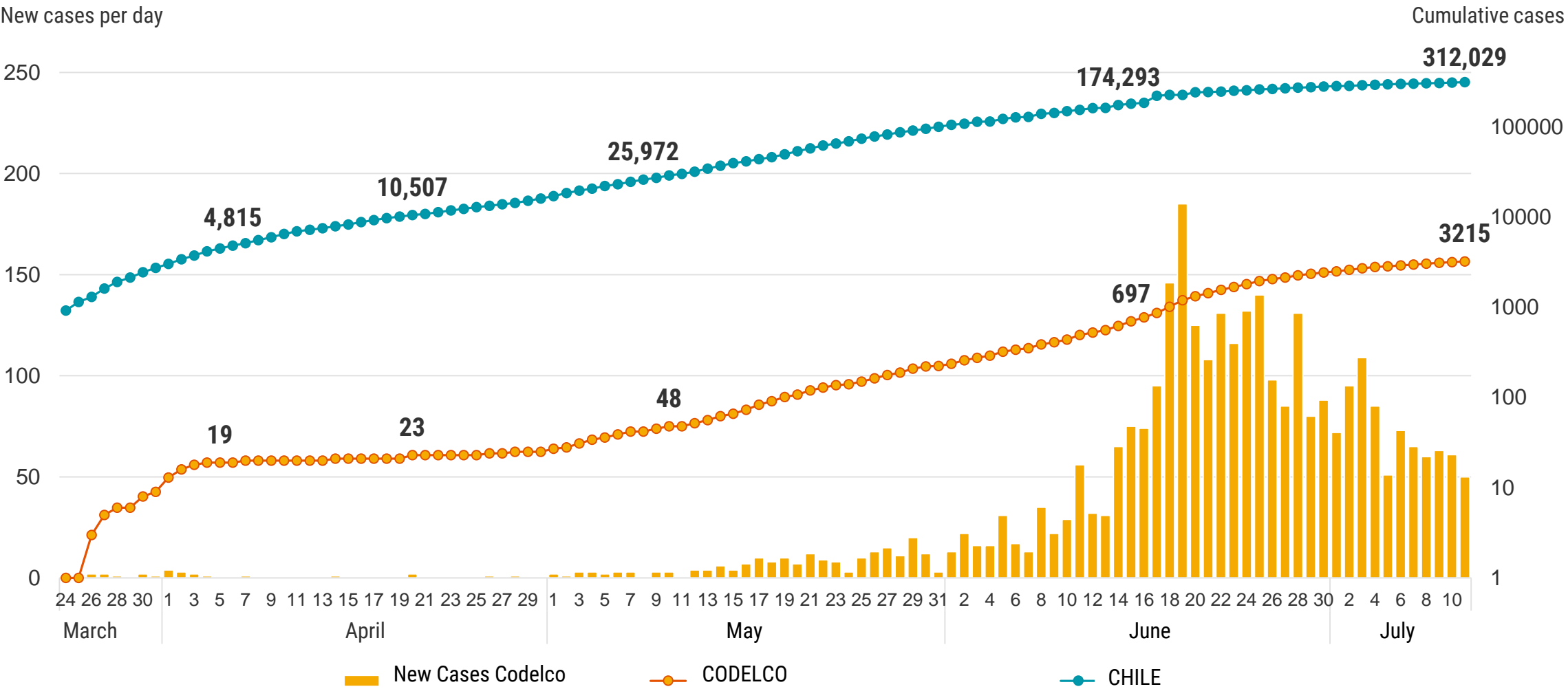


- Increase of confirmed cases in Codelco started in mid-May, significantly later than the rest of Chile
- New cases per day in Chile have been declining since June 15th

Source: Gobierno Digital: /cdn.digital.gob.cl – Datos COVID, Codelco / Data as of July 11, 2020

Containment measures effectively delayed infections in our operations

Evolution of cumulative cases in Chile and Codelco

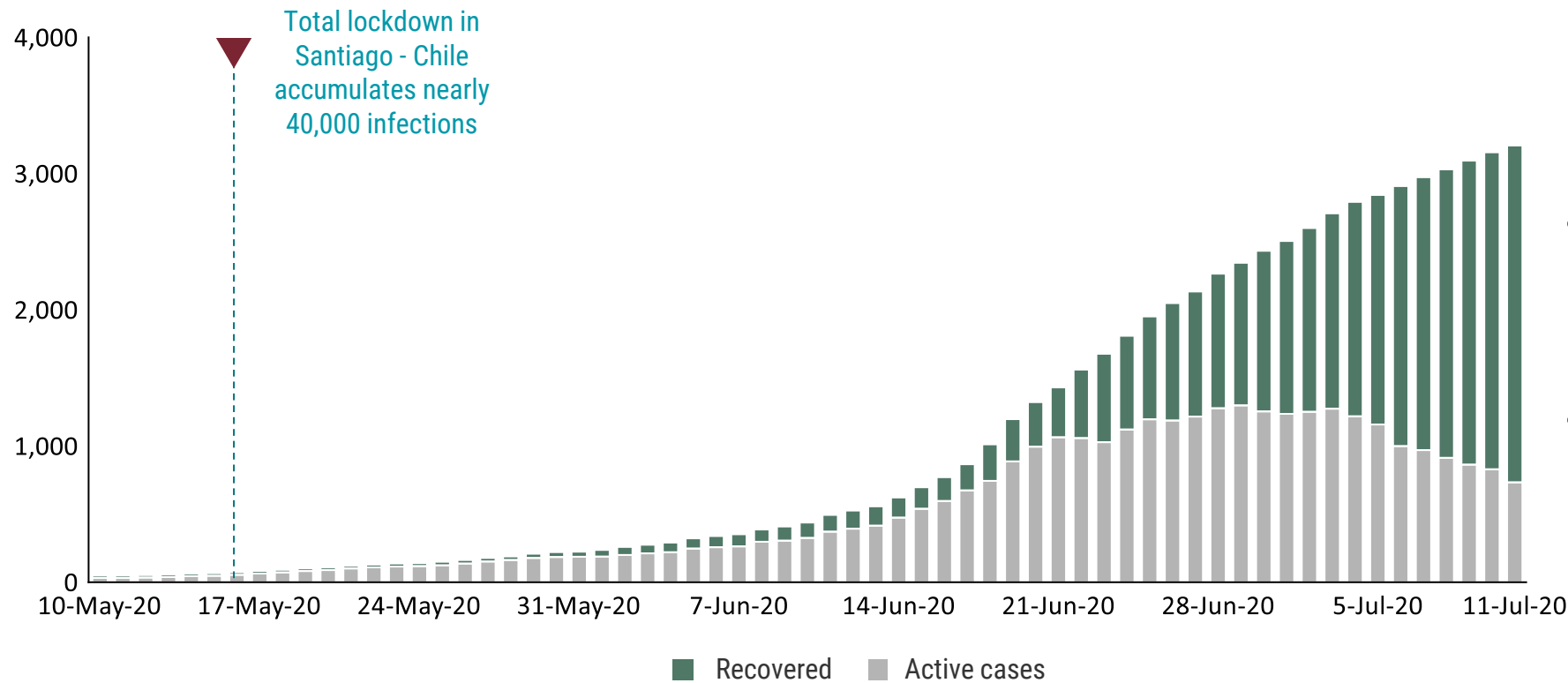


Data as of July 11, 2020

Active cases are declining - Number of recovered patients is higher



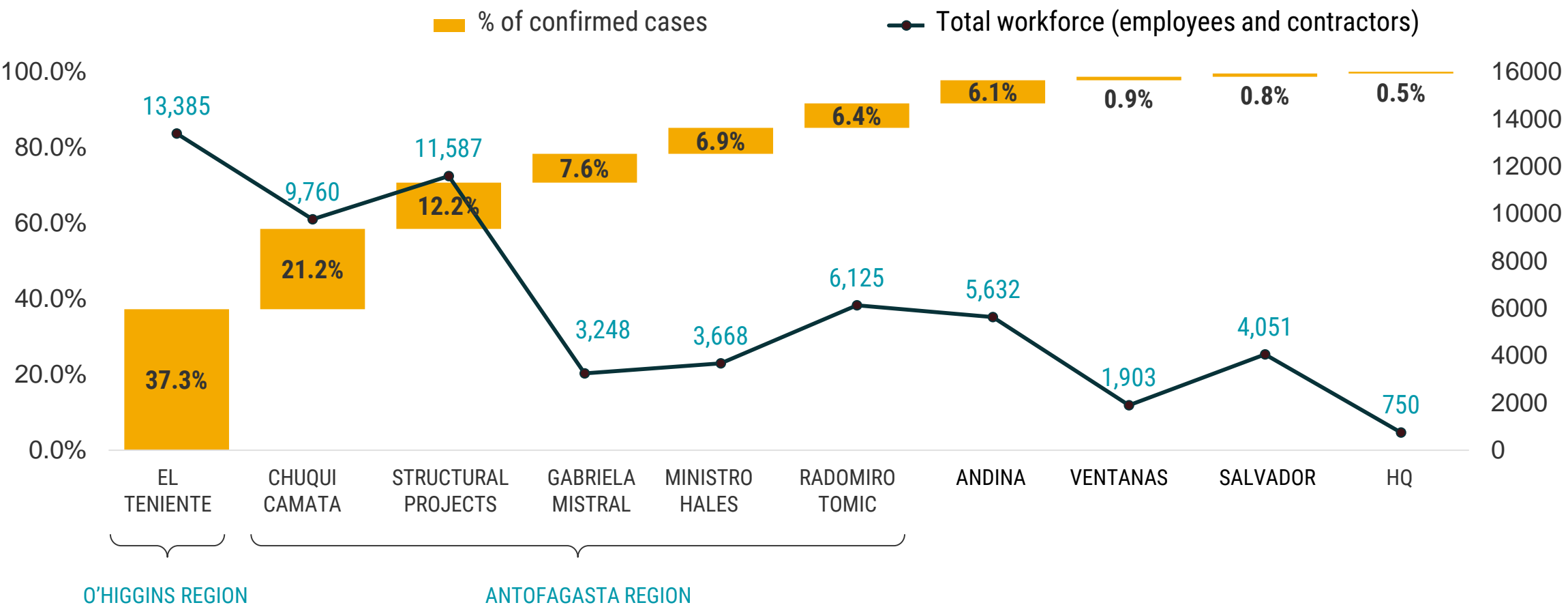
Active cases and recovered patients at Codelco
(# employees)



- Cases at Codelco:
 - Active: 742
 - Recovered: 2,473
- Active cases have been declining since July 29th

Data as of July 11, 2020

El Teniente and Chuquicamata accumulate nearly 60% of total cases



Data as of July 11, 2020

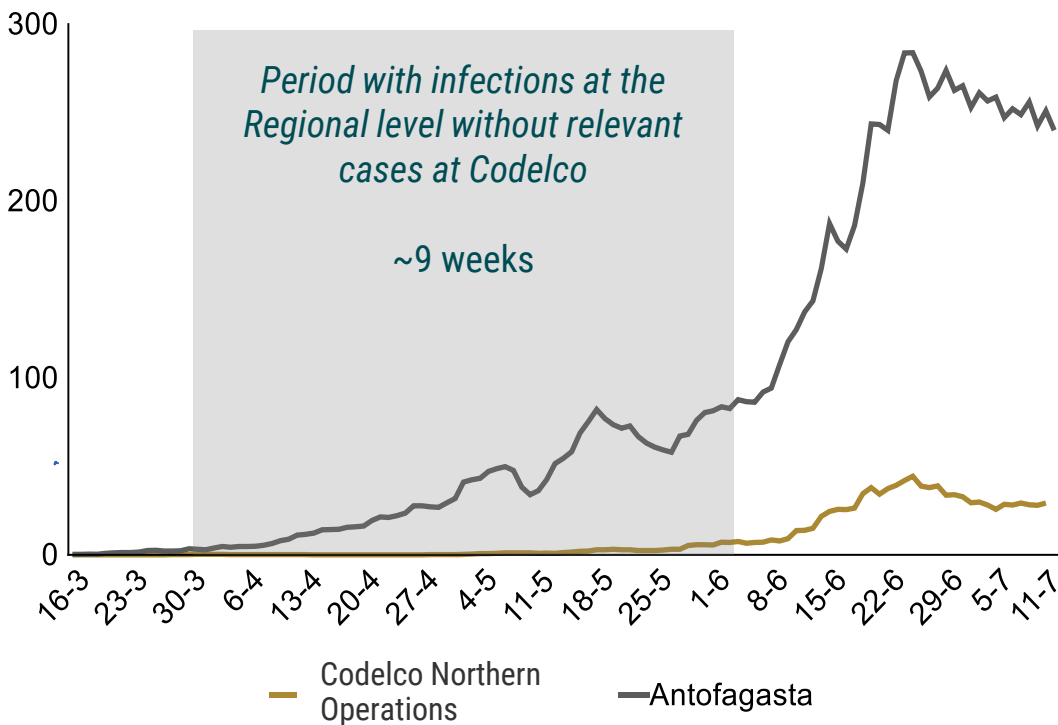
Our measures effectively delayed infections at our operations

Number of cases in our operations began increasing 8 to 9 weeks later than the surge in Regions where we operate



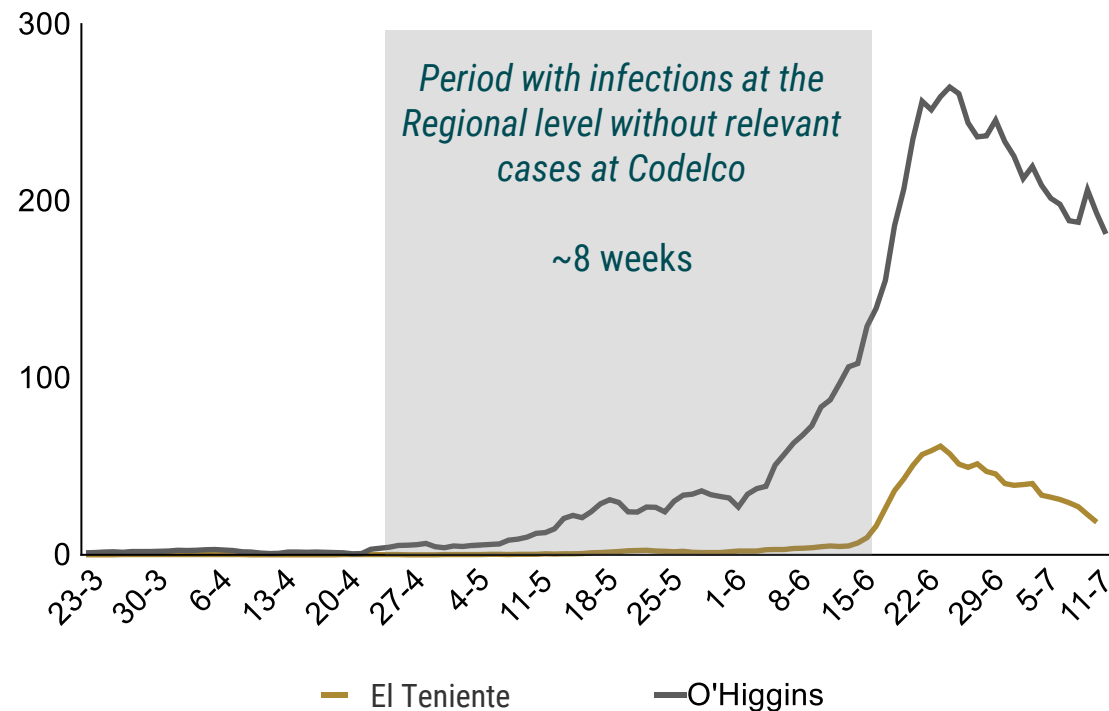
Antofagasta Region

New cases per day
(#, 7-day moving average)



O'Higgins Region

New cases per day
(#, 7-day moving average)



Data as of July 11, 2020

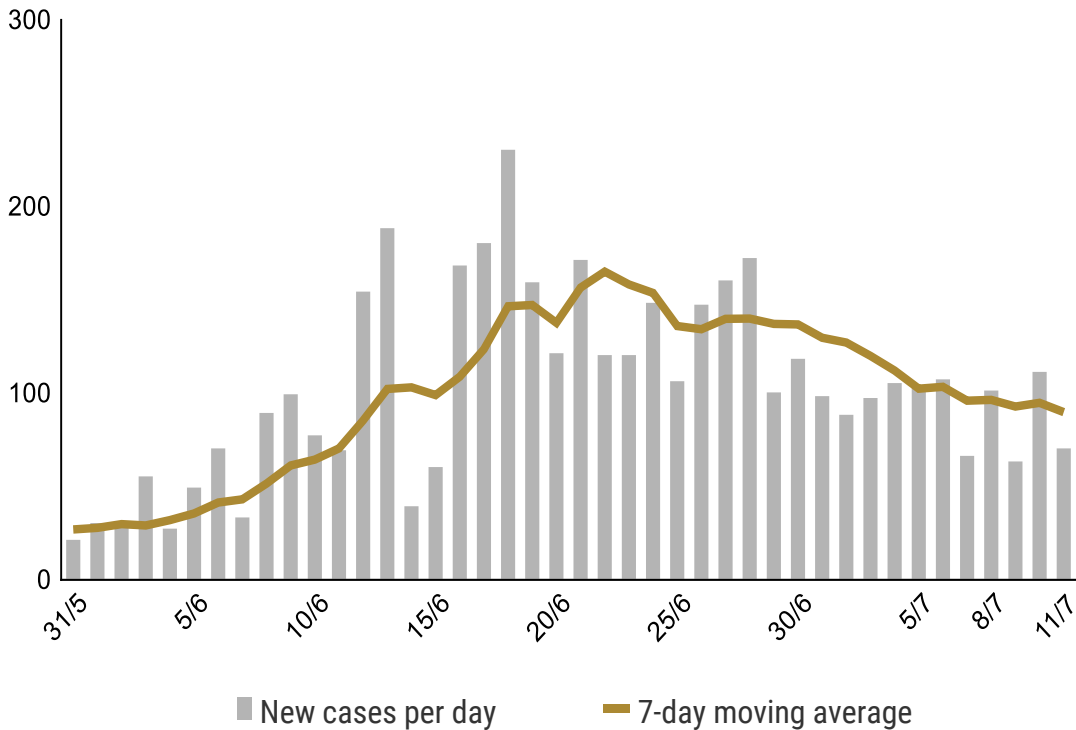
Cases in cities near our operations are showing favorable signs of improvement

Significant portion of Chuquicamata's and El Teniente's employees (and their families) live in the cities mentioned below



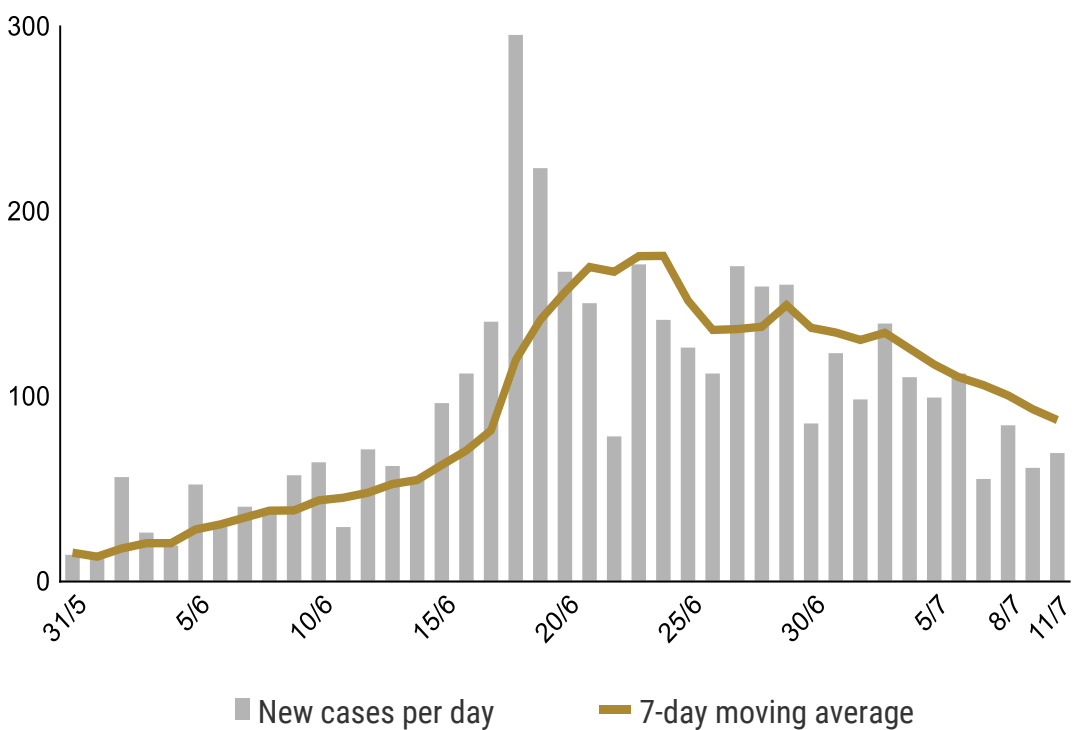
Calama (Antofagasta Region)

New cases per day
(#, published by local government)



Rancagua and Machalí (O'Higgins Region)

New cases per day
(#, published by local government)



Source: Gobierno Digital: /cdn.digital.gob.cl

Majority of cases did not happen at our operations

Results from internal analysis on causes of infection (Preliminary)



Cause of infection:

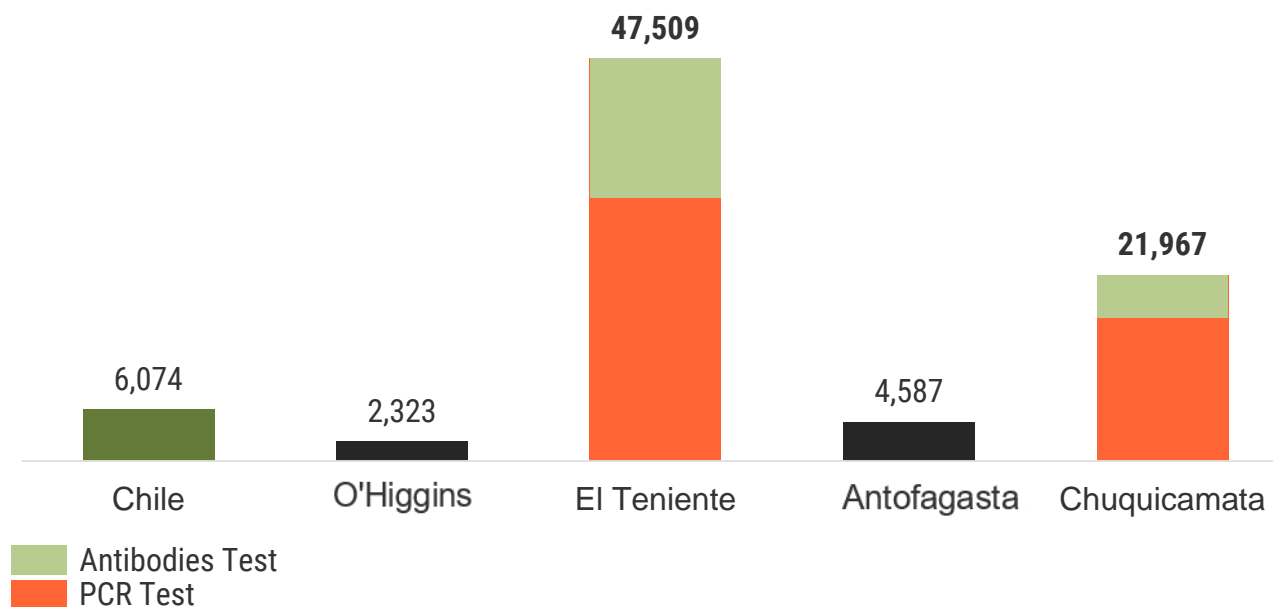


Our high testing rate is helping to contain the virus

Testing rate is much higher than that of the Regions where we operate



Tests per 100,000 people-employees:



- El Teniente performs almost 8 times and Chuquicamata 3.5 times more tests than the rest of Chile
- The difference is higher when compared to each specific Region. Codelco performs 20 times more tests than O'Higgins Region and 5.5 times more tests than Antofagasta Region

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