



ALREADY 50 YEARS FOR CHILE;
WE ARE READY FOR 50 MORE!

2021 SUSTAINABILITY REPORT



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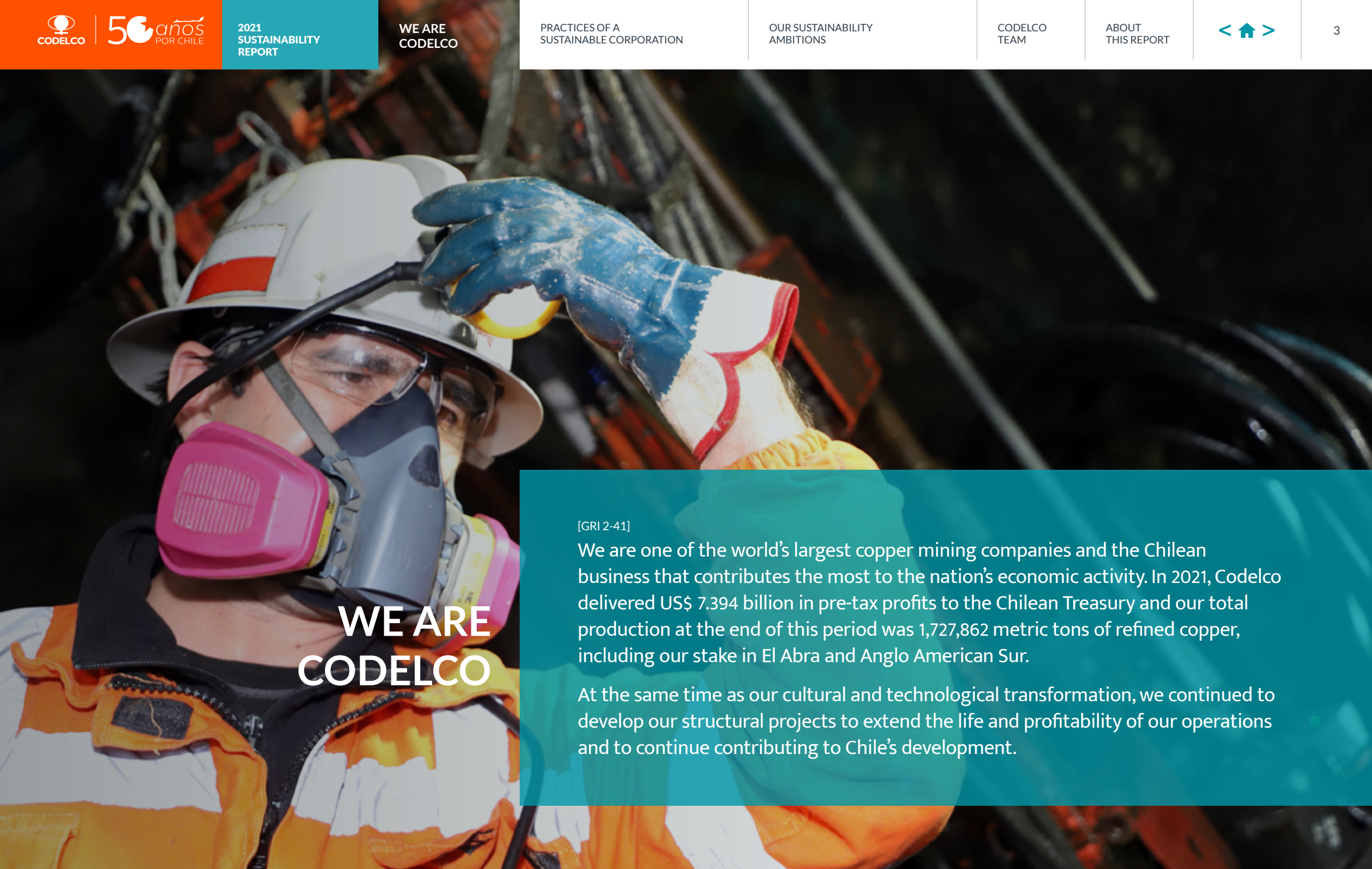
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WE ARE CODELCO

[GRI 2-41]

We are one of the world's largest copper mining companies and the Chilean business that contributes the most to the nation's economic activity. In 2021, Codelco delivered US\$ 7.394 billion in pre-tax profits to the Chilean Treasury and our total production at the end of this period was 1,727,862 metric tons of refined copper, including our stake in El Abra and Anglo American Sur.

At the same time as our cultural and technological transformation, we continued to develop our structural projects to extend the life and profitability of our operations and to continue contributing to Chile's development.

LETTER FROM THE CHIEF EXECUTIVE OFFICER

[GRI: 2-22]

At the end of 2020, Codelco undertook five commitments for our sustainable development by 2030 and for the future of Chile. These commitments represent our conviction that we need to move decisively forward in these areas to fight against climate change and its impact on the entire planet.

In 2021, we developed a governance system to drive these goals and monitor their progress. We defined the roadmaps with the support of *Fundación Chile* and identified 33 challenges and 217 solutions, which underwent a validation and temporary organization process. The main progress made on the different areas is detailed below.

In the case of our goal to reduce emissions, we will form part of the solution and we will also contribute to ensure Chile is carbon neutral by 2050. Therefore, we adopted the target proposed by the International Council on Mining and Metals (ICMM) of which we are a member.

We achieved 100% production traceability and we are decisively supporting our suppliers to follow the same path.

Furthermore, we were one of the founding patron of the “Chart on Innovation Challenge: Zero-Emission Haul Trucks,” which invited different technology innovators to develop

electrification infrastructure and systems for large-scale haul trucks.

Similarly, last year we awarded a tender contract for 155 electric buses (31%) to transport personnel to the different business units.

We also continued to aim for a clean energy grid. This involves managing energy contracts, third-party alliances, investments and new ways of operating to reduce energy consumption across all divisions.



In the case of our water footprint, we understand that we must deploy our capability to reduce water consumption and use water efficiently.

For this purpose, in 2021 we created the Corporate Water Management, under the Mineral Resources and Development Vice-Presidency, and a governance framework to organize this challenge at a corporate level. For example, we made progress on water efficiency investment planning, with short, medium and long-term goals; this involves each division based on their own operating situation and progress.

We also commenced early construction works to build a desalination plant for our three operations located in Calama.

At Codelco, we strive to achieve our goals, in line with the circular economy roadmap proposed by the Chilean Ministry of the Environment and we already have different pilot initiatives to achieve our challenge.

In the case of our commitment to recycle 100% of mining tires by 2030, it is important to point out that their treatment implies developing technology to provide cost-efficient solutions, which are still not available in the Chilean market.

However, we started pyrolysis tests, by processing 232 tons of end-of-life tires that generated by-products, such as steel, carbon black and pyrolysis oils. While at Ministro Hales, we began pilot testing liner plates on tire rubbers, to protect equipment from wear and tear. Furthermore, from a maintenance perspective, Gabriela Mistral achieved a record performance of its haul truck tires, by doubling tire use time.

In 2021, in the case of the new tailings storage facility standard, we identified, through an analysis, the status of our tailings facilities compared to the ICMM's Global Industry Standard on Tailings Management (GISTM). We have already complied with about 50% of the requirements set by the standard, mainly technical aspects. Based on this, we prepared a work plan to be implemented within a period of two years that sets priorities for four of our main tailings facilities: Talabre, Ovejería, Carén and Pampa Austral.

Similarly, we work to ensure access to online data about key aspects regarding the stability and quality of each tailings facility, and we completed the feasibility analysis for the Talabre Tailings Thickener Project, a major investment initiative which will be a pilot project to improve other facilities.

Meanwhile, our territorial development with social value strategy is a corporate guideline we designed for each division to face the specific challenges in their local regions, under an integrated approach.

In this area, during 2021, we gave local suppliers tools to incorporate them into our value chain, providing guidance on tender processes; we promoted local hiring among our contractors, strengthened local education and participated in the education of future mining employees; we facilitated access to fresh water, through collaboration, and we highlighted the work of our employees who volunteered for the various initiatives in each territory.

At Codelco, we want to be leaders of environmental protection in the Chilean mining industry and support the development of our local communities. We know we still have a long way to go in this area, but we are also sure that, for a better future for Chile and the planet, our employees are willing to set and achieve challenging goals. We continue to move steadily forward to change our culture and to ensure the company's sustainable development is a strategic priority of our business.

In this 17th report released by Codelco, we present the progress we have made on our sustainability strategy and for the first time we report on the progress of our five commitments. This publication is a Global Compact Progress Report and it also summarizes our contribution to the UN Sustainable Development Goals of the 2030 Agenda.

This report has been prepared following the reporting recommendations of the International Council on Mining and Metals (ICMM) and the Global Reporting Initiative (GRI); therefore, this is a rigorous and transparent rendering of accounts.

Octavio Araneda Osés
Codelco Chief Executive Officer



INTERVIEW WITH THE VICE-PRESIDENT OF CORPORATE AFFAIRS AND SUSTAINABILITY

[GRI 2-22]

RENATO FERNÁNDEZ:
“We are transforming the way we do mining which involves cultural and operational changes”

What has the deployment of the five sustainability commitments been like? How were they received by the organization?

Once our Board of Directors signed the commitments and we internally and externally communicated them, we have seen a strong alignment across Codelco. We are transforming the way we do mining which requires cultural and operational changes, from project planning to waste management. We are firmly convinced that this is the way if we want to continue to be the world’s top copper producer, to contribute to Chile’s development and to fight against the climate change affecting our planet.

These goals are ambitious and require specific plans and roadmaps to achieve

them. What progress did the company make in 2021 in this respect?

During the year, we worked on building governance for this specific process, with leaders at each of the eight business units. We held workshops where over 200 people participated to define roadmaps, processes associated with each of the 15 strategic actions and short, medium and long-term challenges we will face. All this was undertaken during the first six months of the year and during the second half, we began implementation.

In order to provide reliable and traceable information, we developed a platform to track goals, and regularly update data, whether on progress, inactivity or delays. Therefore,

we can check the date and duly report to the Board and take the steps needed if something goes wrong.

¿ Are some lines more advanced than others?

Yes, of course. Codelco has programs developed by some business units that can be rolled out at a corporate level. For example, Distrito Norte has done some excellent work on skills development with technical schools in the area and on improving supplier performance. We have taken these and other experiences to create the “Territorial Development with Social Value” corporate program. Its macro goal is to increase by 60% locally sourced goods and services from communities next to our operations. The more technical issues, involving water, energy and tailings require a significant investment to develop projects; therefore, in 2021, we essentially focused on their definition, and, in several cases, on organizing changes and pilot testing certain innovations. This is also the case of waste management; this topic also involves other actors to promote circular economy.

In addition to the areas addressed by the five commitments, at Codelco we are also starting to focus on issues that involve the organization and relations with key stakeholders. What can we highlight in this area?

In the case of Human Rights, we incorporated into the Corporate Sustainability Policy unrestricted respect for these principles, in our internal and external relationships, including communities, indigenous peoples and customers. We also moved forward with the due diligence processes at Andina and El Teniente. In the case of diversity and inclusion, all the initiatives proposed in the action plan were executed to become an organization that takes advantage of age, cultural, professional and personal differences to foster empathy and respectful relationships.

What does The Copper Mark certification imply for Codelco?

This is an International Copper Association initiative based on the UN Sustainable Development Goals, which aims to provide to

the market a complete and reliable assurance system for copper production processes. For this reason, it has very strict mechanisms to check and assess mine, refinery and smelter performance through independent certified auditors. We will first work to obtain the seal for El Teniente Division in 2022 and, subsequently, we hope to have 100% of our operations certified by the end of 2023.

Can we hope for a greener mining?

Given the evidence of climate change that affects the planet, moving towards processes with the least possible impact is a key goal for the industry. Low-carbon mining, water-use efficiency, that incorporate circular economy in their processes and business, and social value for local communities is possible and a major challenge for Codelco today and tomorrow.



50 YEARS CONTRIBUTING TO CHILE'S DEVELOPMENT AND TO THE QUALITY OF LIFE OF CHILEANS



On July 11, 2021, it was 50 years since the nationalization of copper in Chile, a historic milestone when private deposits were handed over to the *Corporación del Cobre*.

Since its foundation, Codelco is the world's largest copper producer. Today it represents 8% of global production; while Chile, is the leader with a 28% share of global supply.

The nationalization of copper and its effective operations and sales management have contributed to the wellbeing of Chileans, as its contribution to the Chilean Treasury implies a capital injection to the State.

So far, our Corporation has delivered US\$ 115 billion in pre-tax profits; US\$ 309 billion in exports, approximately 20% of product sales overseas; and US\$ 65 billion in capital investment. Overall, Codelco represents 8% of the Treasury revenue in the last 50 years, helping to drive Chile's development.

Aware of our mission, we have focused on developing a strategic approach to ensure the Corporation's sustainability over the next five decades. To continue contributing to the quality of life of Chileans, today we are undergoing a deep transformation process

which will position us in the second quartile with the lowest costs worldwide.

In line with this goal, the new Sustainability Policy was rolled out in April 2021, which will help us to responsibly achieve these goals and in harmony with our environment.

We have set challenging goals; therefore, we have set a clear path to achieve them. The Corporation's strategic plan and structural projects will allow us to extend the life and profitability of our operations, by developing and incorporating new

and efficient production methods, by the conversion of mineral resources into new ore reserves and by deepening our sustainability strategy.

Chile is a superpower in copper mining, primarily thanks to the efforts of the people who work and have worked for the Corporation. We are a key to Chile's progress, so we look forward to the next 50 years, confident that we will develop our people's skills, we will attract the best talent and we will support the robust plans we have set out.

2021 HIGHLIGHTS

[GRI 2-7, 2-8][SASB: EM-MM-510a.2, EM-MM-000.A]

Copper Production¹

1,728,000 tons

Pre-Tax Profit²

US\$ 7.4 billion

Health and safety at Our Operations

0.75 Frequency rate

123 Severity rate

Workforce

15,609 Employees³

39,181 Contractors⁴

Female Personnel

116%⁵

Social Value

US\$ 3,280,169 Social investment

178 Social investment agreements

US\$ 1.6 billion in local supplier expenses

Environmental Management

4,637,446 tons of CO2 emissions

183,078 m³ of water consumption

142,000 tons of non-hazardous waste
(26% recycled)

¹ This figure includes our stake in El Abra and Anglo American Sur.
² US dollar rate on December 30, 2021 (\$ 850.25) set by the Central Bank.

³ Includes indefinite and temporary employees.
⁴ Includes operations, services and investment contractors.

⁵ Includes indefinite and temporary employees and trainees.

1.5 MILESTONES IN OUR MANAGEMENT 2021

January

The Board approved **US\$ 1.2 billion** for the **El Teniente Diamante** and **Andesita** projects; these funds will be used to replace depleted zones and extend its production life by 50 years. Furthermore, **US\$ 1.4 billion** was approved to build **Rajo Inca**, a project to re-establish Salvador Division.

The **Covid-19 prevention plans** were strengthened, including reduced number of personnel on site and restarted teleworking wherever possible.

March

The Antofagasta Environmental Assessment Commission favorably qualified the Environmental Impact Statement (EIS) that extends the useful life of the hydrometallurgical line and the Sulfide Phase I operation of **Radomiro Tomic Division** until 2030.

April

The Board approved the new **Corporate Sustainability Policy**, which sets the commitment to contribute towards a better future for the communities and Chile, promoting social development, economic growth and global environmental protection.

May

The new **Occupational Health and Safety Strategy 2021-2024** was presented to the organization. This new strategy, focused on the elimination of fatal accidents, will be deployed based on four pillars: critical risk control, onsite leadership, learning and culture of excellence.

An agreement was signed with **Microsoft** to quickly adopt technologies, apply advanced analytics tools, migration infrastructure and develop a Digital Academy to optimize the skills needed to strengthen people's digital competence in this field.

June

Began **definition process** for sustainability strategy **governance** and the five commitments for 2030.

The new **Procurement Model** was implemented, with more specialization, increased competitiveness, and improved customer service to leverage the strategic goal to increase pre-tax profits in 2021.

July

Codelco opened its **Singapore office** focused on opening new markets and strengthening its relationship with customers in Southeast Asia (especially Vietnam, Malaysia and Thailand) and India, countries with more future global copper demand over the next 20 years, through a financially solid customer base.

August

Codelco joined the **Gender Parity Initiative** launched by the Ministry of Women and Gender Equality, a collaboration agreement that promotes work cultures with equal rights and development opportunities for men and women.

Started construction work at **Rajo Inca** mine, a project that will provide 2,400 jobs during its peak period and it will extend the useful life of Salvador Division until 2070.



September

Distrito Norte began implementing the “**Local Supplier Program**”, in line with the five sustainability commitments and the goal to implement the agreement undertaken with the regional mining cluster.

Andina started its pilot plan to **recycle haul truck tires**, removing discarded R63 OTR tires, which will be cut into smaller pieces and loaded into a thermal reactor and turned into fuel oil, steel and carbon black.

Andina promised to improve **employability in 17 communities** located in the *Camino Internacional* area, through the “Local Talent” employability plan.



October

Two million cubic meters of water were saved thanks to the El Teniente Thickening Tactic Implementation Plant. This process helps to optimize water recycling in tailings before they are sent to the storage facility and it also helps this division to achieve its 2030 goals.

The Business Process Automation and Technology Vice-Presidency launched the Corporate **Cybersecurity Policy** that prepares employees to prevent cyberattacks. Measures include the implementation of technological controls, such as the two-factor authentication; antimalware protection for Codelco mobile devices and an IT/OT cybersecurity course focused on teleworking.



November

From the lessons learned in contract and procurement management associated with Capex (capital investments), risk management and the digital transformation process, the Projects Vice-Presidency updated the **procurement model**, for a synergic and **comprehensive approach** with other business areas, operating in a decentralized manner; it provides a systemized analysis of the Capex categories and incorporates Procurement requirements in early strategic definitions.



Photo by Austin Distel on Unsplash

Diciembre

The Sales Vice-Presidency, responsible for copper, concentrate and by-product sales, achieved its **Quality Management System (ISO 9001)** certification for three years and it obtained a successful follow-up audit of the **Anti-bribery Management Systems (ISO 37001)**.

The **Integrated Strategic Operations Center (CIO-E)** was opened, housed at the Santiago Head Office and the central brain monitoring the work of the three Tactical CIO, located in Calama (Ministro Hales Division and Chuquicamata Underground), Los Andes (Andina Division) and Rancagua (El Teniente Division).

We began commissioning tests at **Traspaso Andina**, a megaproject that will take eight years to build. It also requires major engineering efforts, as it located at high altitude

in the mountains where winter temperatures can drop down to -20°C.

As members of the International Copper Association, we decided to certify all operations with the **Copper Mark seal** in 2023, which recognizes sustainable mine production practices and the contribution of these operations to the UN Sustainable Development Goals (SDGs); we will start with El Teniente in 2022.





WOMEN IN MINING: OPPORTUNITIES FOR ALL TALENTS

Throughout the year, we continued to open our doors to female participation. In 2021, 30% of all new hirings and about 50% of professionals were women. For the first time at our different operations women took roles in security, smelter superintendence, shift managers, heavy-duty equipment operators (electric rope shovels), and a female-only maintenance shift.

RECOGNITIONS

In 2021, we participated in different evaluations carried out by the Merco consulting firm, with the results shown below.

April: for the sixth consecutive year, we were first in **Responsibility and Corporate Governance** in the mining industry and we ranked 19 among 100 who entered the list in this version.

August: we were recognized as the company with the best capacity to attract talent in Chile in the **Merco Talent** study which identifies the 100 most appealing companies to work for in Chile.

December: we were the top mining company and in eighth place in the general ranking of the *Monitor Empresarial de Reputación Corporativa* (Merco) study which distinguishes the **top 100 companies with the best reputation in Chile.**



OUR OPERATIONS

[GRI: 2-1]

Antofagasta Region

1 Radomiro Tomic Division

Open-pit mine
1,251 employees
326,456 tons

2 Chuquicamata Division

Open-pit mine and underground mine
3,935 employees
319,280 tons

3 Ministro Hales Division

Open-pit mine
771 employees
181,704 tons

4 Gabriela Mistral Division

Open-pit mine
475 employees
100,908 tons

Atacama Region

5 Salvador Division

Underground mine and open-pit mine
1,501 employees
52,885 tons

Valparaíso Region

6 Ventanas Division

Smelter and refinery
774 employees

7 Andina Division

Underground mine and open pit mine
1,424 employees
177,216 tons

Metropolitan Region

8 Head Office

486 employees

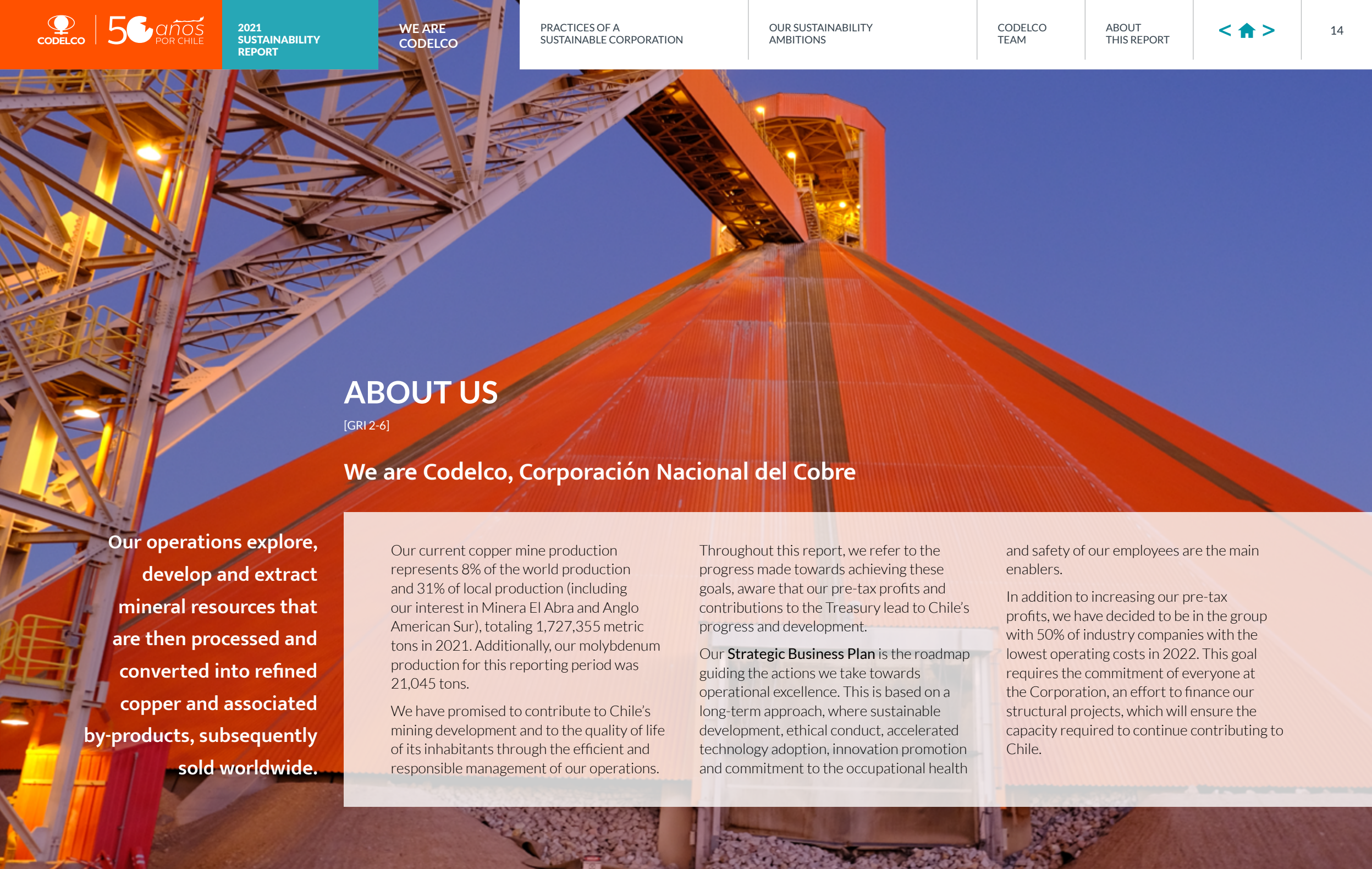
9 Projects Vice-Presidency

714 employees

Libertador Bernardo O'Higgins Region

10 El Teniente Division

Underground mine and open pit mine
3,845 employees
459,817 tons



ABOUT US

[GRI 2-6]

We are Codelco, Corporación Nacional del Cobre

Our operations explore, develop and extract mineral resources that are then processed and converted into refined copper and associated by-products, subsequently sold worldwide.

Our current copper mine production represents 8% of the world production and 31% of local production (including our interest in Minera El Abra and Anglo American Sur), totaling 1,727,355 metric tons in 2021. Additionally, our molybdenum production for this reporting period was 21,045 tons.

We have promised to contribute to Chile's mining development and to the quality of life of its inhabitants through the efficient and responsible management of our operations.

Throughout this report, we refer to the progress made towards achieving these goals, aware that our pre-tax profits and contributions to the Treasury lead to Chile's progress and development.

Our **Strategic Business Plan** is the roadmap guiding the actions we take towards operational excellence. This is based on a long-term approach, where sustainable development, ethical conduct, accelerated technology adoption, innovation promotion and commitment to the occupational health

and safety of our employees are the main enablers.

In addition to increasing our pre-tax profits, we have decided to be in the group with 50% of industry companies with the lowest operating costs in 2022. This goal requires the commitment of everyone at the Corporation, an effort to finance our structural projects, which will ensure the capacity required to continue contributing to Chile.

Production 2021

Our operations produce and sell

REFINED COPPER

Copper cathodes with 99.99% purity

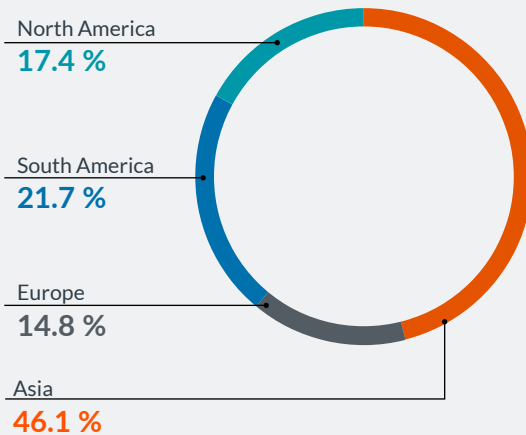
UNREFINED COPPER

Copper concentrate
Anodes
Blister

COPPER BY-PRODUCTS

Molybdenum
Silver
Gold
Rhenium
Sulfuric Acid

Our Customer Base Distribution



Data for December 2021

Responsible Investment

In order to extend the useful life of deposits, our structural projects are implemented under efficient, safe and sustainable standards. To date, these initiatives have allowed us to maintain promised production rates at about 1.7 million tons per year, including El Abra and Anglo American Sur.

Structural Projects

Chuquicamata Division

Chuquicamata Underground Mine Project:

In 2021, more than eight million tons of mineral were extracted in the project ramp-up phase. Investments were also made to address rock mass instability and design improvements and, despite the health crisis, we made progress on the construction phase.

El Teniente Division

Teniente Project Portfolio

The project portfolio consists of Andes Norte Nuevo Nivel Mina (NNM), Diamante and Andesita. These projects will extend the life of the division operations by 50 years.

In 2021, accumulated progress was 72% in Andes Norte NNM, 16% in Diamante and 11% in Andesita. The early works for the last two projects are expected to be completed in 2022.

Salvador Division

Rajo Inca

This project will extend the division operations by 47 years; at the end of 2021, it was 23% complete and mine pre-stripping was 16.6 million tons.

Radomiro Tomic Division

Radomiro Tomic Sulfides Phase II

In 2021, the prefeasibility study for the Sulfides Phase II Project was approved and it is currently in the options assessment phase.

Distrto Norte Desalination Plant

We will commence the construction contract during 2022.

Other Projects

The feasibility study to extend oxide ore processing was completed and the feasibility study for Phase IX of the secondary ore leaching process is currently underway. The authorization for the execution phase for both projects is scheduled for 2022.

Andina Division

Traspaso Andina

This project aims to relocate the primary crusher and give continuity to the mine operation in the area known as Node 3,500. It also includes a connection to the existing concentrator plant through a 4.8 km mineral conveyor tunnel. At the end of 2021 the project was 98.6% complete.

Andina's Future Development

Given the Corporation's different business scenarios and our strategic goals, we are reviewing the future of this Division.

Other Projects

The "Depósito de Lastres Norte" Project was 29% complete, while the "Replacement of Mine Maintenance Infrastructure, Level 4,000 Phase 1" was 77% complete. The following projects were also approved: "Connectivity Construction Node 3,500" and phase 2 of the "Replacement of Mine Maintenance Infrastructure, Level 4,000".

In 2021, our investment portfolio involved US\$ 2.7 billion; 45% of these funds went to the structural projects.

Learn more about our economic performance in our [2021 Annual Report](#)

SUSTAINABLE MINING PROCESS

[GRI 2-1b]

The purpose of mining is to locate, extract and transform minerals in the earth's crust, which will subsequently be used in the production of a broad range of products used daily, such as telephones, cars, foods and drugs.

During the different stages, our company performs regular assessments to maximize occupational health, safety, social, environmental and economic performance of our operations, adopting the best methods and systems available in the industry.

At Codelco, we have promised to adopt responsible mining, based on incorporating sustainability criteria into each stage of the mining process.

Mining Process Stages



OUR STAKEHOLDERS

[GRI: 2-29]


















Stakeholder	Engagement Mechanisms	Interaction Frequency
Direct Employees	Monthly	Monthly
	Development programs	Annual
	Opinion survey	Annual
Contractors	Labor and welfare control	Monthly
	Electronic trade platforms	Permanent
	Supplier portal	Permanent
	Benefits	Annual
Employee Relatives	Skills certification and training programs	Monthly
	Family life programs	Annual
Trade Unions	Scholarship for children	Annual
	Federation of Copper Workers and Representative of the National Association of Copper Supervisors (AnSCO) and Federation of the Copper Supervisor Federation (Fesuc)	Monthly
	Senior management meetings with the National Advisory Board of the Federation of Copper Workers (CDN FTC) and the Executive Committee of the Federation of Copper Supervisors	At least six times a year
National Community	Collective bargaining process and other scheduled meetings	Based on Schedule
	Press releases	Permanent
Regulators	Website and social media	Permanent
	Sustainability Report	Annual
Local Authorities	Financial Statements	Quarterly, Annual
	Roundtable groups, conferences and meetings	Permanent
	Strategic presentations, participation in development of new regulations.	Permanent

Stakeholder	Engagement Mechanisms	Interaction Frequency
Internal and External Communication Media	Press releases, interviews, corporate publications, social media and press conferences	Permanent
	Economic and financial results reports	Quarterly
	Site visits	Based on Schedule
Local Communities	Social-environmental complaint and suggestion system	Permanent
	WhatsApp channels	Permanent
	Community social media	Permanent
	Community digital magazines	
	Application process for Social Investment Fund (FIS) projects and Sence training	Monthly
	Information and roundtable groups (open houses, door-to-door, visits to divisions)	Based on Calendar
Academia	Perception survey	Annual
	Socio-economic impact assessment	Every ten years
	Framework agreements with universities and technical education institutions to provide ongoing training to employees and to integrate students into Codelco	Permanent
Customers	Scholarships to prepare theses and dissertations	Permanent
	Business and technical visits through agents at the different subsidiaries	At least twice a year
Financiers and Investors	Meetings with capital market analysts and rating agencies	Permanent
	Release results	Permanent
Suppliers	Electronic trading platforms	Permanent
	Supplier portal and procurement portal	Permanent

MEMBERSHIPS AND ASSOCIATIONS

[GRI: 2-28]

Our Corporation actively participates in different dialogue spaces^{6(*)}; this facilitates sharing ideas and learning best practices in the industry.

 <p>INTERNATIONAL COPPER ASSOCIATION (ICA) *+ BOARD MEMBER</p>	 <p>INTERNATIONAL MOLYBDENUM ASSOCIATION (IMOA) * BOARD MEMBER</p>	 <p>INTERNATIONAL COUNCIL ON MINING AND METALS (ICMM) * MEMBER</p>	 <p>INTERNATIONAL COMMISSION ON LARGE DAMS (ICOLD CHILE) * FOUNDING PARTNER & BOARD MEMBER</p>	 <p>CHILEAN MINING COUNCIL* PARTNER & BOARD MEMBER</p>	 <p>NATIONAL SAFETY COUNCIL * BOARD MEMBER</p>
 <p>GLOBAL COMPACT* MEMBER</p>	 <p>ACCIÓN EMPRESAS (WORLD BUSINESS COUNCIL FOR SUSTAINABLE DEVELOPMENT CHAPTER) PARTNER</p>	 <p>GLOBAL REPORTING INITIATIVE (GRI)* MEMBER</p>	 <p>CORPORATE LEADERS GROUP FOR CLIMATE CHANGE * MEMBER</p>	 <p>CHILEAN-AMERICAN CHAMBER OF COMMERCE (AMCHAM) PARTNER</p>	 <p>ANTOFAGASTA INDUSTRIAL ASSOCIATION (AIA) MEMBER</p>
 <p>VALPARAÍSO REGION INDUSTRIAL ASSOCIATION (ASIVA) MEMBER</p>	 <p>LOA PROVINCE DEVELOPMENT CORPORATION MEMBER</p>	 <p>PRO O'HIGGINS REGIONAL DEVELOPMENT CORPORATION MEMBER</p>	 <p>PRO ACONCAGUA CORPORATION MEMBER</p>	 <p>GAVIOTÍN CHICO SUSTAINABILITY FOUNDATION BOARD MEMBER</p>	

(*) Strategic participation.

ADOPTION OF INTERNATIONAL STANDARDS

[GRI 2-28]

**We have also adopted
the following local and
global external initiatives,
relevant to our industrial
work:**

- International Labor Organization (ILO) Conventions 87, 98, 100, 111 and 138. SINCE 1974-1999 RATIFIED BY CHILE
- International Chamber of Commerce Business Charter for Sustainable Development. SINCE 2000
- UN Universal Declaration of Human Rights. SINCE 2003
- UN Convention on the Rights of the Child. SINCE 2003
- Principle 15, Rio Declaration - The Precautionary Approach. SINCE 2003
- World Economic Forum Partnering Against Corruption Initiative (PACI). SINCE 2005
- ILO Convention 169 on Indigenous and Tribal Peoples in Independent Countries. SINCE 2008
- International Council on Mining and Metals (ICMM) Toronto Declaration. REJOINED IN 2011
- UN Guiding Principles on Business and Human Rights. SINCE 2012
- UN Global Compact Principles. SINCE 2016
- UN Sustainable Development Goals (SDGs). SINCE 2016



PRACTICES OF A SUSTAINABLE CORPORATION

CORPORATE GOVERNANCE (MATERIAL TOPIC)

[GRI: 3-3, 2-10, 2-11]

At Codelco we are convinced we must drive our transformation as a company where sustainable development is a business value, and publicly commit to achieve explicit goals by 2030, linked to the environment, communities, Chile and the future of the planet.

Our internal policies and standards that determine our corporate governance are not only aligned with the Chilean regulatory framework; our governance mechanisms voluntarily respond to international standards to ensure transparent and reliable operations.

Our Corporation is managed by a Board of Directors consisting of nine members, who are appointed by the President of the Republic, as per Law 20.392 (2009), which you can read [here](#).

- Four directors from a shortlist proposed by the Senior Public Management Council.
- Two directors who are Codelco employee representatives: one director appointed from a shortlist of five candidates proposed by the Federation of Copper Workers (FTC) and another director, from a shortlist of five candidates jointly proposed by the National Association of Copper Supervisors (AnSCO) and the Federation of Copper Supervisors (Fesuc).
- -Three directors are directly appointed by the President of the Republic

The President of the Republic appoints the Board Chairperson from among the nine directors. The Board selects and delegates the authority needed to the CEO perform his duties and responsibilities. The CEO's role is to implement the Board agreements and supervise Codelco's production, administrative and financial activities.

Board members serve for a period of four years and are partially reelected. At Codelco, we do not have alternate directors.

The Board Chairperson does not have an executive position.

BOARD OF DIRECTORS

(At December 31, 2021)

[GRI: 2-9, 2-11]



Chairperson

**JUAN
BENAVIDES FELIÚ**

BS Business
Administration
Pontificia Universidad
Católica de Chile
Appointed:
05-25-2018
Tenure: 3 years
RUT: 5.633.221-9

Professional with vast
experience in executive
positions in the banking,
pharmaceutical and retail
industry.

Director

**JUAN ENRIQUE
MORALES JARAMILLO**

Mining Engineer
Universidad de Chile
Appointed:
05-11-2019
Tenure: 6 years (has
previously held this
position)
RUT: 5.078.923-3

Professional from the
mining industry, who
has more than 40 years'
experience as a leader of
exploration, mine planning,
technological innovation,
and sustainability.

Director

**ISIDORO
PALMA PENCO**

BS Business
Administration
Pontificia Universidad
Católica de Chile
Appointed: 05-11-2019
Tenure: 6 years (has
previously held this
position)
RUT: 4.754.025-9

Professional with vast
experience in business
management in Chile and
abroad. Expert in financial
risk management.

Director

**HERNÁN DE
SOLMINIHAC TAMPIER**

Construction
Engineer
Pontificia Universidad
Católica de Chile
Appointed:
05-11-2018
Tenure: 3 years
RUT: 6.263.304-2

Professional with vast
experience, e.g., Minister
of Mining, Chairperson
of the National Mining
Company (Enami) and the
Chilean Copper Commission
(Cochilco).

Director

**PATRICIA
NÚÑEZ FIGUEROA**

Lawyer
Universidad de Chile
Appointed:
11-04-2021
Tenure:
1 year
RUT: 9.761.676-0

Professional with vast
experience in executive
and management positions
in the mining and energy
sectors, and as a university
professor.

Director

**FELIPE
LARRAÍN BASCUÑÁN**

BS Business
Administration
Pontificia Universidad
Católica de Chile
Appointed:
03-30-2021
Tenure: 9 months
RUT: 7.012.075-5

Professional with vast
experience in developing
economic and social
policies. He was the Chilean
Minister of Finance and
has been advisor to Latin
American countries.

Director

**PEDRO PABLO
ERRÁZURIZ DOMÍNGUEZ**

Civil Engineer
Pontificia Universidad
Católica de Chile
Appointed:
04-11-2021
Tenure:
9 months
RUT: 7.051.188-6

He was the Chilean
Minister of Transport and
Telecommunications. He
has extensive experience
in mining, technology and
telecommunications sectors.

Board Diversity

Age Range

Under 30	0
30 - 40	0
41 - 50	0
51 - 60	2
61 - 70	3
Over 70	2
Total	7

Seniority

Less than 3 years	5
3 - 6 years	2
6 - 9 years	0
9 - 12 years	0
More than 12 years	0
Total	7

3 years
Average length of
board tenure

Sustainability Governance

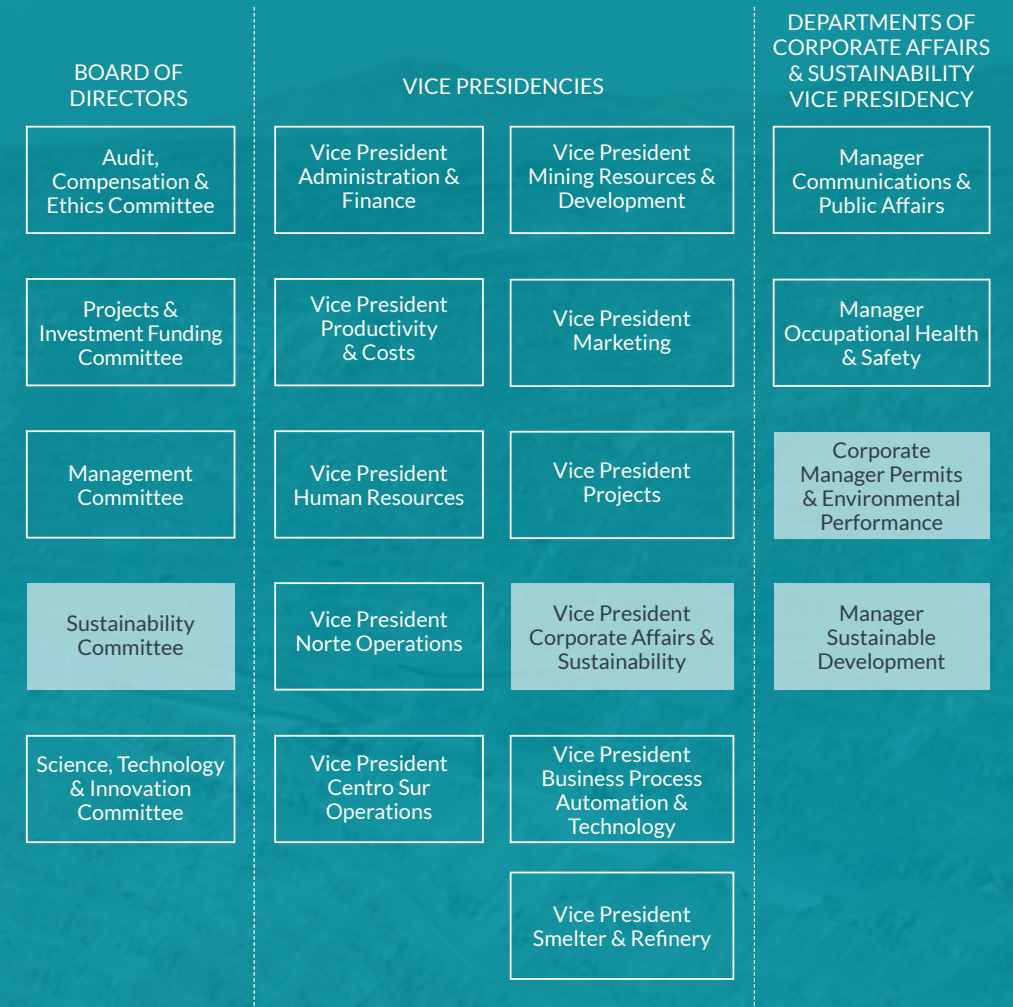
[GRI: 2-12, 2-14]

The Board of Directors is the governing body that defines and approves guidelines, strategies and goals relating to the economic, environmental and social impact of our operations. It has a Sustainability Committee that regularly assesses our performance in this area, provides guidance and oversees management, providing appropriate information at Board meetings.

This committee is responsible for approving the content of the Sustainability Report and for validating specific sustainability performance audits and studies.

In the different corporate management levels, we have a team responsible for ensuring we meet the goals we have set to continue contributing in this area.

The areas responsible for managing our five sustainability commitments for 2030 are as follows:



In June 2021, the Corporate Sustainability Management was eliminated from the organization and the Corporate Permits and Environmental Management was created; it reports to the Corporate Affairs and Sustainability Vice-Presidency. The role of this new management is to oversee knowledge, standards and quality assurance in project execution and development. Furthermore, after including sustainability in Codelco's global strategy, it also has to prepare and manage strategic environmental and sectorial permits, ensuring their compliance.

Board Committees

The Board is supported by five committees that address the operation of the different areas of the Corporation and their economic, environmental and social impacts.

The structure and responsibilities of these committees are not required by law, except for the Audit, Compensation and Ethics Committee, which consists of four members who are representatives of the Public Management Council.



Audit, Compensation and Ethics Committee

Responsible for ensuring the Board committee duties are performed, as per Codelco's Corporate Governance Law and the Corporation Law. Furthermore, it oversees the organization's performance in audit and compensation-related topics.

COMMITTEE CHAIRPERSON: ISIDORO PALMA PENCO
VICE CHAIRPERSON: PATRICIA NÚÑEZ FIGUEROA
DIRECTORS: JUAN ENRIQUE MORALES JARAMILLO AND PEDRO PABLO ERRÁZURIZ DOMÍNGUEZ



Projects and Investment Funding Committee

This committee: a) authorizes investment projects, reviews management models proposed and sustainability aspects considered; and b) analyses funding mechanisms for the corporate investment plan.

COMMITTEE CHAIRPERSON: JUAN ENRIQUE MORALES JARAMILLO
VICE CHAIRPERSON: ISIDORO PALMA PENCO
DIRECTORS: FELIPE LARRAÍN BASCUÑÁN AND PEDRO PABLO ERRÁZURIZ DOMÍNGUEZ



Management Committee

Responsible for controlling divisional management in key processes, such as Occupational Health and Safety (OHS), business, business management, human resources, and diversity and inclusion.

COMMITTEE CHAIRPERSON: HERNÁN DE SOLMINIHAC TAMPIER
VICE CHAIRPERSON: ISIDORO PALMA PENCO
DIRECTORS: FELIPE LARRAÍN BASCUÑÁN



Sustainability Committee

It oversees the Corporate Sustainability Policy, ensuring: a) sustainability goals are achieved; b) effective corporate policies and systems to manage environmental and social impacts (health, safety, environmental and community management – HSEC); c) monitoring compliance with legal framework in these topics; d) release of sustainability report; and e) definition of guidelines for the Corporation's social-community impact.

COMMITTEE CHAIRPERSON: PATRICIA NÚÑEZ FIGUEROA
VICE CHAIRPERSON: HERNÁN DE SOLMINIHAC TAMPIER
DIRECTORS: JUAN ENRIQUE MORALES JARAMILLO, FELIPE LARRAÍN BASCUÑÁN AND PEDRO PABLO ERRÁZURIZ DOMÍNGUEZ



Science, Technology and Innovation Committee

It ensures the correct operation of the Innovation Management System (IMS), and therefore oversees the results of activities carried out to promote a corporate innovation culture and it approves the Codelco innovation and technology project portfolio.

COMMITTEE CHAIRPERSON: PEDRO PABLO ERRÁZURIZ DOMÍNGUEZ
VICE CHAIRPERSON: JUAN ENRIQUE MORALES JARAMILLO
DIRECTORS: HERNÁN DE SOLMINIHAC TAMPIER, FELIPE LARRAÍN BASCUÑÁN AND PATRICIA NÚÑEZ FIGUEROA

Transparent Board of Directors

Board Attendance

[Codelco 29]

In 2021, the Board held 12 ordinary meetings, which had 100% attendance. There were also 53 committee meetings.

Board Compensation

[GRI 2-19, 2-20]

Decree Law 1350, which created the *Corporación Nacional del Cobre de Chile*, sets out that director remunerations are determined by the Ministry of Finance. Decree 261 (2020) defines other items associated with Board meeting attendance, positions and participation in committees.

Information about the Board and CEO compensation is available on our [corporate website](#) and the Codelco Annual Report, in Financial Statements.

Board Performance Assessment

[GRI 2-18]

Our Corporate Governance Code sets out a procedure to assess and continuously improve the Board in all aspects, including economic, environmental and social issues. This process may be conducted by a third party or as a self-assessment and, although it can be carried out once a year, it was not applied in 2021.

Notwithstanding the above, at the ordinary and extraordinary Board and committee meetings the status of production, administrative and financial activities are reported and the Corporation's management

is continuously assessed. The Board's performance is also continuously assessed and supervised by external organizations, such as the Chilean Copper Corporation (Cochilco) and the Chilean Chamber of Deputies.

Senior Management

[GRI 2-13]

In accordance with the law that created Codelco's corporate governance body, our Board is responsible for the appointment of the chief executive officer, who is responsible for executing the agreements of this body and supervising the Corporation's operating areas (production, administrative and financial activities).

The chief executive officer is authorized by the Board and is delegated the responsibility to appoint the vice-presidents and the division general managers, who are directly responsible for managing and operating their business units.

The chief executive officer structures the Corporation's work into vice-presidencies; the Corporate Affairs and Sustainability Vice-Presidency is responsible for environmental and social issues, and the Administration and Finance Vice-Presidency, the Procurement Vice-Presidency and the Sales Vice-Presidency are responsible for economic issues.

Each vice-presidency has the same management structure at all Codelco divisions.

The chief executive officer, through the Scope of Powers Manuals (SPM), delegates within the Corporation. These manuals define the basic principles of the approval and authorization system for the Corporation's business activities, as well as the scope of delegation and sub-delegation of powers granted by the chief executive officer to Codelco personnel.

While the Audit, Compensation and Ethics Committee is responsible for approving the Scope of Powers Manuals (SPM), and for supporting the Board in these topics



SENIOR MANAGEMENT

(At December 31, 2021)

[GRI: 2-13]



**LORENA
FERREIRO VIDAL**

General Counsel
Lawyer

RUT 7.819.118-K

**RAÚL PUERTO
MENDOZA**

Chief Audit Executive
Industrial Engineer

RUT: 14.757.436-3

**MARCOS BASTÍAS
VILLABLANCA**

Vice-President,
Projects Civil
Engineer

RUT 11.239.837-6

**ALEJANDRO
RIVERA STAMBUK**

Vice-President,
Administration &
Finance

Industrial Engineer
RUT: 7.332.747-4

**MARCELO ÁLVAREZ
JARA**

Vice-President,
Human Resources
BS Business
Administration

RUT 13.026.507-3

**CARLOS ALVARADO
HERNÁNDEZ**

Vice-President,
Sales

Industrial Engineer
RUT: 6.805.357-9

**OCTAVIO
ARANEDA OSÉS**

Chief Executive Officer
Mine Engineer
RUT 8.088.228-9

SENIOR MANAGEMENT



**MAURICIO ACUÑA
SAPUNAR**

Vice-President,
Procurement

Industrial Engineer

RUT: 10.533.229-7

**RENATO
FERNÁNDEZ BAEZA**

Vice-President,
Corporate Affairs &
Sustainability

Journalist

RUT: 10.871.675-4

**JOSÉ SANHUEZA
REYES**

Vice-President,
Smelter & Refinery

Metallurgical Engineer

Rut: 6.525.034-9

**PATRICIO VERGARA
LARA**

Vice-President,
Mineral Resources
& Development

**Management
Mine Engineer**

RUT 9.215.681-8

**ÁLVARO GARCÍA
GONZÁLEZ**

Vice-President, Business
Process Automation &
Technology

Industrial Engineer

RUT: 10.216.192-0

**ANDRÉ
SOUGARRET
LARROQUETE**

Vice-President,
Norte Operations

Mine Engineer

RUT: 9.617.644-9

**MAURICIO
BARRAZA
GALLARDO**

Vice-President,
Norte & Centro Sur
Operations

Mine Engineer

RUT: 9.467.943-5

SENIOR MANAGEMENT



NICOLÁS RIVERA RODRÍGUEZ

General Manager
Chuquicamata
Division

Industrial Engineer
and Mine Engineer

RUT: 14.119.793-2

GONZALO LARA SKIBA

General Manager
Gabriela Mistral
Division

Mine Engineer

RUT: 15.378.235-0

FRANCISCO BALSEBRE OLARÁN

General Manager
Ministro Hales
Division

Mine Engineer

RUT 8.502.112-5

LINDOR QUIROGA BUGUEÑO

General Manager
Radomiro Tomic
Division

Mine Engineer

RUT 9.182.846-4

**RICARDO WEISHAUP
HIDALGO**

General Manager
Ventanas Division

Chemical Engineer

RUT: 8.060.464-5

RODRIGO BARRERA PÁEZ

General Manager
Andina Division

Mine Engineer

RUT: 13.327.336-0

ANDRÉS MUSIC GARRIDO

General Manager
El Teniente Division

Mine Engineer

RUT 14.119.532-8

CHRISTIAN TOUTIN NAVARRO

Gerente general
División Salvador

Ingeniero civil de
Minas

RUT 10.044.337-6

SENIOR MANAGEMENT DIVERSITY

[GRI: 405-1]

Codelco senior management consisted of 170 professionals; 10% were women and 2.3% were foreign nationals.

Age Group

Under 30	0
30 - 40	0
41 - 50	28
51 - 60	77
61 - 70	19
Over 70	0
Total	170

Seniority

Less than 3 years	30
3 - 6 years	21
6 - 9 years	16
9 - 12 years	15
More than 12 years	88
Total	170

Senior Management Compensation

The criteria used to determine the remuneration of senior management and executives are set by the Board and the budget is approved by the Audit, Compensation and Ethics Committee.

ETHICS AND COMPLIANCE (MATERIAL TOPIC)

[GRI 3-3]

At Codelco we have promised to conduct our business based on principles of ethics and integrity, key values for our cultural and digital transformation.

Through a participatory process, we defined the values that will guide the conduct of everyone at Codelco, at our facilities and when we interact with our stakeholders.

CODELCO VALUES

[GRI 2-23, 2-26][ICMM 1]

Respect for life and human dignity

Responsibility and commitment

Personal competence

Teamwork

Work excellence

Innovation

Sustainable Development

In addition to our Value Statement, our [Business Code of Conduct](#) (updated in 2018) describes the expected employee behavior at Codelco, helping us to apply our corporate values on a daily basis.

This code translates each value into specific attitudes and behaviors in order to incorporate them into our decisions about the use of resources, impacts generated and stakeholder engagement. The code is also applicable to all the companies we interact with: contractors, suppliers and advisors.

In 2021, a total of 2,946 employees received ethics and probity-related training:

Conflicts of interest:

1,602 participants **(11%)***

Crime Prevention Model:

414 participants **(3%)***

Code of Conduct:

930 participants **(6%)***

* Percentages compared to total workforce

During this reporting period, we continued the communication and training process on the topics contained in our Business Code of Conduct, launched in 2019.

In addition to our continuous training program, we carried out training activities to strengthen our compliance model controls:

a) Interview of Understanding:

Individual activity aimed at executives and professionals, to review their declaration of related-party transactions and to provide guidance and answer any questions.

b) Workshops and Roundtables:

The activities aim to strengthen the main controls in place to identify special supplier or contractor conditions, under the concept of “third-party due diligence”.

For more information about our conduct guidelines and policies, visit our [website](#).



COMPLIANCE HOTLINE

[GRI: 2-26, 205-3, 406-1]

In 2021, no complaints about actions related to corruption between private parties were confirmed.

Through EthicsPoint platform, 21 complaints associated with discrimination issues were received, of which 13 were investigated and dismissed, while eight are still under investigation as of the date of this publication.

EthicsPoint is the name of our compliance hotline platform, where people can anonymously report events that are or could be considered to be in violation of the Business Code of Conduct or any other new corporate policy or standard.

In 2021

- 384** complaints received
- 24%** fewer complaints compared to 2020
- 452** complaints investigated and resolved
- 90** resolved cases with corrective actions
- 288** reported in 2021
- 1** reported in 2018
- 23** reported in 2019
- 140** in 2020
- 96** complaints still under investigation

This year we launched our company-wide campaign: *“Denuncia si te importa y si te importa, ¡hazlo bien!”* (“Report it if you care and if you care, do it right!”) to explain to all our employees what the hotline is for, when to use it, what evidence is needed and other similar topics, so as to ensure the widespread use of the hotline and make the investigations conducted by Internal Audit more efficient.

COMPLIANCE MANAGEMENT

[Codelco 2] [ICMM 1] [Codelco 1]

Our Compliance Management Model includes a set of rules, systems, processes and organizational structures to manage the different compliance risks our operations, businesses and investments are exposed to.

This model addresses specific topics, such as:



Environmental Compliance



Legal



Corporate Governance



Ethics and Probity



Corporate Transparency

In each case, we have identified, prevented and monitored the relevant compliance risks, based on the Comprehensive Risk Management and Control Model (MIGRC), which guarantees a uniform approach and management criteria when addressing risks faced by the Corporation.

The results of these analyses are reported by senior management to the Board through its specialized committee structure.

COMPLIANCE AT OUR OPERATIONS

[GRI: 205-1, 205-2, 205-3] [SASB EM-MM-510a.1]

100% of our workforce has received anti-corruption training.

In 2021, and similar to the previous year, we assessed all our business units (ten) regarding potential consequences resulting from corruption through our crime risk matrix.

This assessment helped us identify the most common risks in procurement processes, service contracts, contract administration, people management, and third-party cooperation agreements and arrangements.

Legal compliance is an organizational and personal effort. This is why every year we carry out different activities to socialize the behaviors expected of employees and the risks we are exposed to.

In 2021, we improved our anti-corruption training activities, offering E-Learning tools, more than 100 talks via MS Teams, included in the training program on compliance risk management.

Similarly, we updated our Business Code of Conduct E-learning tool, strengthening the Company's engagement with the content of this code.

COMPLIANCE OFFICER

This key role leads and coordinates the compliance strategy. The Compliance Officer also provides support to all the Codelco areas to identify compliance risks, and is responsible for developing prevention strategies to ensure laws and regulations are applied. Similarly, the Compliance Officer is responsible for managing the Crime Prevention Model, as per Law 20.393.

FINES

[GRI: 419-1]

In 2021, we received a total of 1,532.31 UTM* and 10 IMM* in fines for non-compliance with laws and regulations imposed by the Regional Ministry of Health Services (Seremi), National Geology and Mining Service (Sernageomin) and Labor Inspection. The Andina and Salvador divisions did not incur in any fines for non-compliance with laws and regulations.

[*Chilean monetary units]

CRIME PREVENTION MODEL (CPM)

The CPM is a system to prevent the crimes and offenses specified in Law 20.393, which operates in three dimensions:

Governance

It refers to the formal definition and implementation of the crime prevention policy, structure, roles and responsibilities.

Process

It refers to the formal and continuous implementation of prevention system, ensuring crime risk identification, assessment, response, monitoring and reporting are in place.

Compliance Verification

CPM supervision and certification. Currently the model is certified until 2022.

For more information about our Crime Prevention Model [click here](#).

CONFLICTS OF INTEREST MANAGEMENT

[GRI: 2-15]

At Codelco we manage conflicts of interest under a strict prevention and zero tolerance standard. We act with a preventive logic, convinced of the importance to protect the integrity and credibility of our organization.

Our Corporation has controls and procedures to identify and manage conflicts of interest, whether actual, potential or perceived, contained in the Corporate Conflict of Interest Policy and a legal framework to manage these situations.

This legal framework regulates various procedures to manage potential conflicts of interest, such as:

- Declaration and Control of Financial Interests
- Incompatibility and Conflicts of Interest in Personnel Management
- Third-party exposed to Codelco
- Business with Politically Exposed Persons

- Third-Party Transactions
- Gifts and Invitations
- Corporate Relations and Lobbying Regulations

We have also defined a series of tools and control to address the different risk situations that may arise in a business environment, in institutional relationships and, internally, in people management. For Example:

- Personnel Declarations: process whereby all employees can duly report situations which could be perceived as a conflict of interest in exercising their duties.
- Third-Party Due Diligence: this process analyzes third-party background information (individual or legal entity), to identify potential conflicts of interest in the stages prior to entering into a business, agreement or contract.

[GRI: 205-3]

In 2021, there were no anti-corruption allegations or complaints reported, as per Law 21.121 that amended the crimes and offense specified in Law 20.393

RISK MANAGEMENT (MATERIAL TOPIC)

[GRI: 3-3, 2-25] [Codelco 3] [ICMM 4]

COMPREHENSIVE RISK MANAGEMENT AND CONTROL MODEL (MIGRC)

The Corporation has a comprehensive risk management process in place to mitigate business uncertainty and to be prepared in advance to situations that could become threats to business continuity.

Risk management is based on the correct implementation of our management systems, and the development of an organizational culture that appeals to individual and collective responsibility, i.e., everyone is responsible for having a proactive and preventive attitude.

Comprehensive management based on the 3 lines of defense.

1st Line

The areas responsible for each **process**, and have the responsibility to identify, analyze, assess and manage risks.

2nd Line

This is **Corporate Risk and Control Management** and its divisional directors, who manage the Comprehensive Risk Management and Control model.

3st Line

It is represented by the independent **Internal Audit** and other external audits and regulators. Its role is to ensure the model is operating effectively and assure its applicability.

The results of this assessment are reported on a quarterly basis to the Board, through the Audit, Compensation and Ethics Committee. The report includes the model status and critical risks.

MIGRC in 2021

In May, we updated the **corporate governance** risk procedures and guidance.

In the case of **our process risks**, we conducted the fourth critical risk monitoring (100% complete) and we started to improve our model:

- We assessed maturity in high level risk management.
- We defined a roadmap that sets out the model development goals.
- We rolled out activities to:
 - Define the risk appetite, i.e., the level of risk the Company is willing to accept or not.

- Review levels of impact and the risk heat map
- Determine a method framework for emerging risks

Finally, in the case of **human capital management**, we provided risk appetite training to executives and professionals, and held meetings to discuss the methodology with the directors and risk officers who addressed the following topics:

- Risk Identification
- Risk Analysis
- Risk Treatment
- Link between Strategy and Risks
- Link between Risks and C+

EMERGING RISKS

In 2021, we began updating the MIGRC to incorporate emerging risks. For this purpose, we defined an emerging risk appetite file to predetermine the treatment to be applied to certain events.

We are currently identifying strategic risks, where we included an approach to local and global, emerging events that could impact achievement of our goals.

Our Risk Rating

Risks are rated under two criteria:

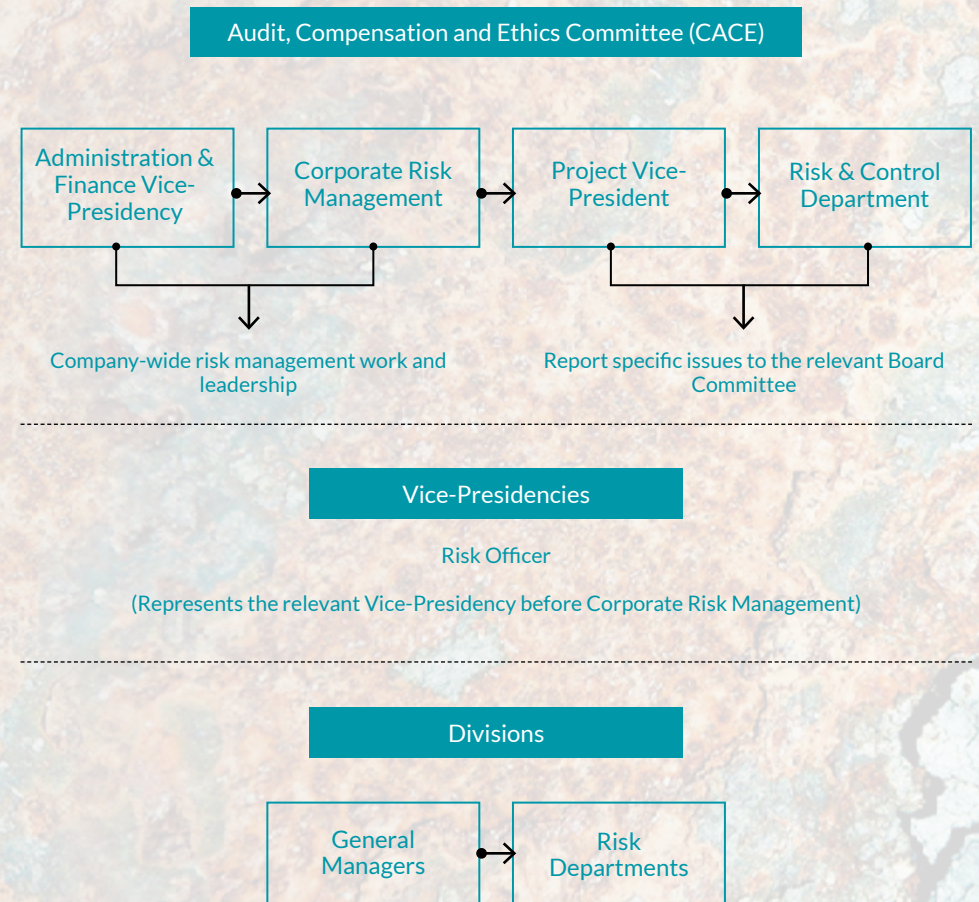
1) **Based on high, medium and low exposure.** The risk treatment will depend on the level of risk.

2) **Based on nature:**

- strategic
- operational
- financial
- compliance

We have defined categories and subcategories under these criteria. Each subcategory contains Critical Risk Events (CRE), which are generic risk types containing the specific hazards identified in each division and vice-presidency. This provides a general consolidated overview of risks.

RISK GOVERNANCE



CLIMATE-RELATED RISKS

[GRI 201-2]

Climate change is addressed as a triple risk factor: first, we observe the effect it can have on the business continuity of our operations and, second, we have analyzed how the Codelco operations may affect climate change. Furthermore, we considered financial risks resulting from the impact of climate change on our operations, which threaten our capacity to respond to investors, customers and communities.

Potential impacts of climate change for business continuity

- Collapse of tailings storage facilities
- Collapse of slopes
- Damage to infrastructure and people due to extreme weather events (rain, wind, on due to extreme weather events that cause destruction, such as, rain, blizzards and avalanche.
- Wildfires
- Water scarcity for operations and projects
- Lack of commercial logistics caused by rough seas

- Shortage of critical supplies (spare parts, sulfuric acid, fuel)
- Failure in water capture systems
- Failures in electricity supply
- Concentrate pipeline failure

In the event of droughts and water shortage, we have water storage systems and contingency plans. If there is a wildfire, emergency response teams are activated during the summer months, when a fire is most likely to occur.

In the case of rough seas, there are contingency plans in place, i.e., using alternative ports and storage of supplies such as sulfuric acid and fuel, to cover any supply shortage for a certain period of time. Tailings storage facilities are constantly monitored, overseeing their physical and chemical stability, as well as related transport systems, similar to pipeline monitoring.

Potential impact of our operations on climate change

- Greenhouse gas (GHG) emissions and particulate matter

- Fires and related emissions, which could make the climate change situation even worse
- Use of continental water in our processes and operations
- Effect on sensitive and High-Andean ecosystems (soil, water and air pollution)
- River and water pollution
- Industrial waste
- Negative effect on territories, i.e., on the quality of life of communities and their ecosystems (air, water, soil)

Codelco is also developing a Climate Change Strategy to address aspects that help to mitigate impacts on climate change. For example, our commitments to reduce our carbon footprint and water footprint.



RESPECT FOR HUMAN RIGHTS (MATERIAL TOPIC)

[GRI 3-3, 408-1, 409-1, 412-1, 412-2] [ICMM 3] [Codelco 4 and 5]

At Codelco, we have fully committed to respect people's rights, as well as the fundamental principles and rights at work in the international treaties ratified by Chile. They have been adopted as corporate guidelines which become daily practices: everyone has the right to be treated with respect and dignity, regardless of their nationality, where they live, sex, ethnicity, color, religion, language or any other condition, whether they are members or not of our Corporation.

Aware of the potential impact the mining cycle activities could have on our employees, and surroundings, we have carried out activities to identify situations where Human Rights could be affected. Our Code of Conduct and risk management systems guide us to act in accordance with laws and regulations and with the international standards we have adopted, that prohibit forced or compulsory labor, child labor and exploitation..

In 2021, we added to the **Corporate Sustainability Policy**, a clause to formally define how we engage between ourselves and other actors with whom we interact while doing our activities. This clause sets out the unlimited respect for the UN Guiding Principles on Business and Human Rights, and for the cultures, customs and values of our employees, contractors, communities, indigenous peoples, customers, society and all the stakeholders we engage with, without discriminating against ethnicity, gender, nationality, religious or political beliefs.

We have adopted the principles set out in the United Nations **Convention on the Rights of the Child** and **Convention 138 on the minimum age of the International Labor Organization**.

In 2016, we adopted the principles of the **UN Global Compact Network Chile**, an organization to promote the incorporation of mechanisms to ensure respect for Human Rights. We are also members of **Acción Empresas** since 2010, where we exchange best practices in this field with other actors in the private sector.

2021 Due Diligence Process

Globally, a due diligence process to identify the social, environmental and governance impacts was formalized in the new OECD Due Diligence Guidance for Responsible Business Conduct launched in June 2018 in Paris and ratified by Chile.

In this context, between June and October 2021, El Teniente and Andina divisions underwent this assessment to understand the potential and actual impacts and risks of these operations, identifying opportunities to improve prevention, identification, reporting, mitigation and reparation. This work was undertaken based on the criteria of the UN Guiding Principles on Business and Human Rights and OECD Guidelines for Multinational Enterprises.

Initially, we analyzed the context of each division, reviewing secondary information on audits, Human Rights, community development, environment, crime prevention, policies, Codelco rules and guidelines, human rights, tailings, risks and control, health and safety. We also reviewed documents, including:

- Press analysis
- Sector benchmark
- ICMM Standards
- UN Guiding Principles on Business and Human Rights
- Chile Guidelines- Fundación Casa de la Paz
- Business and Human Rights
- UN COVID-19 and Human Rights
- National Action Plan (NAP) on Business and Human Rights
- OECD Due Diligence Guidance
- Human Rights and Business Learning Tool – UN Global Compact
- WBCSD CEO Guide to Human Rights

In a second stage, we implemented an effective internal and external listening process to receive different opinions about vice-presidents and top executives by management and critical areas in Human Rights. This stage also included business-related information.

The study results were consolidated in a Heat Map identifying the risks faced by the analyzed divisions. This provided a

comprehensive list of recommendations currently being implemented.

The topics addressed include:

- Identification of practices to proactively promote respect for Human Rights and act in line with the UN Guiding Principles on Business and Human Rights.
- Study of internal policies and guidelines associated with controls to prevent corruption and bad practices.
- Analysis of behaviors which could be perceived as forms of force labor, modern slavery or human trafficking, in our operations and supply chain.
- Review of mechanisms to report complaints and grievances.
- Analysis of internal health and safety standards and policies.
- Analysis of respect for culture and property of communities next to our exploration activities, operations and projects.

In 2022, we will perform a Human Rights due diligence at Distrito Norte.



 A large industrial facility, likely a refinery or chemical plant, is shown at dusk. The sky is a mix of purple and blue, and the facility's lights are on, illuminating the complex structures, including a tall distillation column, various pipes, and a large spherical storage tank. The foreground shows a dark, possibly paved area.

OUR SUSTAINABILITY AMBITIONS

The Codelco transformation process covers several dimensions, focused on efficiency to ensure business profitability and responsible mining. For this reason, we are making major changes in our operations and organizational culture, to make our Corporation more competitive and ensure it operates with the highest world standards of probity, sustainability, technology, innovation, human capital development, and people's health and safety.

FIVE SUSTAINABILITY COMMITMENTS FOR 2030

[GRI 2-23] [ICMM 2]

Our sustainability strategy is driven by five commitments for 2030, where we set priorities to face this urgent challenge and help minimize climate change, certain environmental impacts and build community relationships. This means taking charge of our goal as a company, boost sustainable development in the Chilean mining industry, with clear goals and timelines.



1. Reduce Carbon Footprint: we will reduce our GHG emissions by 70%.

We will have 100% clean electricity; we will innovate to replace all underground mine production and logistics equipment with electromobility; and we will actively search for new clean energy sources, such as green hydrogen.



2. Reduce Water Footprint: we will reduce our continental water use by 60%.

We will reduce continental *make-up* water consumption through process efficiency; we will incorporate a desalination plant in Distrito Norte and, through innovative solutions, we will reclaim the water from our tailings storage facilities.



3. Circular Economy: we will recycle 65% of our industrial waste

We will recycle 100% of our OTR tires and increase recycling of main non-hazardous solid industrial waste from our operations and projects, such as steel, wood, packaging materials, organic waste and scrap.



4. New Tailings Storage Facility Standard: 100% of tailings facilities with world-class sustainability measures.

We will perform online monitoring, using innovative systems, to ensure the physical and chemical stability of the tailings storage facilities and apply infiltration control systems.



5. Territorial Development with Social Value: we will increase by 60% locally sourced goods and services and also increase local workforce.

We will implement a new territorial integration strategy, focused on creating social value, by boosting local workforce, strengthening mining education and increasing territorial sustainability.

Sustainable Management Governance and System

Our five commitments represent our corporate conviction that we need to drive the company's sustainable development, which implies a major effort. For this purpose, in 2021, we designed a governance system which will allow us to lead and monitor its progress. We set five levels of responsibility, each one with specific functions to advance the plan across all the Corporation's business units. A roadmap has been created for each goal with specific processes and challenges.

Governance: Roles and Responsibilities

Sponsor

- Corporate leader of strategic action

Technical coordinator

- Prepares corporate action plan.
- Reviews divisional action plans.

Division Leader

- Prepares divisional plan and milestones for relevant strategic actions

GSAE Responsible

- Coordinates and drives divisional leaders and teams

GDS Responsible

- Provides guidelines for 2030 commitments to develop initiatives.
- Reports to senior management.

We created a reporting system for the leaders to report the strategic actions taken at each division to the divisional committees, where the initiatives were addressed with the support of the Corporate Sustainable Development Management representatives. The strategic action information is received by the corporate committees, consisting of sponsors, coordinators, division leaders and specialized professionals. Goals are reviewed by the Procurement, Legal, Innovation, Water, Tailings and Sustainable Development managers at corporate roundtables. Finally, twice a month the trends are reviewed by the Corporate Sustainability Committee and the relevant Board Committees.

GSAE: Sustainability and External Affairs Management (at each division)

GDS: Sustainable Development Management



SUSTAINABILITY COMMITTEE AND BOARD COMMITTEE



The roadmaps for our commitments were developed between December 2020 and April 2021. With the support of the *Fundación Chile*, we held multidisciplinary team workshops for up to 150 participants. As a result, 33 challenges and 217 solutions were identified. Then, we developed a consolidation and validation process, a timeline for each solution where we marked the connectivity between them.

We set a baseline and defined the strategic initiatives to address each commitment, using specific methodologies. The reason for adopting each commitment is associated with the Sustainable Development Goals to which we will contribute to succeed in this challenge.

Online Data

We use three tools for data tracking:

1. Socio-environmental indicator dashboard

It is housed in the new Comprehensive Center of Strategic Operations and it enables online monitoring and gathering of early warnings.

2. 2030 Commitment Tracking System

Oversees progress on each divisional and corporate action plans related to the roadmaps. It consists of Power BI digital platform, where an individual responsible at each division regularly uploads related data for strategic actions underway. Through this platform the progress is monitored, and if actions are delayed or inactive, appropriate steps can be taken to support the initiative or redirect it if necessary.

3. ESG Reporting Platform

It integrates all the environmental, social and governance data to respond in a transparent and effective manner to any requirement.

CLIMATE CHANGE: MITIGATION AND ADAPTATION (MATERIAL TOPIC)

[GRI: 3.3, ICMM 6] [Codelco 9]

At Codelco, we are aware climate change is an urgent issue. For this reason, our long-term approach is based on planning that includes the impact of our greenhouse gas emissions on the atmosphere, and the risks we are exposed to due to the world crisis.

We have a strategy to identify and plan actions that prepare us to face drastic environmental changes and their consequences, included in Our Comprehensive Risk Management Model (MIGRC). We adopted measure to reduce GHG gases in our processes and we also promoted this in our supply chain.

Our Climate Change Management Model addresses three critical areas that are part of the 2030 sustainability commitments. Each one has short, medium and long-term goals:

- Reduce carbon footprint
- Reduce continental water use
- Circular economy

REDUCE CARBON FOOTPRINT

We know our industry adversely affects the environment. Therefore, we have adopted this commitment because we have the capacity to create a positive impact, because the mining industry is responsible for 5% of total emissions in Chile and Codelco, 15% of total emissions in Chilean copper mining. We want to be part of the solution and contribute to Chile's challenge to be carbon neutral by 2050. We have taken on this challenge and we also hope to achieve net zero emissions by this date, and as an ICMM member, we have adhered to this proposed target.



MACRO GOAL:
**REDUCE CARBON EMISSIONS
BY 70%**

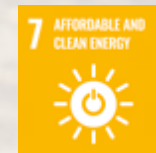
STRATEGIC ACTION 1
100% clean energy grid.

STRATEGIC ACTION 2
100% electromobility in underground mines.

STRATEGIC ACTION 3
Reduce haul truck (HT) emissions by 10%.

STRATEGIC ACTION 4
Participate in developing the industry and in local skills regarding green hydrogen mining.

SDG to which this action contributes to:



AIR QUALITY AND EMISSIONS (MATERIAL TOPIC)

[GRI: 3-3, 305-7]

As a Corporation, we know that a correct GHG management provides a concrete opportunity to help mitigate the effects of climate change and, in order to do so, we require precise information about all emission sources. This is essential and we have recently been focusing on this.

Measurement and Monitoring

[GRI: 305-1, 305-2, 305-3, 305-4]

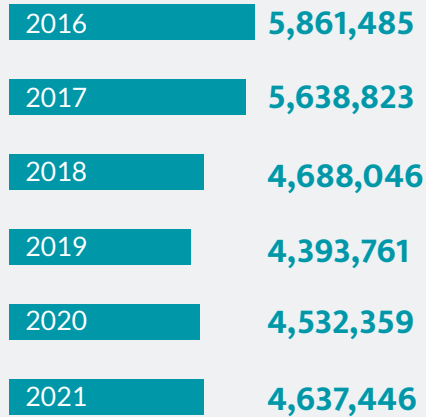
At all our operations we measure direct emissions generated by using fuel. Indirect emissions identified and monitored are emissions arising from energy generation systems that supply electricity to our divisions.

Our total scope 1 and 2 emissions have declined in the last four years, with lower variations between 2018 and 2021, staying at about 4 million tons of CO₂ equivalent per year.

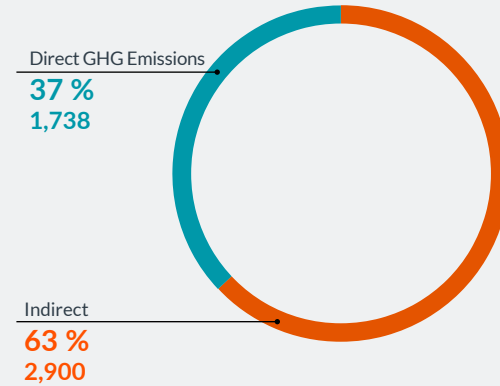
Total Direct and Indirect GHG Emissions

In 2021, indirect emissions were 2,900 ktCO₂e (carbon dioxide equivalent), which represents 63% of total direct emissions, while 37% were direct emissions, a total amount of 1,738 ktCO₂e.

Scope 1 and 2 GHG emissions in tons of CO₂ equivalent per year



Direct and Indirect GHG Emissions (kt CO₂e)



Total GHG Emissions by Division in Metric Tons of CO₂e

Division	2020	2021
Chuquicamata	1,155,199	1,157,992
Radomiro Tomic	752,756	808,781
Ministro Hales	511,812	508,471
Gabriela Mistral	269,019	267,497
Salvador	300,059	331,425
Andina	444,227	421,403
Ventanas	211,206	220,171
El Teniente	888,081	921,707

1.618.266
Codelco 2021 production (ton)

2,87
Unit emission (tCO₂e /ton)



SCOPE 3 EMISSIONS

A study carried out with the Scientific and Technological Research Department of Universidad Católica de Chile (Dictuc) allowed us to conduct a *Life Cycle Assessment (LCA)* of Codelco's total copper production.

This study identified the GHG emission sources at each operation, considering direct, indirect and other indirect emissions from purchased goods and services (Scope 3), and those from energy-related activities, cargo transportation, employee commuting and business travel.

Thanks to this exercise, we were able to measure our Scope 3 GHG emissions, identifying action areas to implement improvements with our suppliers of products with greater impact, such as: mill balls, liners, lime, diesel, lubricants, explosives and tires.

GHG Emissions (tCO_{2e}) in 2021

Division	Direct Emissions Fuel (Scope 1)	Indirect Emissions Energy (Scope 2)	Indirect Emissions Fuel (Scope 3)	Total Emissions
Chuquicamata	382,926	764,260	10,806	1,157,992
Radomiro Tomic	499,664	292,735	16,382	808,781
Ministro Hales	307,728	190,030	10,713	508,471
Gabriela Mistral	115,173	148,268	4,055	267,497
Salvador	106,885	220,904	3,636	331,425
Andina	118,264	299,017	4,122	421,403
Ventanas	87,198	132,857	116	220,171
Teniente	120,018	799,384	2,306	921,707
Total	1,737,855	2,847,455	52,136	4,637,447

Annual GHG Emissions Intensity

	2016	2017	2018	2019	2020	2021
Total emissions (millions of tCO _{2e})	5.9	5.6	4.7	4.4	4.5	4.6
Energy intensity (millions of tCO _{2e} / millions of refined copper)	3.4	3.2	2.8	2.8	2.8	2.9

Smelter Emissions

The Chilean Emissions Regulation, DS 28, regulates the annual emission limit generated by the Chuquicamata, Potrerillos, Ventanas and Caletones smelters. In our organizational structure, the Smelter and Refinery Vice-Presidency is responsible for supporting management of these operations, directly reporting to the Executive Presidency.

In 2021, all our smelters were under the annual limit set in this regulation.

Smelter Emissions (tons in thousands)

Smelter	Emission Type	2016	2017	2018	2019	2020	2021	Annual Limit(*)
Chuquicamata (Chuquicamata Division)	SO ₂ (Sulfur Dioxide)	85.8	76	54.6	5.2	9.1	14.1	49.7
	As (Arsenic)	0.19	0.42	0.08	0.03	0.18	0.13	0.476
Potrerillos (Salvador Division)	SO ₂ (Sulfur Dioxide)	60.2	49.3	28	6.8	3.5	8.5	24.4
	As (Arsenic)	0.56	0.56	0.47	0.05	0.051	0.042	0.157
Ventanas (Ventanas Division)	SO ₂ (Sulfur Dioxide)	13.86	10.56	10.01	9.46	10.42	9.21	10.56
	As (Arsenic)	0.05	0.039	0.026	0.026	0.028	0.042	0.048
Caletones (El Teniente Division)	SO ₂ (Sulfur Dioxide)	69.06	52.81	52.81	25.76	28.63	28.87	47.68
	As (Arsenic)	0.22	0.18	0.15	0.02	0.07	0.10	0.13

(*) Limits as per D.S. 28 of the Ministry of the Environment for SO₂ and As. For SO₂ emissions at Ventanas Division, the limit set out in D.S. 105/2018 was more stringent than D.S.28.

Emission Capture (%)

Smelter	2020		2021	
	Arsenic	Sulfur	Arsenic	Sulfur
Chuquicamata (Chuquicamata Division)	97.2	97.7	97,1	96,4
Potrerillos (Salvador Division)	97.7	98.9	97,2	97,3
Ventanas (Ventanas Division)	96.6	96.6	95,5	96,5
Caletones (El Teniente Division)	95.1	95.2	95,8	96,4
TOTAL	97.1	97.1	96,5	96,6
DS 28 (regulatory compliance)	95	95	95	95



ENERGY (MATERIAL TOPIC)

[GRI: 3-3]

Decarbonizing the energy grid is a key step to reduce GHG emissions into the atmosphere, so we decided to increase the use of clean energies, adopt new technologies and promote energy efficiency across the Corporation.

This determination involves managing the power supply contracts, third-party alliances, investments and finding new ways to operate to reduce our energy consumption at all divisions.

In the case of the power grid, in 2021, we began replacing our free-customer

contracts with the electricity companies with clean energy. This key milestone occurred at Chuquicamata Division, as it has a new contract since January 2022; the distribution company delivers 200MW of renewable sources from a combination of wind and solar energy sources. Thus, with this hybrid energy system, about 70% of the energy at this business unit came from renewable sources, i.e., it reduced its emissions into the atmosphere by about 533,000 tons of CO₂ equivalent.

We also worked on methodologies to close gaps in the electromobility challenge (e.g., technologies, market, capabilities and regulations), we developed a pilot test using an electric mixer to transport concrete in Chuquicamata Underground and similar equipment at different business units, such as underground electric shovel which will start operations in 2022. Electromobility presents new hazards and safety measures that we must study in detail before mass deployment.

Chart on Innovation Challenge: Zero-Emission Haul Trucks

We are a founding company of this global mining initiative to promote the development of the industry through open innovation, with the Green House Gases Alliance, Komatsu, Rio Tinto and Boliden.

Different technology innovators have been invited to develop systems and infrastructure for large-scale haul truck electrification systems. Particularly, to design dynamic battery charging for vehicles. Different energy types are currently under assessment, such as lithium batteries, green hydrogen and synthetic fuel, to make progress on the business case and pilot testing.

Electric Buses for Transportation

In 2021, we awarded a tender to hire 155 electric buses (31%) to transport our employees to the different business units via electromobility. After testing their performance and safety in different terrains, the new fleet will arrive to El Teniente (103), Chuquicamata (45) and Andina (31) divisions.

Energy Consumption (Pj)

[GRI 302-1, 302-3] [302-4]

	2018	2019	2020	2021
Direct consumption Petroleum and by-products, natural gas natural and coal	24.24	23.78	25.3	25.9
Indirect consumption Electricity from Chile's Power Grid (excludes self-generated energy)	25.95	24.3	26.44	26.17
Renewable source consumption	0.12	0.13	0.21	0.24
TOTAL	50.31	48.21	51.95	52.31
Energy intensity (Pj/million tons of refined copper)	29.65	30.32	32.11	32.29



BIODIVERSITY CONSERVATION

(MATERIAL TOPIC)

[GRI: 3-3][ICMM 7][Codelco 15]

Given the magnitude and geographical scope of our operations, including the biodiversity in the areas of influence is part of our impact management. The areas managed are recognized for the biota richness by the State and/or by environmental impact assessment or statements (EIA and EIS, respectively).

Our Biodiversity Impact Management Model is based on two aspects:

- Characterization, risk assessment and monitoring of land, water and marine environment.
- Definition of management plans and conservation programs for each project stage.

Impacts on Biodiversity 2021

[GRI 304-1, 304-2, 304-3, 304-4][MM2][SASB EM-MM-160a.3]

The business units that operate in biodiversity-rich areas are Andina and El Teniente divisions, which have comprehensive management plans in place, which are updated based on the territorial needs. Ventanas and Salvador divisions, and Distrito Norte, actively participate in wetland management: *Humedal Campiche, Salar de Pedernales and Santuario de la Naturaleza Quebrada Ojo de Apache*, respectively.

Salvador Division

In the Atacama Region, the Salvador Division assumed important commitments with the State, to protect water and vegetation at the *Salar de Pedernales*, located 40 km from the mine camp. This salt flat is located at an elevation of 3,370 meters above sea level and it covers 466 km². At this location, we have an ecosystem recovery plan for 60 hectares of Andean Wetlands and a plan to place value on 175 hectares, that include wetlands azonal vegetation system (SVAHT) for the Pedernales, Piedra Parada and Laguna salt flats, some neighboring ravines and the south headwaters of *La Ola* river.

Andina Division

In the Valparaíso Region, this division manages the *Reserva Nacional Río Blanco*, an ecosystem reserve protected by government with a surface area of 10 km². Likewise, it manages the *Fundo Rinconada de Huechún*, a farm that is also protected by government. In 2021, monitoring activities were carried out in both areas and no significant impact on biodiversity was identified.

El Teniente Division

This division is close to the *Reserva Nacional Roblería del Cobre de Loncha*, a government-protected area whose stewardship Codelco Chile-El Teniente Division gave to Conaf (National Forest Corporation) to manage for 30 years (1996-2026). This national reserve covers 5,870 hectares. The division did not identify any impact on the reserve species.

Ventanas Division

The division owns 0.73 km² of urban wetlands located in the *Puchuncaví* municipality. Monitoring activities did not detect any significant impact on its biodiversity.

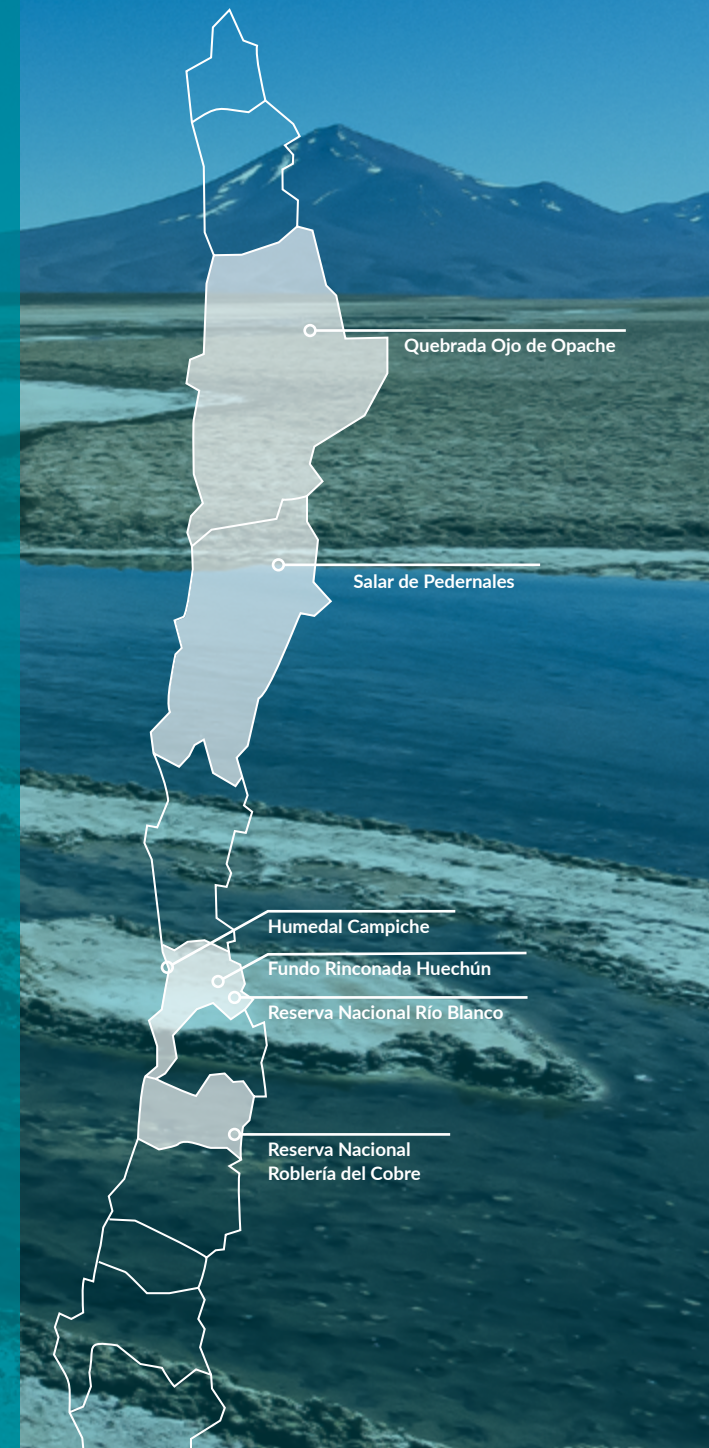
This business unit participates in the environmental management of the *Humedal Campiche*, protected wetlands in the Valparaíso Region and, although not owned by Codelco, the wetlands are subject to monitoring plans developed by Ventanas Division, which are regularly reported to the Directorate General of the Maritime Territory and Merchant Marine (Directemar), detailing the coastal conditions. The division monitors the wetland ecosystem behavior to define a comprehensive management plan.

Distrito Norte

Distrito Norte, which has its divisions in the Calama and Sierra Gorda Municipalities, worked with the Calama Municipality and the Ministry of the Environment to create the “*Quebrada Ojo de Opache*” Nature Sanctuary, approved by the Council of Ministers for Sustainability in December 2021. The importance of protecting these 351 hectares is the high value of biodiversity, archeology, paleontology, tourism and landscape.

There are two endangered species protected in these sites: the Loa Water Frog (*Telmatobius dankoi*), given that this area meets all the conditions for its conservation; and the Loa Silverside (*Basilichthys semotilus*) was also detected in this area, which had locally been considered extinct.

There are also signs of the activities developed by the ancient inhabitants of this land, such as archaeological and paleontological artifacts, a Village with Pre-Hispanic Paintings and Jurassic Marine outcrops, respectively.



REDUCE WATER FOOTPRINT

WATER RESOURCES (MATERIAL TOPIC)

[GRI: 3-3]

Our Company operates in territories declared by the Ministry of Public Works as water-stressed areas, so it is of vital importance to deploy our full capacity to reduce water consumption and use it efficiently.

For this reason, we have addressed with urgency and responsibility the commitment to reduce 60% of our consumption of continental water by ton of processed mineral (make-up water) by 2030. Although this is a major and complex challenge, it was prepared responsibly, by defining feasible interventions in the estimated timeline.

SDG to which this action contributes to:



MACRO GOAL: REDUCE BY 60% CONTINENTAL WATER CONSUMPTION BY PROCESSED MINERAL

STRATEGIC ACTION 5

Reduce continental make-up water through process efficiency

STRATEGIC ACTION 6

Reduce continental make-up water by incorporating desalinated seawater

STRATEGIC ACTION 7

Reduce continental make-up water by using tailings reclaimed water

Governance and Management Plans

[Codelco 6, ICMM 6]

In 2021, we created a Corporate Water Management, under the Mineral Resources Vice-Presidency, and a governance framework to organize this challenge at a corporate level.

We worked on planning water efficiency investments, with short, medium and long-term initiatives that involve each division, based on their operational situation and progress. Water management involves the installation of a “water culture”, focused on promoting water use efficiency.

Water Use and Effluents

[GRI: 303-1, ICMM6]

The water we use at all our divisions primarily comes from surface and underground water sources. The most critical are water sources in desert climates, for this reason we have focused our efforts to maintain high rate of water recycling.

Key strategic risks for the Corporation, include a potential decrease in water supply at our operations in the context of climate change. Therefore, we have strict controls and actions plans that consider efficient water use, recycling and innovation.

The Chilean legal framework identifies the impacts on waterbodies and sources. Likewise, it protects third-party rights, including communities and production sectors, through water use and rights compliance, Environmental Qualification

Resolutions (RCA), indications set out in the appropriate environmental permits and industrial dump discharge limits.

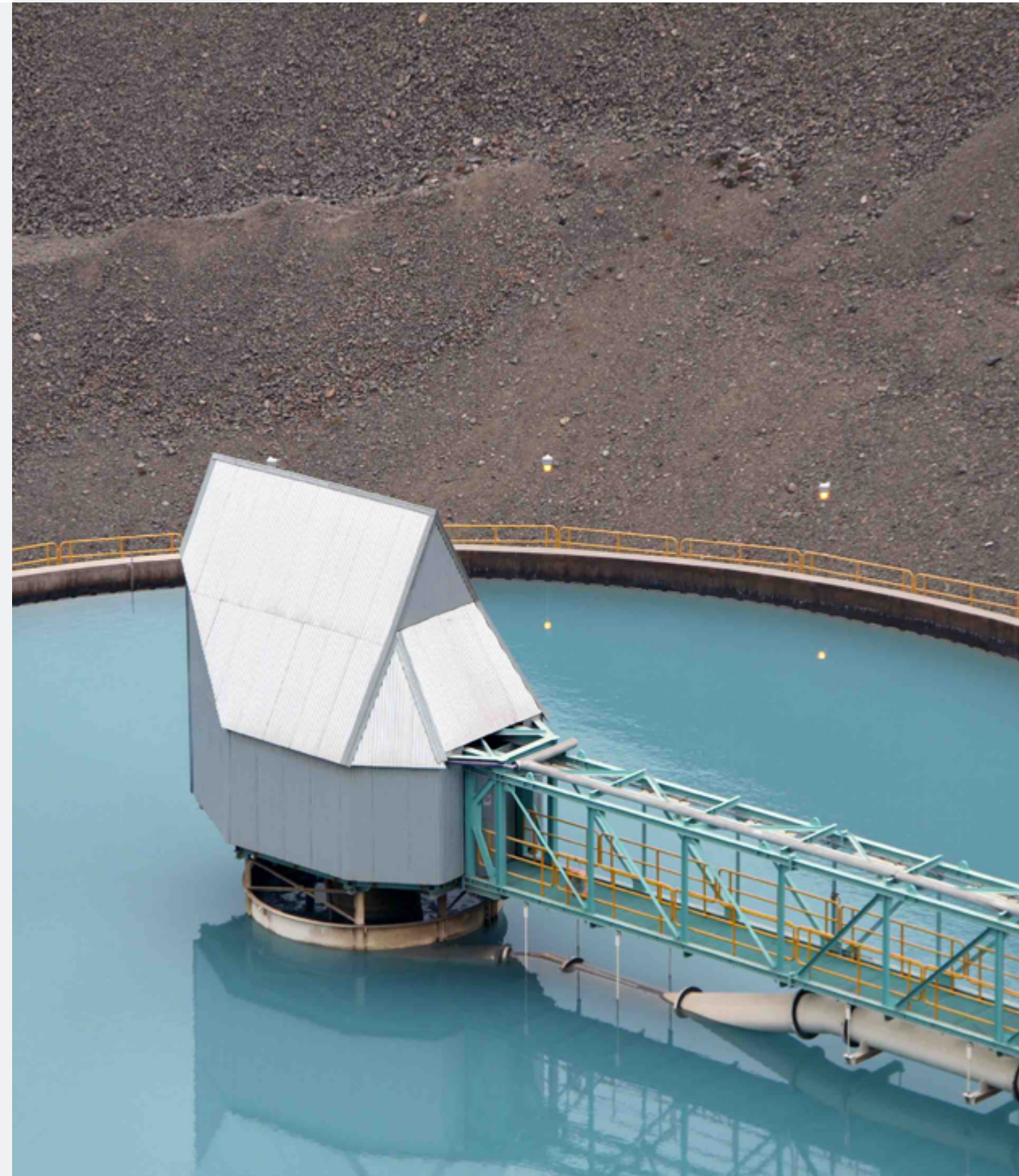
We only discharge in surface waters with monitoring resolutions at Salvador, Andina, Ventanas and El Teniente divisions, which meet the parameters and limits set by regulations, based on the analysis and characterization of each discharge; this measurement is performed by certified and independent laboratories.

Water Withdrawal, Consumption and Discharge

[GRI 303-3, 303-4, 303-5] [SASB: EM-MM-140a.1]

In thousands of m³

Type of Withdrawal by Source	2020	2021
Surface water	101,334	96,186
Groundwater	53,660	51,074
Mine water	16,674	17,894
Dams (accumulation /discharge)	-4,356	917
Total own captured water	167,311	166,070
Third-party water	13,957	17,001
Municipal water	9	7
Total captured water	181,276	183,078
Water received from other divisions	0	0
Total water withdrawal	181,276	183,078



Distrito Norte Desalination Plant

At the end of 2021, The Distrito Norte Desalination Plant was undergoing final inspection to commence the BOOT (Build, Own, Operate and Transfer) contract. This is a structural project to supply processed seawater to the Radomiro Tomic, Chuquicamata and Ministro Hales divisions. The future plant will pump 840 liters per second, with a potential to expand to 1,956 liters per second, and it implies an investment of about US\$ 1 billion. An estimated 2,700 workers will be employed during this construction phase peak, which includes 160 km of 32" pipeline that pumps water up to an altitude over 3,000 meters.

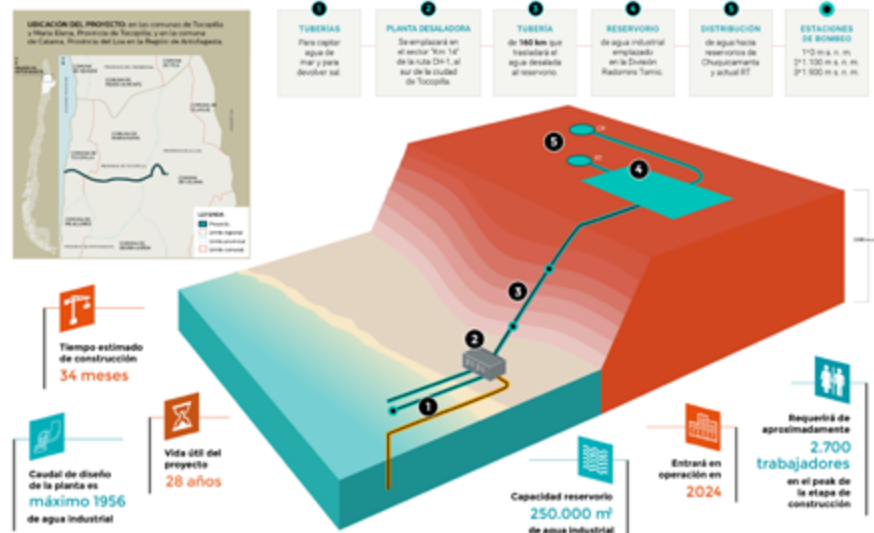
The project also includes the construction of four pump stations, a power transition line with a parallel road to do maintenance work on the different infrastructure.

The pipeline system is in the Tocopilla district; it crosses María Elena and ends in Calama, where the plant is located. During the project early works, archaeological artefacts were found, which have been managed as per the legal framework; this delayed the execution plan.

During the year, activities were focused on contract negotiation and improvement, which is scheduled to be signed in the first six months of 2022.



Proyecto agua desalada Distrito Norte - Calama



We Saved Water at El Teniente

In 2021, El Teniente Division saved two million cubic meters of water in its processes thanks to improvements made to the Thickener Unit and Water Reclamation.

The Tactical Thickener Implementation Plan (TIP) intervenes the control models, making the process that separates the material liquid discharged as tailings more efficient, which is finally reclaimed and recycled in our processes. As a result, the amount of separated solid material rose 56.8% versus 55.5% specified in the budget, i.e., we saved 2,000,000 m³ during the year

CIRCULAR ECONOMY WASTE MANAGEMENT (MATERIAL TOPIC)

[GRI 3-3]

At Codelco we strive to achieve our 2030 goals, in line with the circular economy roadmap proposed by the Chilean Ministry of the Environment, under the view that additional value may be created provided products, materials and resources are maintained in the production system as much as time as possible, reducing waste generation.

Likewise, we focused on an efficient resource management and responsible waste management, in compliance with all current regulations, including the Law on Extended Producer Responsibility (EPR), which requires producers to meet a certain quota for reusing, recycling and recovering materials, in the short and medium term.

SDG to which this action contributes to:



MACRO GOAL: RECYCLE 65% OF WASTE

STRATEGIC ACTION 8

100% of mine OTR tires were recycled and reduced inventory by 30%

STRATEGIC ACTION 9

Recycled 65% of non-hazardous waste

We participated and headed the Mining Circular Economy Committee, a Sofofa Hub (collaboration ecosystem of the Sociedad de Fomento Fabril) in alliance with the Mining and Copper Research Center (Cesco), the Ministry of Mining and another three mining companies. This public-private group uses the Scale 360° approach, A global fast-track project supported by the World Economic Forum.

We prepared the roadmaps to reach our goals and the divisions have already prepared their work plans for short-term progress. Internally, we identified ideas and good practices based on the experience and interest of employees, especially

in maintenance and procurement, through innovation workshops and competitions. The results are being systematized to be applied at a corporate or business unit level.

Tire Recycling

End-of-life OTR tire management has strict goals under the Extended Producer Responsibility (EPR) Law and represents a major challenge for mining companies that, given significant size of the tires require storage areas. Furthermore, their treatment implies discovering technology that provides cost-efficient solutions that are still not developed in the Chilean market. Our progress in 2021 was:

- Andina carried out tests, processing 232 tons of End-of-Life OTR Tires that generated steel by-products, carbon black and pyrolysis oil.
- At Ministro Hales, was started a pilot study to test liner plates over tire rubber. These plates were installed in the belt transfer receiver to avoid equipment wear and tear.
- Since focusing on maintenance, Gabriela Mistral has achieved a record performance for its haul truck tires, by doubling its hours in use. This is thanks to an optimization plan for road and route plans.

Recycling at Codelco

[GRI 306-3, 306-4, 306-5] [MM3] [ICMM 8]
[SASB EM-MM-150a.1, EM-MM-150a.2]

Several initiatives have been developed to recycle non-hazardous waste, such as the following:

From 2021, at El Teniente Division we removed wood chips from the Industrial Solid Waste Management Center (CMRIS), and took these chips to the San Francisco de Mostazal generator to use them as biomass for fuel production. This is used by the *Papelera Pacífico* pulp mill to produce recycled paper.

At the Sewell plant, El Teniente, we processed the Marcy mill rings by reproducing, with a useful life of 12 years and 60% the cost of a new ring. Other advances are associated with mine mass waste management. Together with the company Cementos Biobío we carried out tests to research cement manufacturing using slag from Ventanas and tailings from El Teniente. The latter division is also doing

research to incorporate tailings in shotcreting and reinforce concrete to use in the underground mine.

In 2021, at a corporate level, we generated 142,000 tons of non-hazardous waste and recycled an amount equal to 26% (approximately 37,000 tons); nearly 21,000 tons were scrap iron.

In the case of hazardous waste, we generated 17,000 tons of conventional waste (e.g., used oils, batteries, lead anodes and contaminated waste) and 148,000 tons of smelter and refinery waste, mainly arsenic and metallurgical dust waste.



NEW TAILINGS STORAGE FACILITY STANDARD

TAILINGS MANAGEMENT (MATERIAL TOPIC)

[GRI 3-3]

For tailings management, we have a corporate policy and standard that sets roles, responsibilities, basic processes and controls. Each division also has guidelines on the surveillance and maintenance system, operation and emergency response manuals.

Our commitment to improve tailings management is expressed in the ICMM Global Industry Standard on Tailings Management (GISTM), which aims to achieve zero harm to people and the environment. This is achieved by implementing and consolidating best practices in planning, design, construction, operation, maintenance, closure and post-closure activities.

SDG to which this action contributes to:



MACRO GOAL: 100% TAILINGS UNDER NEW SUSTAINABILITY STANDARD

STRATEGIC ACTION 10

Online monitoring of physical and chemical stability of 100% active storage facilities (TSF)

STRATEGIC ACTION 11

Infiltration control system at 100% of dams

Tailings Management Model

(Codelco 8)

The tailings management model consists of a governance-based structure, with defined roles, duties and responsibilities and corporate policies and guidelines. In line with GISTM requirements, in 2021 we strengthened these aspects by assigning an accountable executive role to division general managers and we prepared the following guidelines:

- Procedure to deal with observations
- TSF change management procedure
- Corporate TSF Geotechnical Standard
- Hydrology and Hydrogeology standard for TSF projects and active storage facilities
- TSF monitoring standard (physical,

- chemical stability and transport)
- Standard to design, construction, enabling and operating controls for piezometer maintenance
- Application standard for the Failure Mode and Effect Analysis (FMEA) methodology for tailings storage facilities
- Guidelines to estimate maximum probable increase for tailings storage facilities
- Guidelines for TSF Water Balance

Our model includes comprehensive risk detection and assessment associated with tailings storage facilities, both physical and chemical hazards; as well as the potential effects on the health and safety of people and the environment, and their social, business and economic consequences. For this purpose, it ensures the implementation of appropriate controls to effectively manage these risks, through planning, implementation, performance assessment and review for continuous improvement.

In 2021, we identified, by analyzing the conditions of our tailing's storage facilities applying GISTM, and we have already 50% in compliance with the standard requirements, mainly the technical requirements. Based on this, we prepared a two-year work plan, prioritizing four of our main tailing's storage facilities: Talabre, Ovejería, Carén and Pampa Austral. Hence, we strengthened our commitment to the health and safety of employees and people who live in our areas of influence, to ensure our TSF operations meet the highest procedure and control standards.

Similarly, we are working to ensure online access and to disclose information about key TSF stability and quality aspects. For this reason, we now participate in the TSF Program led by *Fundación Chile*, consisting of an online platform with public information about TSF physical stability. During the year, this technological project was put out to tender to be implemented in 2022.

New Tailings Technologies

The scope of our tailings management goals requires developing different infrastructure projects, where we will apply innovation and use new digital tools. In 2021, we completed the feasibility analysis for the Talabre Thickened Tailings Project, an initiative that implies a major investment that will be used as a pilot to streamline other facilities.

The thickened tailings mechanical process consists of extracting as much water as possible from the solid material, using solid-liquid separation equipment located nearby to recycle water more efficiently. In this project, we also incorporated control technology, such as interferometry and satellite data to monitor deformation in tailings storage facilities and online control, through data analytics and artificial intelligence.

During the year, we also commenced prefeasibility studies for El Teniente Future Tailings Development Project and we agreed to start the tailings system analysis in scenarios not included in the Development and Business Plan (DBP) for Chuquicamata, Salvador and Andina divisions.

Tailings Location and Classification by Categories

[SASB EM-MM-150a.3] [Codelco 8]

TSF	Active, Inactive or Closed	Region	Municipality	Classification based on Local Regulations *	Local Communities (Yes or No)
Talabre	Active	II	Calama	Type C	Yes
Pampa Austral	Active	III	Diego de Almagro	Type C	Yes
Potreros I	Inactive	III	Diego de Almagro	Type C	No
Potreros II	Active	III	Diego de Almagro	Type C	No
Ovejería	Active	Metropolitan	Til Til	Type C	Yes
Los Leones	Inactive	V	Los Andes	Type C	Yes
Piuquenes	Inactive	V	Los Andes	Type C	Yes
Carén	Active	Metropolitan	Alhué	Type C	Yes
Barahona	Inactive	VI	Machalí	Type C	Yes
Cauquenes	Inactive	VI	Requínoa	Type C	Yes
Colihues	Inactive	VI	Requínoa	Type C	Yes

Note (*) Supreme Decree 50, of Chile's Water Authority (DGA). Category C, large: maximum wall height equal or higher than 30 m, or capacity is equal or more than 60,000,000 m³



TERRITORIAL DEVELOPMENT WITH SOCIAL VALUE

The Territorial Development with Social Value strategy is the corporate guidelines designed for each division to respond to the specific needs of their surrounding areas, under an integrated approach to ensure we respond to the sustainability goals set and community expectations about our social performance.



MACRO GOAL:
**INCREASE BY 60% LOCALLY
SOURCED GOODS AND SERVICES**

STRATEGIC ACTION 12
Program to attract and develop local suppliers

STRATEGIC ACTION 13
Procurement platform for local suppliers

STRATEGIC ACTION 14
Development of a new territorial strategy with social value

SDGs to which this action contributes to:





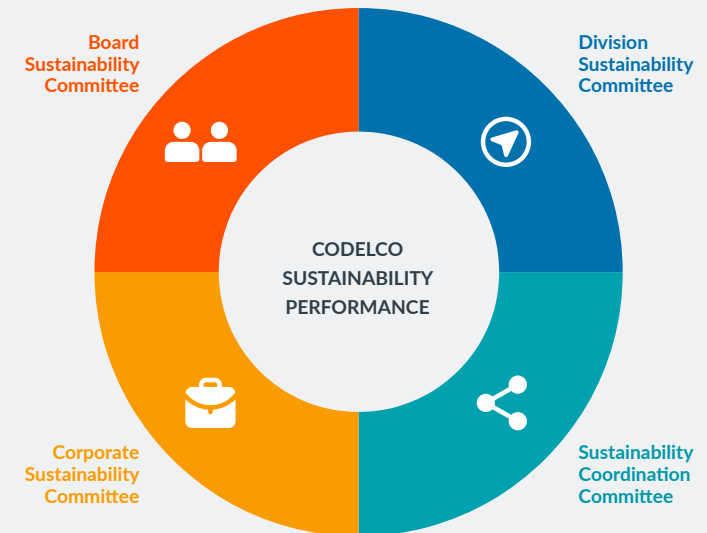
COMMUNITY DEVELOPMENT (MATERIAL TOPIC)

[GRI: 3-3]

Our commitment to develop the territories where we operate is included in the Corporation's sustainability governance. To facilitate the comprehensive management of activities deployed across our divisions, we have a digital platform for community management (GECO).

Our community development management is detailed in our Corporate Standard NCC 39 on Community Investment, which regulates contributions to social projects. These projects are developed in the context of the annual management cycle for our area of influence. Three procedures regulate territorial management:

- Community investment procedure
- New community tools procedure
- Environmental complaint and suggestion hotline procedure



Annual Territorial Management Cycle

Promoting territorial development with social value is a corporate exercise, where we identify key social environments that if strengthened will enable the sustainable and long-term growth of the communities in our area of influence.

The opportunities to start a business, develop employability skills, education and water access are the aspects on which we have worked across the company to execute projects with results maintained over time. In 2021, we organized our strategy into five programs..



Development with Social Value Strategy Programs



Proveedores Locales. Juntos emprendemos de local. We deliver tools to local suppliers to incorporate them into our value chain, providing tender process guidance.



Empleo. Junto jugamos de local. We promote local workforce hiring among our contractors.



Educación. Juntos aprendemos de local. We strengthen local education and we participate in training future mining employees.



Agua. Juntos desarrollamos agua local. Through collaborative efforts, we facilitate freshwater access in critical rural districts.



Embajadores. We highlight our employees who volunteer to work in the different initiatives in each territory.

Our 2021

We carried out activities in **25 municipalities** that form part of our area of influence in Chile

We engaged **20 indigenous communities**

We signed **74 social investment agreements** (with social and community organizations)

We have **178 social investment agreements** in place

Total social investment was **CLP \$ 2,788,963,538 (US\$ 3,280,169)**, of which **65%** were executed community agreements



Community Investment Breakdown

[GRI 413-1] [ICMM 9] [Codelco 12]

In 2021, we had 178 agreements in place (including 74 new agreements), 164 are voluntary projects arising from the dialogue processes with the communities next to our operations. A further 14 agreements address obligations arising from environmental qualification resolutions (RCA).

Division/District	Total Community Investment Agreements in 2021	Total Voluntary Community Investment Agreements in 2021	Total transferred to Voluntary Community Agreements 2021	Total RCA Community Investment Agreements in 2021	Total transferred to communities RCA Community Investment Agreements in 2021
Distrito Norte	78	66	\$183,379,398	12	\$594,599,098
Salvador	19	19	\$ 65,410,779	0	\$0
Andina	33	31	\$ 163,207,292	2	\$ 95,188,402
Ventanas	25	25	\$ 167,037,307	0	\$0
El Teniente	23	23	\$ 531,332,153	0	\$0
Total	178	164	\$1,110,366,929	14	\$689,787,500

Amounts in Chilean Pesos (CLP \$)

Territory with Social Value Strategy Programs	Amount 2021
Juntos Emprendemos de Local	\$ 52,400,000
Juntos Jugamos de Local	\$ 58,385,546
Juntos Aprendemos de Local	\$ 221,675,313
Juntos Desarrollamos Agua Local	\$ 26,035,000
Nuevo Modelo Relacionamiento Comunitario	\$ 65,841,000
Total	\$ 424,336,859

In 2021, we invested CLP\$568 million in Covid-19 health supplies, consisting of paint containing copper nanoparticles, community emergency kits and copper fixtures.



MAIN INITIATIVES

Division	Initiative	Description
Norte	Provide and install single home solar electric system in the Caspana village	The project benefits 45 homes in remote rural areas, going from two hours of electricity to continuous supply.
	Help develop management area in the Punta Atala district, Tocopilla	Involved building and implementing a giant kelp crusher, which allows the producer association to increase product prices.
	<i>Yo Juego de Local</i>	This program aims to improve work skills in the territory and increase employment options.
Salvador	Competitive fund Salvador Division	16 organizations implemented their initiatives through the division's competitive fund. Infrastructure, education-training, business development, health and quality of life projects were developed.
Andina	<i>Emprende Huechún</i>	This program aims to foster business ideas, providing a framework to design and implement projects.
	Participatory monitoring	At six locations in the Chacabuco and Los Andes provinces we held meetings to discuss water and soil management regulations, clarifying any questions about the division's environmental management.
	Promote emergency equipment maintenance	We delivered to Los Andes Fire Department an emergency vehicle to specifically protect road safety on the Camino Internacional route.

Division	Initiative	Description
Ventanas	Improve <i>Los Pescadores</i> Beach infrastructure, Quintero	Activity to promote tourism by enhancing the sector, providing equipment to the trade union, i.e., infrastructure and gear needed to provide a good service to tourists, this included a floating pier to offer boat rides.
	Strengthen the Local Action Development Program (Prodesal) in Quintero and Puchuncaví	Support to small agricultural producers who use Prodesal, providing techniques and knowledge to improve family farming.
	Implement renewable energy sources and recovery of public spaces Los Maitenes, Puchuncaví	Installed solar lamp posts in public spaces and remote areas, benefiting 200 families, who have lighting on access roads to their homes.
El Teniente	Encourage local craft business in Doñihue	Construction of the Craft Business Center, space created to show products, rescue local identity and contribute to the municipality's economic development.
	Support children's education in Alhué during times of pandemic.	A digital library was created to support virtual lessons for a thousand students in the Alhué municipality, improving access and participation in education interrupted during the pandemic.
	Local supplier inclusion program	Program through a framework agreement that supports entrepreneurship and employability to reduce unemployment rate in its areas of influence.
	Promote local hiring	The Apprenticeship Program prepared 65 women from local neighborhoods as operators and maintenance technicians in order to join the team at the division underground mine.

Developing Skills through Training Surplus

To promote the development of local human capital in line with the work opportunities in each territory, in 2021, we drove a complete training plan aimed at local communities with a total investment of CLP \$1,921,091,820 that included the participation of contractors and benefited 2,004 employees.

Contributions were divided into two priority areas: mining trades and community development tools. The surplus from the National Training and Employment Service (Sence) was distributed to these programs, through Technical Training Organizations (OTIC) specialized in these topics, as per Law 19,518.

Recognition and Respect for Indigenous Peoples

[MM5]

The recognition of indigenous peoples who live in the territory near our operations is a priority for our management, which we undertake through dialogue, respect for their ways of life, customs and worldviews. We mainly interact with the following indigenous communities: *Aymaras, Atacameñas, Quechuas* and *Collas*. We regularly meet with their representatives, hold work meetings, visits, training, workshops and implement participatory and associative social projects.

Division/District	Amount	Courses	Beneficiaries
Andina	\$319,390,300	14	203
Salvador	\$202,360,000	14	266
El Teniente	\$208,320,000	7	133
Ventanas	\$93,884,520	6	126
D. Norte / <i>Huella de Éxito</i> Program	\$177,148,000	30	557
D. Norte / <i>Yo Juego de Local</i> Program (sustainability funds)	\$398,762,000	15	323
D. Norte / <i>Yo Juego de Local</i> Program (third-party funds)	\$521,227,000	19	396
Total	\$1,921,091,820	105	2,004

Amounts in Chilean Pesos (CLP \$)

Division	Local Communities or Indigenous Territory	Formal Agreements
Distrito Norte	Toconce - Atacameña indigenous community Valle de Lasana - Atacameña indigenous community Coyo - Atacameña indigenous community Socaire- Atacameña indigenous community Machuca Hortilola - Atacameña indigenous community Toconce Ninchies Lickau-Cota - women's association Celeste farmers and irrigators - Atacameña association Eco-Ethical Tourism Well 3 - indigenous association Cupo - Atacameña indigenous community	Social Investment Agreement Competitive Fund Process
	Toconce Atacameña indigenous community Caspana Atacameña indigenous community Chunchuri Community Ruraq Maki farmers, artisans and tourism - indigenous association Ayquina Turi - Atacameña community San Pedro Village Community	Community Investment Agreement
	Taira Community	Framework Agreement
Salvador	Colla Community in Diego de Almagro Colla Community in Geoxcultuxial Colla Community in Chiyagua	Agreements associated with the Indigenous Consultation for the Rajo Inca Project

Socio-Environmental Complaint and Suggestion Hotline

Through this hotline, the neighbors who live in the areas of influence can report their concerns, suggestions and complaints about the social and environmental performance of our operations.

In 2021, we received 35 requirements through this hotline: 6% were for environmental topics and 94% for social topics.

Means of Communication	2020	2021
Telephone requirements	34	16
Digital requirements	33	19

Email:
contactosociambiental@codelco.cl
Toll-Free Number:
800 222 600

DEVELOPING LOCAL SUPPLIERS (MATERIAL TOPIC)

[GRI: 3-3][204-1]

Local economy and business ecosystem are major elements in our sustainable development commitments.

In 2021, we made changes to our internal policies and procedures (Soul Source Process) to make local supplier entry in our value chain more flexible, by simplifying the procurement requirements to provide the services to our operations.

The tender processes are carried out through our online SAP-Ariba platform, designed to guarantee transparent and fair processes. To maximize access to tenders, we use an automated tender process. We are also working on promoting the participation of local suppliers in more tender processes, reducing administrative and financial barriers.

During the year, we purchased locally US\$ 1.583 billion, i.e., contracts were awarded to suppliers in the regions where we operate, equal to 21% of purchases made by Codelco. Of this amount, US\$ 163 million were purchases from small and medium-sized enterprises (SMEs). Furthermore, the payment deadline was reduced from 15 to 12 days at the end of 2021.

In 2021, we also developed the “*Juntos Emprendemos de Local*” program, an initiative to drive 62 SMEs, providing tools to improve their business at all divisions. We selected participants over a six-month period, cross-referencing the needs of a division and local supply. The program is in place until 2023.

Commitment with Local Suppliers at Distrito Norte

In 2021, we launched with the Regional Mining Cluster a Program for Local Procurement. The Distrito Norte Procurement area, with the support of the Corporate Sustainable Development Management, made modifications to simplify local procurement processes, creating an exclusive platform for these businesses to promote an entrepreneurial ecosystem in the region through this cluster. This process implies three stages:

1. Identify local suppliers in the Antofagasta Region and divided them into categories
2. Develop their skills
3. Actively and permanently incorporate them in our value chain

LOCAL WORKFORCE HIRING (MATERIAL TOPIC)

[GRI 3-3] [Codelco 11]

To grow with our communities, local hiring is a concrete contribution that provides immediate benefits to our areas of influence. Each division has worked to identify and strengthen opportunities to purchase goods and services through companies located in our territories and/or that employ local workers.

In 2021, we focused on boosting local workforce hiring because, based on our materiality assessment, job creation represents a key expectation for local communities. Local refers to people who live with their families in the municipalities in the areas of influence, so that they can return home from work every day, without having to travel to other geographical regions, certifying their residence with a document legally issued by a neighborhood council.

Through our “*Juntos Jugamos de Local*” program, we organize job fairs where we invited our main suppliers to provide training opportunities. People attraction and recruitment is at a regional level, but also with on-site campaigns in the geographical areas significant to Codelco, such as Camino Internacional (V Region) and Machalí (VI Region).

Furthermore, to continuously attract employees, there is a consolidated relationship between the Municipal Labor Information Offices (OMIL) in the areas of influence and the program. In 2021, we also established an Alliance with the Chilean Economic Development Agency (Corfo).

This program helped us increase the average percentage of locally hired contractors from 57% in 2020 to 59% in 2021, equal to 31,396 people. Workforce traceability, which takes into account their ethnicities, location of origin and gender are automated in the Workmate platform.

At the same time, we worked with the Projects Vice-Presidency on a specific plan to develop a training program, with the new profiles that will be required for the Chuquicamata Underground and Andes Norte construction works scheduled for 2022-2023.

Finally, in 2021, we added an appendix to the Corporate Standard 24 that specifies our preference in hiring, at least 10% local workforce for the new investment projects.

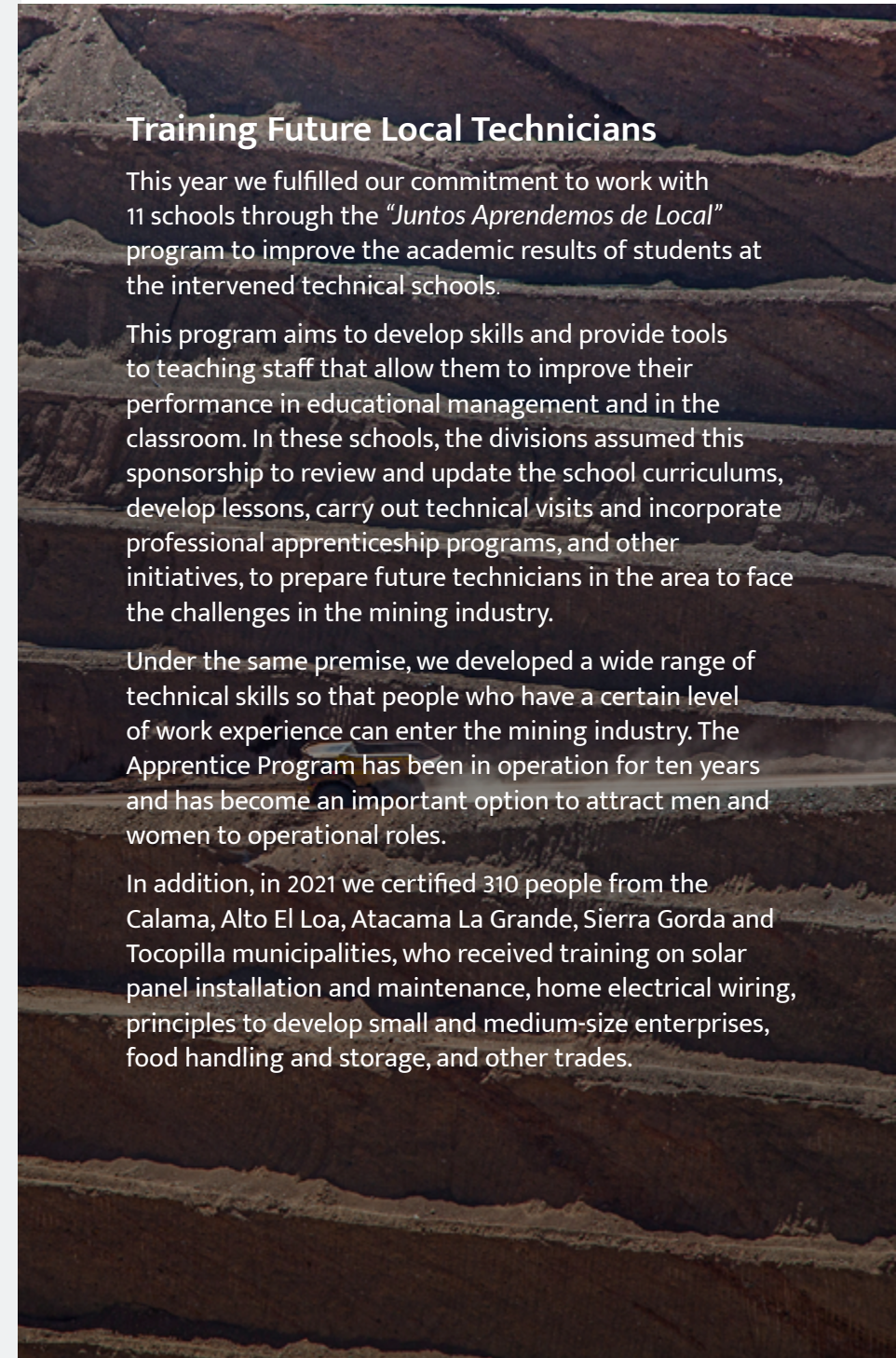
Training Future Local Technicians

This year we fulfilled our commitment to work with 11 schools through the “*Juntos Aprendemos de Local*” program to improve the academic results of students at the intervened technical schools.

This program aims to develop skills and provide tools to teaching staff that allow them to improve their performance in educational management and in the classroom. In these schools, the divisions assumed this sponsorship to review and update the school curriculums, develop lessons, carry out technical visits and incorporate professional apprenticeship programs, and other initiatives, to prepare future technicians in the area to face the challenges in the mining industry.

Under the same premise, we developed a wide range of technical skills so that people who have a certain level of work experience can enter the mining industry. The Apprentice Program has been in operation for ten years and has become an important option to attract men and women to operational roles.

In addition, in 2021 we certified 310 people from the Calama, Alto El Loa, Atacama La Grande, Sierra Gorda and Tocopilla municipalities, who received training on solar panel installation and maintenance, home electrical wiring, principles to develop small and medium-size enterprises, food handling and storage, and other trades.



ACCESS TO RURAL FRESH WATER

In 2021, in order to participate in the search for solutions to water scarcity in communities near our sites, we performed 14 critical studies in the locations where there are continuous freshwater gaps and we prepared action plans to provide concrete solutions.

Therefore, we assessed rural health services, analyzed the status of basins and watersheds, identified technologies, needed to improve rural fresh water supply systems, and changes in the underground distribution network.

Andina improves Access to Rural Fresh Water

Through its Rural Drinking Water Committee program, the Andina Division cleaned and set up the water storage pond in the town of Punta Peuco and did general maintenance of the well that benefits the 120 families that use the well.



MINE CLOSURES (MATERIAL TOPIC)

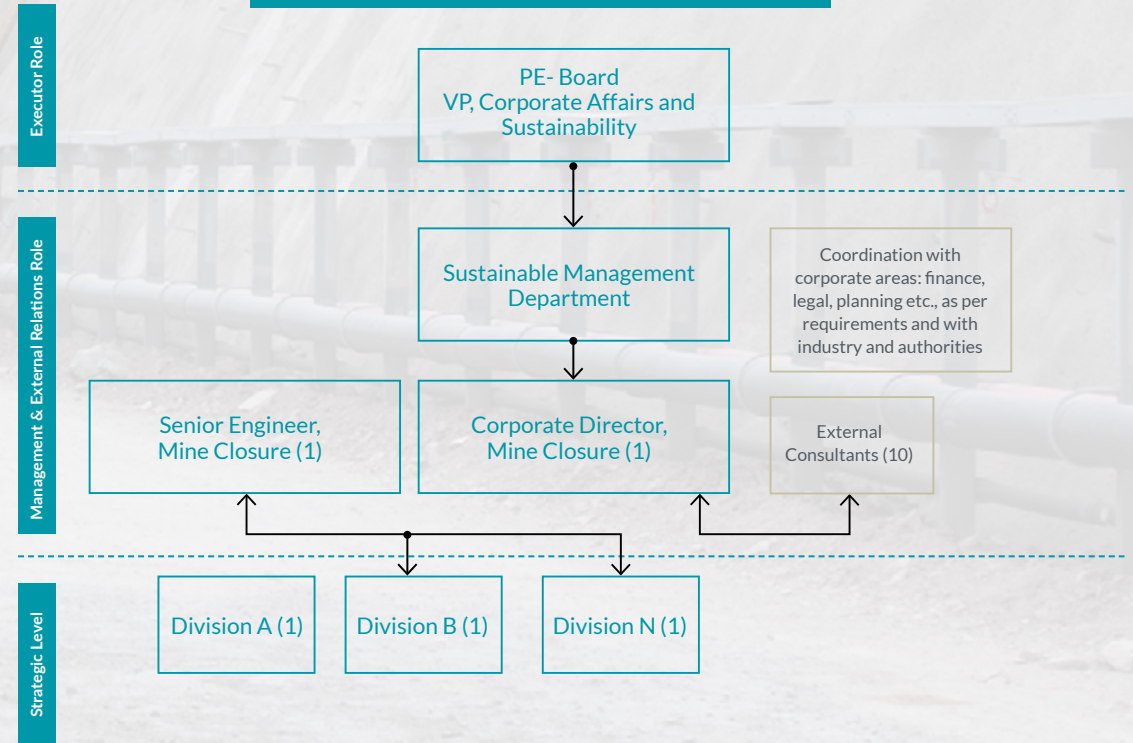
[GRI: 3-3, MM10, Codelco 16]

Codelco's closure plans are based on compliance with current legislation (Law 20,551 and its regulations), and on our internal standard, NCC 46, the Accounting Financial Instruction IFC 98, the SIC-M-013, and the complementary guide on mine closure profile studies.

Under these frameworks, our plans aim to prevent, minimize and mitigate the impacts of a mine closure in the territories, as well as to guarantee the costs associated with these procedures.

Mine closure management is done centrally from the Corporate Mine Closure Department of the Sustainable Development Management. Each division has an officer responsible for mine closures who, for example, has to coordinate activities to be developed, ensure legal compliance and the correct development of studies, permits and progressive closures.

Mine Closure Governance: Organization and Roles



Mine Closure Plans Approved in 2021

Social Considerations

Each mine closure plan is in accordance with Law 20,551 regarding correct communication with interested parties, two years before the planned closure date.

Environmental Considerations

The plans consider the risk assessment and commitments specified in the Environmental Qualification Resolutions (RCA) that address, for example, effluent treatment, infiltrations, particulate matter control, emissions due to end of activity, maintenance and post-closure monitoring.

These procedures are carried out every five years or when there is some other reason for updating them, as set forth in Law 20,551.

The cost of the approved mine closure plans as at December 31, 2021, was as follows:

Division with Mine Closure Plan	Sernageomin Resolution	Nominal Cost of Closure (*)	
		UF	US\$000's
Chuquicamata	2327/19	17,936,584	654
Radomiro Tomic	840/21	15,119,775	551
Ministro Hales	842/21	7,839,182	286
Gabriela Mistral	841/21	4,602,776	168
Salvador	2080/15	12,533,918	457
Ventanas	2570/19	5,225,689	190
Andina	2777/15	18,725,048	683
El Teniente	409/21	50,351,330	1.835

(*) Rates as at December 31, 2021: UF was CLP \$30,991, US\$ was CLP \$850.25

Our Mine Closure Plans

In 2021, the closure plans were approved for the following divisions:

- El Teniente
- Radomiro Tomic
- Ministro Hales
- Gabriela Mistral

The closure plans for Andina and Salvador divisions were submitted within the new deadline set by Sernageomin due to the Covid-19 pandemic; we expect their approval in the first quarter of 2022.

In 2021, the amount of the environmental guarantees was US\$ 1,912,000.



OPEN INNOVATION AND DIGITALIZATION (MATERIAL TOPIC)

[GRI 3-3] [Codelco 12]

The current challenges facing the mining industry, in terms of responsible and efficient mining, require various transformations in production methods and the use of new equipment and tools. As a result, the industry adopted an open innovation paradigm, which implies finding solutions with academia, the public sector and even with competitor companies. This type of collaboration takes advantage of the opportunities generated by digitalization and process automation.

At Codelco we are promoting open innovation, with national and international alliances. We signed several agreements in 2021, such as the memorandum of understanding with Swedish Mining Innovation, a Swedish innovation mining cluster, on topics such as deep underground mining, productivity and change management, automation and electrification of equipment and processes.

We also signed agreements with the Advanced Mining Technology Center of the

Universidad de Chile to promote innovation in mining processes and explorations, and with Universidad de Concepción, for technological development in extractive metallurgy and pyrometallurgy. Under the auspices of the latter university, we also have an agreement with the Newcrest, Rio Tinto, LKAB and Boliden, to address common challenges, such as analyzing and developing innovations that facilitate thickener performance in tailings treatment.

Type of Innovation (disruptive, incremental or open)	Project Name	Description	2021 Milestones
Open/disruptive	GHG Alliance	Collaboration with Komatsu to develop zero-emission haul trucks.	Signed agreement and launched
Open /disruptive	Chart On Innovation Challenge	Collaboration with multiple mining companies to develop electrification solutions for haul trucks with global developers.	Signed agreement and executed Phase I (prospecting and selection)
Disruptive	Mixer under electric profile	Develop pilot study of electric cement mixer equipment in Chuquicamata Underground	Commenced pilot tests
Disruptive	Bus Tender	Awarded electric buses contract to transport passengers to El Teniente, Andina and Chuquicamata divisions. The process began in 2019 and was completed in 2021. These pilot tests included 155 electric buses in the tender awarded to transport personnel to the Chuquicamata (45), El Teniente (103) and Andina (7) divisions, equal to 31% of the bus fleet included in this tender	Carried out pilot tests and awarded tender

Digital Transformation

[Codelco 13]

Digital Transformation is also a strategic priority for our Corporation, associated with continuous improvement and process excellence. Through digital transformation we aim to create value by increasing productivity, efficiency and safety for people. The main priorities on which these change processes are based on are:

- Automated production processes in mines and plants
- Advanced analytics in mine and concentrator processes, water and predictive maintenance
- Corporate strategy on Integrated Tactical and Strategic Operations Centers
- Essential projects, such as LTE networks (Long Term Evolution, with wireless broad band technology), cybersecurity, cloud and business continuity
- Automated support areas in SAP and business application environments

The use of advanced analytics and mathematical algorithms represents an opportunity to generate predictions and make operational process recommendations, from tailings management to mineral traceability, through water supply and demand and even equipment maintenance.

Based on the major advantages these digital tools represent, we are strengthening our teams through talent attraction and skill development in the organization. Furthermore, in 2021 we developed information governance, with defined processes, standards and roles that allow access to a single source of information for all Codelco, in the Corporate Data Lake.



From Pilots to Major Improvements

Mining of the future is already a reality at our operations, with different projects which we began testing a few years ago and we have started to escalate.

After a period of pilot testing, the LHD (Load-Haul-Dump) loader started to be used at Esmeralda and Diablo Regimiento mines, managed from the Integrated Tactical Operations Center (CIO) in Rancagua, 80 kilometers from the site. This technology, with the autonomous trucks at the Esmeralda mine, contributes to safety by removing employees from areas exposed to risks. It also improves productivity, since an operator can handle two or three vehicles simultaneously. In 2021, we started to deploy LHD loaders at Chuquicamata Underground

When it comes to plants, we are applying digital tools to stabilize processes and reduce variability. The improvements achieved in previous years in the Radomiro Tomic secondary-tertiary crushing area helped to optimize the respective processes at Gabriela Mistral and El Teniente, with their performance increasing over 2% and variability reductions between 20% and 40%. WE have started to apply this technology at the Chuquicamata plant and in the milling and flotation area of Ministro Hales.

For more information, review Codelco Annual Report, pages 48-54.



SUPPLY CHAIN

[GRI 2-6] [ICMM 6b]

Our supply chain consists of local and international suppliers. The supply of equipment and materials can directly reach each division or warehouses managed by a logistics operator, responsible for dispatching them to the business units.

We have a **Contract Policy** that governs our supplier relationships; it sets out that contractors must consider the community development policy defined by our Corporation. On that basis, at Codelco we positively value that they:

- Promote local workforce hiring and local supplier development.
- Participate in community development actions in the vicinity of the Codelco operations where they provide services.

At the same time, we encourage developing local contract capabilities in the small and medium-sized industry, all in line with our strategy of Territorial Development with Social Value, as part of our sustainability commitments (see page 62).

In 2021, we created the Procurement Vice-Presidency, whose objective is to prioritize everything that adds value to the Corporation, increases competitiveness through a more dynamic and varied supplier portfolio, ensures business continuity

and makes our business processes more traceable. Hence, we developed a new Procurement Model and made several improvements to obtain a standard process, digitalization, professional management, contract administration and strengthen support activities. For more information see page 42 of the Annual Report.

3,153 Suppliers

92% Local

8% Global

Goods and Services

US\$ 1.222 billion

Operational goods

US\$ 191 million

Investment goods

US\$ 4.712 billion

Operation services

US \$ 1.399 billion

Investment services

US\$ 7.524 billion

Paid to suppliers in 2021

Note: 2021 contracts and existing contracts.

Critical Suppliers

[Codelco 18]

At Codelco, we consider anyone who during the year has had a contract in place with the Strategic Supply Management, the Plant Procurement Department, the Mine Procurement Department, plus the company-wide food and transport services to be a critical supplier. A critical supplier expense may occur within or outside the above categories.

217 Critical Suppliers

44.2% Total

Supplier Assessment

In order to register in Codelco's supplier registration, a supplier's tax, commercial, labor and contractual practices are checked and validated. Additionally, we assess any company that supplies or provides services to us based on the following six dimensions.

1. Operational sustainability
2. Organizational size
3. Financial aspects
4. HSEC guidelines (Health and Safety, Environment and Community)
5. People and value management
6. Technological development and innovation

When a supplier is selected to provide a service or supply a good to Codelco, prices, technical excellence, innovation, productivity, commitment to safety, the environment and local communities are considered.

Out of the 4,492 suppliers currently registered, 46% were assessed on several factors, one being the environment.

Furthermore, in view of our small-sized enterprise payment practices, Codelco has the *ProPyme* seal (SMEs).

Total Spending on Local Suppliers 2021

Total suppliers	3,153
Local suppliers	966
Total local supplier spending (*) (US\$)	1.558 BN
Local SME suppliers (US\$)	163 M
Total Supplier Spending (US\$)	7.524 BN

(*) Local suppliers are those who have received payment from a Codelco division that is located in the same region where they are registered

Local Purchase 2021

US\$ 1.583 BN

Total local supplier purchases, equal to 21% of purchases made

US\$ 620 million Distrito Norte

US\$ 93 million Andina-Ventanas

US\$ 389 million El Teniente

Local Sme Purchase 2021

US\$ 163 M

Local SME supplier purchases, equal to 2.2% of purchases made

US\$ 65 million Distrito Norte

US\$ 16 million Andina-Ventanas

US\$ 39 million El Teniente

In 2021, we continued to implement the SAP Ariba System, the corporate procurement management platform; the "Buying" module was added for purchases of materials.



COMPLIANCE WITH LAWS AND REGULATIONS (MATERIAL TOPIC)

[GRI 3-3]

Mining is subject to a strict regulatory framework that defines the conditions in which we must operate, ensuring a correct ethical, environmental, operational, labor, social and economic behavior.

We have a compliance system to minimize risks related to potential and real events that could result in non-compliance with current regulations and the voluntary commitments we have adopted in environmental, social and governance issues.

Within the Corporate Permits and Environmental Compliance Management, the Environmental Compliance Department is the unit responsible for managing the commitments under the Environmental Qualification Resolutions (RCA). While the sectorial regulations compliance is overseen by the Sustainability and External Affairs Management at each division.

We manage our commitments through the SIGEA platform (Integrated Environmental Compliance Management System), which allows us to systematize and evaluate them in

accordance with the Structural Procedure for Environmental Compliance DCA-PRO-002.

Environmental Fines and Cases

[GRI 2-27, 307-1] [ICMM 10]

In the case of non-compliance with environmental-sectorial laws and regulations, in 2021 we recorded the following events:

Chuquicamata Division

Sanction by the Seremi health authority in the verification process to ensure waste management compliance; it imposed a fine of 750 UTM (Monthly Tax Units), paid in 2021.

Seremi health authority started health compliance proceedings for alleged non-compliance with D.S. 43 Hazardous Materials Storage Regulations. The division presented the case for defense (in progress).

Radomiro Tomic Division

Seremi health authority started health compliance proceedings for alleged non-compliance with D.S. 43 Hazardous Materials Storage Regulations. The division presented the case for defense (in progress).

Gabriela Mistral Division

Seremi health authority started health compliance proceedings for alleged non-compliance with D.S. 43 Hazardous Materials Storage Regulations. The division presented the case for defense (in progress).



Salvador Division

The division submitted an Appeal for Reconsideration (pending). The Environmental Superintendence (SMA) brought charges against the division for alleged non-compliance with the RCA, imposing a penalty of 1,150 Annual Tax Units (UTA). The Division filed a Reinstatement Appeal (in progress).

Ventanas Division

The SMA brought charges against the division for alleged non-compliance of the Operational Plan submitted in the context of air pollution prevention and control plans for the Concón, Quintero and Puchuncaví municipalities and the RCA 1369/2009 which gave a positive qualification to the “Neutralization Process of the Acid Plant Effluent” project. The division presented the case for defense before the SMA on September 28 (in progress).

Seremi health authority started health compliance proceedings against the division for alleged non-compliance with Art.29 on the Pollution Prevention and Control Plan (PPDA). The division presented the case for defense on September 27. Likewise, on June 16, 2021, this institution started a second health compliance proceedings against the division, for alleged non-compliance with D.S. 43. The division presented the case for defense on July 9.

The Chilean National Geology and Mining Service (Sernageomin) fined the division 220 UTM for proceedings commenced in 2019. A claim was filed in court on November 8, 2021.

Andina Division

Seremi health authority imposed a fine in April 2016, which after its appeal resulted in a 1,000 UTM payments on July 22, 2021.

Ministro Hales and El Teniente divisions did not receive any sanctions nor were any proceedings started against them.

Social and Labor Fines and Cases

[GRI 2-27, ICMM 10]

Despite our constant efforts, events have occurred where our performance has breached current regulations affecting our communities, and sanctions were duly imposed by competent authorities.

Gabriela Mistral Division

Seremi health authority imposed a monetary penalty of 400 UTM.

Chuquicamata Division

The divisions received 573. 61 UTM in penalties, issued by the Seremi health authority (200.21 UTM), the Calama Family

Court (1 UTM) and the General Water Department (372.4 UTM).

Ministro Hales Division

Received an 80 UTM penalty from the Seremi health authority.

Radomiro Tomic Division

The division received nine monetary penalties from Sernageomin and from the Work Inspection Authority, for 221.41 UTM and 10 IMM (Monthly Minimum Income).

El Teniente Division

The division received a 5 UTM penalty from the Seremi health authority.

Andina, Salvador and Ventanas divisions did not receive any social non-compliance penalties.



CODELCO TEAM

We are more than 15,600 employees (under indefinite and temporary contracts) and about 40,000 contractors, engaged in Codelco's transformation, willing to give our best performance in an environment of mutual care, effort and innovation.



MANAGEMENT DEL HUMAN CAPITAL (MATERIAL TOPIC)

[GRI 3-3]

Our HR strategy aims to transform the organizational culture and people's skills, focused on operations and projects to maximize the company's economic value and long-term sustainability. It is based on four strategic pillars:

- Talent processes
- Talent link to value
- Cultural transformation management
- Labor productivity and lean organization

We also have three enablers:

- Labor relations
- IT system
- Corporate governance, HR organization and health institution management

In 2021, we worked on each line to drive cultural transformation, capture and develop strategic talent, and promote the Leadership Seal among our people.

Our team consists of
[2-7]

15,609
Direct employees

11.6%
Female personnel

39,976
Contractors

92.7%
Unionized employees under indefinite contracts

470,581
Training hours

66⁷
Codelco Transformation Index points (ITC)

⁷ We increased three points at a corporate level, which placed us in the third quartile of this index.



Employees by Contract Type

[GRI: 2-7][SASB: EM-MM-000.B]

	Total
Total Employees	15,609
Employees with indefinite contract	14,704
Temporary employees	905

Contractors

	Total
Chuquicamata	990
Radomiro Tomic	693
Ministro Hales	736
Gaby	465
Salvador	77
Andina	682
Teniente	2,979
Ventanas	146
VC Projects	12,700
Codelco	19,468
Total	39,976

Employees by Division

	Total
Chuquicamata	3,935
Radomiro Tomic	1,251
Ministro Hales	771
Gabriela Mistral	475
Salvador	1,501
Andina	1,424
El Teniente	3,845
Ventanas	774
Head Office	755
Vice-Presidency Projects	878
Total	15,609

Working Environment

[Codelco 34]

Organizational climate management is measured as a Codelco Transformation Index (ITC), a tool to assess progress and priorities of this important cultural change process to deploy the business strategy and enable an operational excellence model. This management focuses on:

1. **DEFIANT LEADERSHIP**
Drive to taken on difficult challenges and do more than what is believed to be possible.
2. **SHARED VISION**
Encourage to share the Codelco strategy at all levels and roles.
3. **PERSONAL RESPONSIBILITY**
Promote a sense of ownership and awareness about personal challenges and results undertaken.
4. **OPEN AND TRUST**
Promote honesty, transparency and open and sincere dialogue to address issues that affect us.

The ITC Survey conducted in November 2021, invited everyone under indefinite contracts and in the Graduate Program participants. Turnout for the year was 79.4%, i.e., more than 11,100 surveys were answered.

ITC	2019	2020	2021	Variation '20-'21
Total	58	63	66	3

Talent for Codelco

Attracting and developing early talent is a challenge we are actively addressing to face productivity, sustainability and innovation, in line with mining of the future. We also do this by ensuring processes and related results are inclusive and target gender equality. To achieve our goal, we focus on the main programs:

Graduates

This program has been offered for several years with positive results; it focuses on attracting and capturing young professionals – men and women – with high growth potential. They are expected to deploy Codelco’s Leadership Seal skills and contribute to corporate challenges, including operational excellence and productivity.

In 2021, we managed to attract 95 graduates, of which 47% were women. The selection of professionals included the potential measurement to link it with the company’s Succession System.

At the end of 2021, The Corporation had hired about 413 postgraduates, 29.3% of whom are part of the succession team.

Inspira Codelco

In its third version, this initiative to attract students in mining-related careers early had more than 800 applicants, of which 197 young people from different Chilean universities were selected to participate. The program, which is carried out through direct tutorials between company professionals and students, is complemented by professional development workshops that promote building networks and increasing knowledge about Codelco and the mining industry. Currently, 11 of these participants are in the Graduate Program and another 20 are doing their professional training.



EDUCATION

[GRI 404-2]

In 2021, we launched the UCodelco, an initiative that gives continuity to a training tradition that has existed for more than 20 years and that aims to promote quality training offered within the Corporation, and to set standard and uniform training formats. Its objective is to impact the business and enhance the strategic employee skills to leverage the transformation process underway, by developing skills and transferring best practices. Nine academies offer this internal training.

Leadership Academy

Its goal is to promote leadership in Codelco, through courses connected with the corporate strategy and Leadership Seal, helping develop skills that impact our transformation process.

C+ Academy

Its objective is to train the entire organization in Operational Excellence to sustainably capture value, offering a wide range of training activities in the fields of C+ Management system, Lean tools, mentalities and behaviors, strategy and operating systems.

Maintenance Academy

It delivers the best industry standards in mining equipment maintenance. It aims to migrate from reactive to proactive maintenance, decreasing failures and helping to increase productivity.

Sustainability and Operational Health and Safety (OHS) Academy

The Security and OHS Academy aims to develop the skills needed to support the implementation of the Corporation's new security strategy, as well as ensure regulatory compliance. While the Sustainability Academy aims to develop skills required to meet our environmental and social goals, achieving positive impacts on the territories where our deposits are located.

Procurement Academy

It provides training support to implement the new procurement operating model, and helps to develop the skills required for the business goals.

Support Academy

It ensures the teams that provide company-wide support have the necessary skills to help achieve strategic goals, also ensuring the deployment of corporate programs from these areas to the rest of the company. It addresses leadership, ethical, risk management and management system certification issues.

Operations/Smelters and Refineries (FuRe) Academy

It contributes to the transformation process by developing and levelling-up skills, business and process knowledge management, to transfer best practices between business units, helping to understand the value of FuRe processes, identifying opportunities for improvement and creating initiatives to optimize business competitiveness and productivity.

Digital Academy

Its goal is to develop our employees' digital skills, through a training plan to close gaps, by developing new skills and incorporating different methods, such as advanced analytics, data value chain and cybersecurity tools.



Training

[GRI 404-1]

		2020		2021	
Hours of training per employee by gender and role		Total hours of training	Percentage of total hours of training over total hours worked	Total hours of training	Percentage of total hours of training over total hours worked
Gender	Men	200,590	0.70%	357,376	1.20%
	Women	66,020	2.00%	113,205	2.87%
Role	Executives	4,398	1.00%	7,299	1.53%
	Technicians	115,964	1.50%	180,114	2.02%
	Operators	146,247	0.60%	283,168	1.16%
Total		266,610	0.80%	470,581	1.39%

In 2021, the Training Index (total hours worked) significantly increased by 72%. During the year we specifically focused on training women, with 2.87% of the index, compared to 1.20% in men. As for the total, we had a 76% increase in training hours, mainly because of the 2020 pandemic.



Performance Assessment

[GRI 404-3]

The Performance Management System is a process that aligns personal conduct with the expected goals of those who work at Codelco. This annual process includes four stages: planning, monitoring, evaluation and feedback. It is applied to anyone who has been working for three months under an indefinite contract.

The behaviors assessed by this system are defined in the Codelco Leadership Seal:



ENGAGE
WITH A COMMON PURPOSE



DEVELOPMENT
PEOPLE



PARTICIPATE
IN WORK TEAMS



CHALLENGE
MYSELF TO GO BEYOND

2021 was the first year when our personnel managed its performance in the GPS system (*Success Factor*). The Chuquicamata operation level was not assessed, and it will resume this process in the 2022 cycle.

Employees with Performance Assessment

	2020			2021		
	Women	Men	Total	Women	Men	Total
Total employees	1,426	13,325	14,751	1,801	13,765	15,566
Employees assessed	1,291	11,816	13,107	1,134	10,599	11,733
% over total employees	91%	89%	89%	63%	77%	75%

Turnover

[GRI 401-1]

In 2021, there were 1,537 new entries, while there were 1,195 exits.

	2020		2021		
	N°	%	N°	%	
Entries					
	Man	739	87%	1,044	68%
Gender	Woman	106	13%	493	32%
Age	Under 30	181	21%	446	29%
	30 - 50	629	74%	1,039	68%
	Over 50	35	4%	52	3%
Total	845		1,537		

	2020		2021		
	N°	%	N°	%	
Exits					
	Man	2,039	88%	997	83%
Gender	Woman	265	12%	198	17%
Age	Under 30	82	4%	123	10%
	30 - 50	535	23%	613	51%
	Over 50	1,687	73%	459	38%
Total	2,304		1,195		



SYSTEM AND STRATEGY

[GRI 403-1]

OCCUPATIONAL HEALTH AND SAFETY (MATERIAL TOPIC)

[GRI 3-3]

Codelco's Occupational Health and Safety Policy (OHS) is executed through the Operational Risk and Workplace Health and Safety Management System (SIGO). In 2021, in addition to maintaining a strict control plan in response to the pandemic, we launched the new Occupational Health and Safety Strategy 2021-2024.

We used SIGO, through the Operational Health and Safety Guidelines (RESSO), for Codelco employees and those who provide services through contractors, which was updated during the year and released in January 2022.

To accomplish the continuous improvement of the system, new critical risk control methods were included, through bow-tie diagrams and specific control panels. Thus, SIGO complies with Chilean regulations on work-related injuries and ill health (e.g., Law

16.744, DS 40 and DS 54) and with specific mining regulations (DS 132). For example, this management system was improved and adapted to the pandemic, this allowed us to quickly prepare instructions to respond to the different scenarios caused by Covid-19.

The system is managed through plans specific to each business unit. SIGO currently complies with ISO 45001 clauses.



Strategy 2021-2024

[GRI 403-6][ICMM 5]

We have an Occupational Health and Safety strategy in place until 2024; it was prepared based on a performance gap analysis. It defined four work pillars:

- Critical Risk Control
- Onsite Leadership
- Learning
- Culture of Excellence

In 2021, we focused our supervisor training on critical risk controls (fatality and major operational impacts) and onsite leadership, because to achieve our target and eliminate fatal accidents, leaders have a key role in adapting behaviors and in ensuring effective internal controls have been designed.

Thus, we held formal on-site sessions and meetings with executive committees and security managers from all divisions, led by the Operations and Sustainability and Corporate Affairs vice presidents, the corporate Health and Safety manager and the corporate Analysis and Improvement director.

We also developed a communication campaign to raise awareness about critical risks.



RAISING AWARENESS OF HEALTH CRISIS

During the second year of the pandemic, we actively helped to reduce the rate of daily Covid-19 infections and to protect our employees and their families, thanks to a high testing rate, vaccine promotion campaigns and a strict adherence to the health guidelines recommended by authorities.

At our business units, everyone is tested on a weekly basis, i.e., thousands of antigen tests have been performed.

The Radomiro Tomic Division strengthened its “Healthy Lifestyle Program” to reduce the population at risk and prepare a comprehensive plan for critical groups. This initiative focused on obesity and overweight among workers, as people with a high body mass index are more exposed to developing serious pathologies if they are affected by the virus.

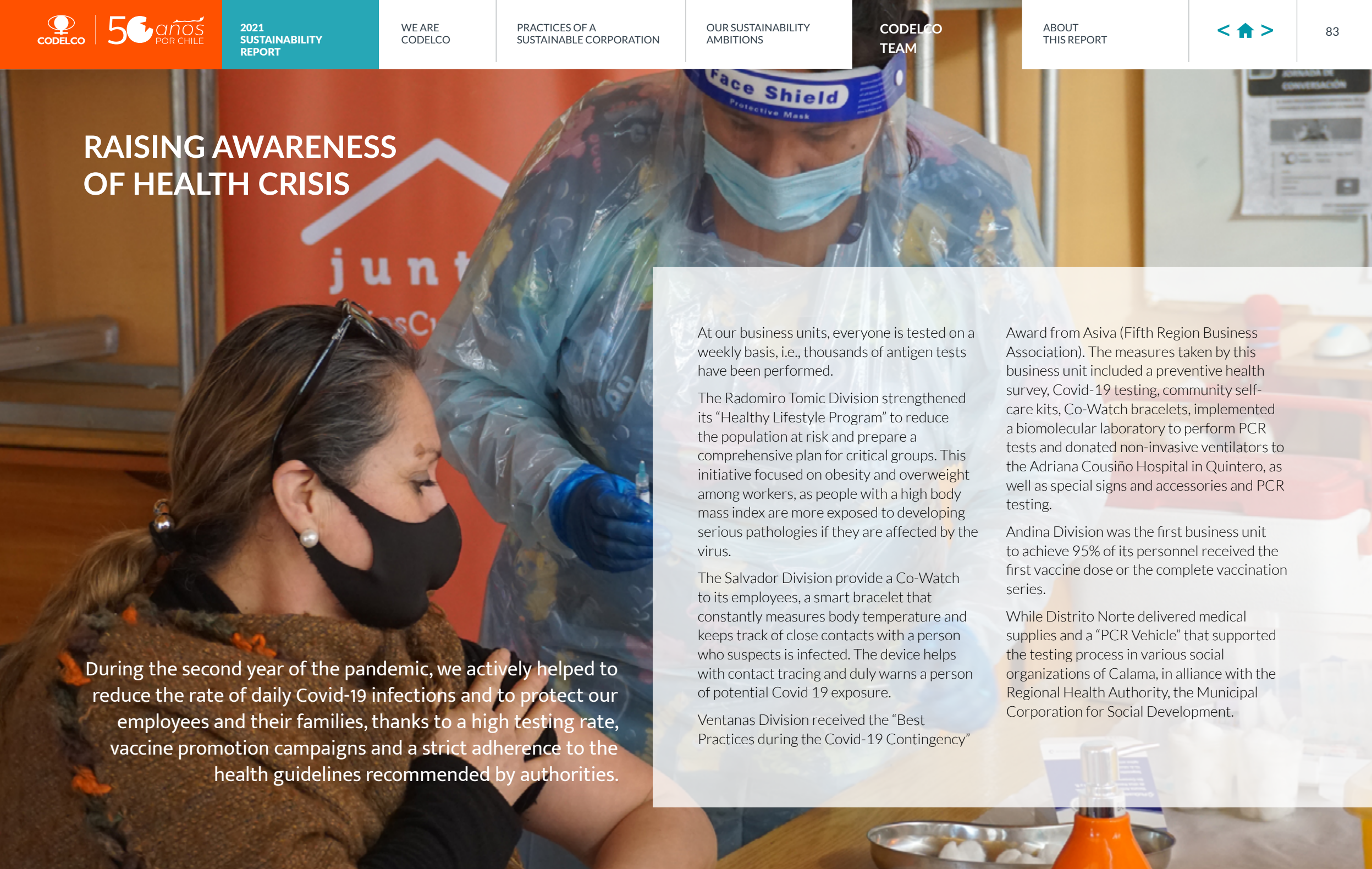
The Salvador Division provide a Co-Watch to its employees, a smart bracelet that constantly measures body temperature and keeps track of close contacts with a person who suspects is infected. The device helps with contact tracing and duly warns a person of potential Covid 19 exposure.

Ventanas Division received the “Best Practices during the Covid-19 Contingency”

Award from Asiva (Fifth Region Business Association). The measures taken by this business unit included a preventive health survey, Covid-19 testing, community self-care kits, Co-Watch bracelets, implemented a biomolecular laboratory to perform PCR tests and donated non-invasive ventilators to the Adriana Cousiño Hospital in Quintero, as well as special signs and accessories and PCR testing.

Andina Division was the first business unit to achieve 95% of its personnel received the first vaccine dose or the complete vaccination series.

While Distrito Norte delivered medical supplies and a “PCR Vehicle” that supported the testing process in various social organizations of Calama, in alliance with the Regional Health Authority, the Municipal Corporation for Social Development.



SITE HEALTHCARE SERVICES

[GRI 403-6]

Our operations have polyclinics available to all our employees and contractors, whether they have work-related or non-work-related injuries or ill health. They receive first-aid treatment and, depending on the severity of a case, they are sent to the appropriate medical center.

Campaigns and programs are developed at all divisions to address quality of life and health, with information displayed in high-traffic areas. In addition, educational videos are permanently shown on the Codelco network, available to everyone who works for the company.

Key Employee and Contractor H&S Indicators

[GRI 403-9] [SASB EM-MM-320a.1]

Año	Total Injuries	Lost-Time Injuries	Injury Frequency Rate	Severity Rate	Lost workdays per accident + Days charged	Fatalities
EMPLOYEES						
2017	213	34	0.99	428	15,633	2
2018	202	40	1.13	436	16,242	2
2019	180	36	1.08	325	11,081	1
2020	136	33	1.02	126	4,075	0
2021	111	21	0.71	333	10,381	1
CONTRACTORS						
2017	647	84	0.83	44	4,448	0
2018	623	82	0.77	179	19,522	2
2019	666	71	0.58	73	8,936	0
2020	417	62	0.75	129	10,832	1
2021	556	73	0.77	53	5,052	0
TOTAL CODELCO						
2020	553	95	0,83	128	14,907	1
2021	667	94	0,75	123	15,433	1

1 Total injuries: Lost-time, non-lost time and fatal accidents.

2 Lost-time injuries: work-related accidents, where the worker was on sick leave for one or more days, due to a temporary disability.

3 Non-lost-time injuries: work-related accidents, where the worker had minor injuries and was able to return to work and normal shift without sick leave.

4 Injury frequency rate: (lost-time + fatal accidents) / hours worked * 1,000,000

5 Severity rate: (lost workdays per accident + days charged) / hours worked * 1,000,000

6 Lost workdays per injury: lost workdays per work-related accident subject to sickness benefit, whether it is paid or not in the reported month, including rollover.

7 Days charged: days that need to be added to days absent, to calculate severity rate, based on international tables to assess permanent total disabilities and deaths.

8 Fatal Accident: an incident that leads to a work-related fatality, immediate or as direct cause of an accident.

9 Lost workday accident + days charged for 2017 were modified based on better information available.



In 2021 we had to regret the loss of Rodrigo Roco, a worker at Chuquicamata Division.

This incident highlights the importance of improving our health and safety strategy, incorporating more preventive controls and ensuring compliance to prevent fatalities.

LABOR RELATIONS (MATERIAL TOPIC)

[GRI: 3-3, 2-10]

Collective Bargaining Agreements

[GRI 2-30] [SASB EM-MM-310a.1]

At our Corporation, 92% of total supervisors and workers under an indefinite contract are union members, of which 72.2% are supervisors and 99.9% are workers.

In 2021, we closed 24 collective bargaining negotiations leading to collective agreements.

At Codelco we have high unionization rates, ranging from operational to supervisory areas. Constant communication between union leaders and the company, based on transparency and mutual trust, is a lever for the transformation aimed to extend our operations.

Collective Agreements	2019	2020	2021
Unionized employees	15,090	13,639	13,427
Employees with union extension	1,133	1,009	1,057
Percentage of unionized employees	93.0%	93.2%	92.7%
Employees covered by collective agreements	16,223	14,648	14,484
Existing agreements	33	33	33

Trade Unions

[Codelco 24]

Codelco employees have a long trade union tradition. The oldest organization, created in 1925, is Union 5 at El Teniente, while the newest is the Plants Union, started in 2017.

Division	Trade Union	Creation Date	Union Leader	Last Collective Bargaining	Agreement Termination Date
Chuquicamata	Union 1	02-16-1930	Hector Roco	Dec-2021	May-2025
	Union 2	08-22-1957	Liliana Ugarte	Dec-2021	May -2025
	Union 3	05-07-1988	Miguel Véliz	Dec-2021	May -2025
	Union 5	10-30-1990	Yasna Barraza	Dec-2021	Jul-2025
	Union 1 Antofagasta	08-08-1941	Gloria Jiménez	Dec-2021	Jul-2025
	Union of Mine Workers	10-15-2002	Daniel Díaz	Dec-2021	Aug-2025
	Supervisors' Union	11-22-1989	Marcelo Bucarey	Dec -2020	Mar-2024
Radomiro Tomic	Workers' Union	09-17-1997	Rosa Farías	Mar-2021	Mar-2024
	Plant and Administration	12-22-2017	Ariel Rivero	Mar -2021	Mar -2024
Ministro Hales	Union of Professionals	07-29-1999	Ignacio Céspedes	Dec-2020	Dec-2023
	Union of Operators	06-23-2011	Milton Alarcón	Nov-2021	Nov-2024
	Union of Professionals	09-09-2014	Yony Ayala	Feb-2021	May-2024
Gabriela Mistral	Workers' Union	09-14-2007	Carmen Zuleta	Dec-2021	May-2025
	Union of Professionals	11-10-2011	Patricia Toro	Oct-2021	Oct-2024
Salvador	Potreros Workers' Union 2	12-03-1932	Patricio Elgueta	Oct-2021	Oct-2024
	Benito Tapia Workers' Union 6	01-05-1959	Francisco Luna	Sept-2021	Aug-2024
	Supervisors' Union	04-19-1990	Sergio Salazar	Dec-2021	Apr-2025



Division	Trade Union	Creation Date	Union Leader	Last Collective Bargaining	Agreement Termination Date
El Teniente	Workers' Union 7	10-01-1940	Julio Jalil	Sept-2021	Oct-2024
	Sewell and United Mine Union	08-01-1925	Amador Pantoja	Sept-2021	Oct-2024
	Caletones Workers' Union	04-14-1992	Sergio Clavero	Sept-2021	Oct-2024
	Union 5	08-01-1925	Alejandro Soto	Sept-2021	Oct-2024
	El Teniente Workers' Union	06-26-1969	Alfonso Saavedra	Sept-2021	Oct-2024
	San Lorenzo Union (Rajo Sur)	07-02-2013	Rodrigo Milla	Nov-2020	Dec-2023
	Supervisors' Union	10-26-1989	Cristian Aracena	sept-2020	Oct-2023
Andina	Union of United Workers	03-29-1995	Patricia Herrera	Aug-2021	Jul-2024
	Industrial Union of Labor Integration	05-23-1991	Nelson Cáceres	Aug-2021	Jul-2024
	Plant Trade Union	11-27-2017	Clodomiro Vásquez	Aug-2021	Jul-2024
Ventanas	Supervisors' Union	11-30-1989	Elizabeth Lemaitre	Sept-2021	Aug-2024
	Shift Trade Union	04-23-2005	Manuel Araya	Nov-2020	Apr-2024
Head Office	Trade Union 1	09-07-1979	Andrea Cruces	Nov-2020	Jan-2024
	Workers' Union	06-26-1969	Ana Vásquez	May-2021	Apr-2024
	Supervisors' Union	07-11-1990	Diego Jiménez	Dec-2020	Dec-2023
	VP Trade Union	12-17-2012	Maritza Castro	Jan-2022	Dec-2024

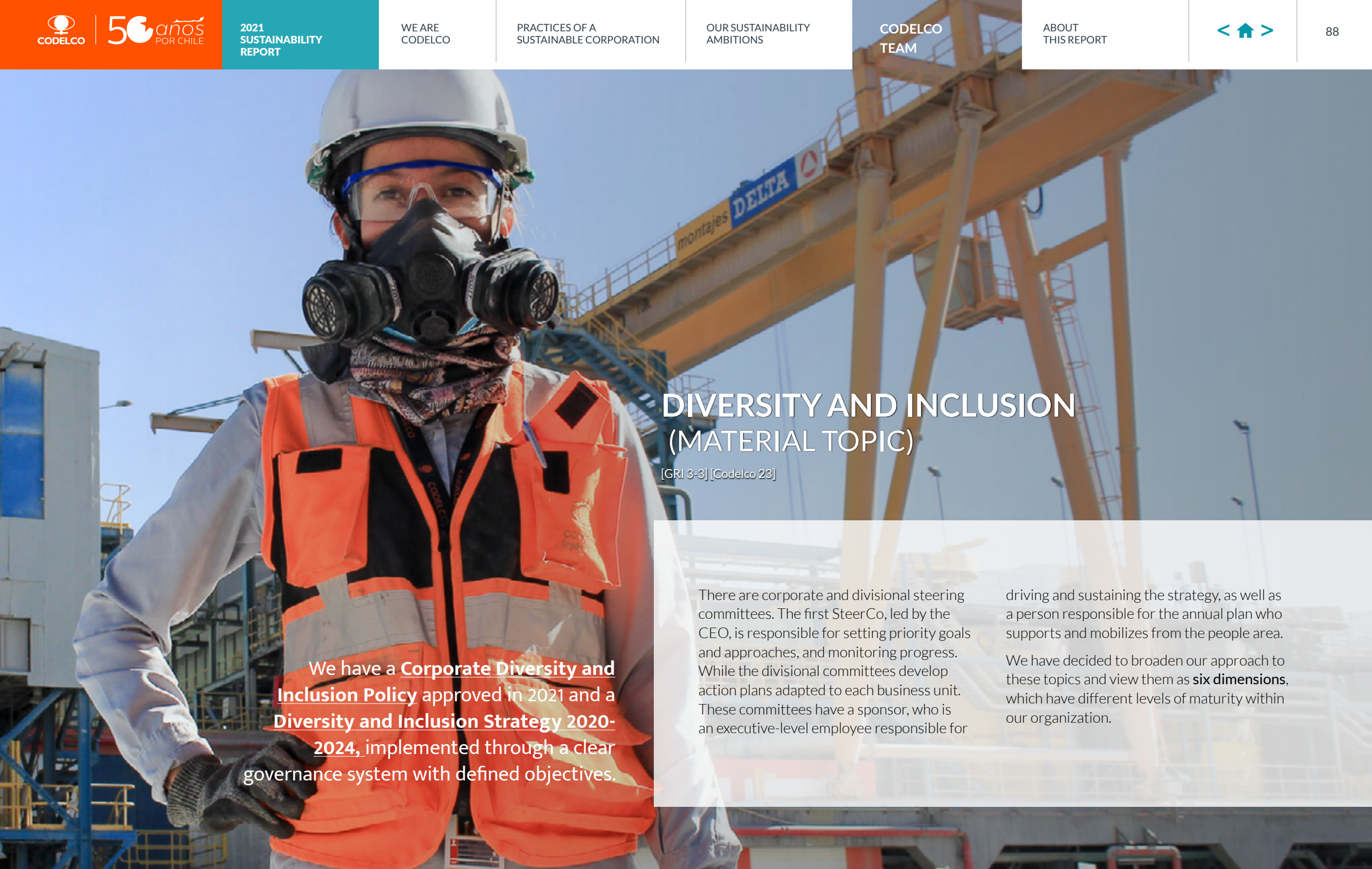
Women union leaders represent

33%.

Strikes

[GRI MM4] [SASB EM-MM-310a.2]

In all the bargaining processes held in 2021, only the three unions at Andina Division went on a legal strike, which lasted for 20 days in August and September. The bargaining process concluded with a 3-year collective agreement, a bonus for end of dispute and benefits associated with production targets at this business unit.



DIVERSITY AND INCLUSION (MATERIAL TOPIC)

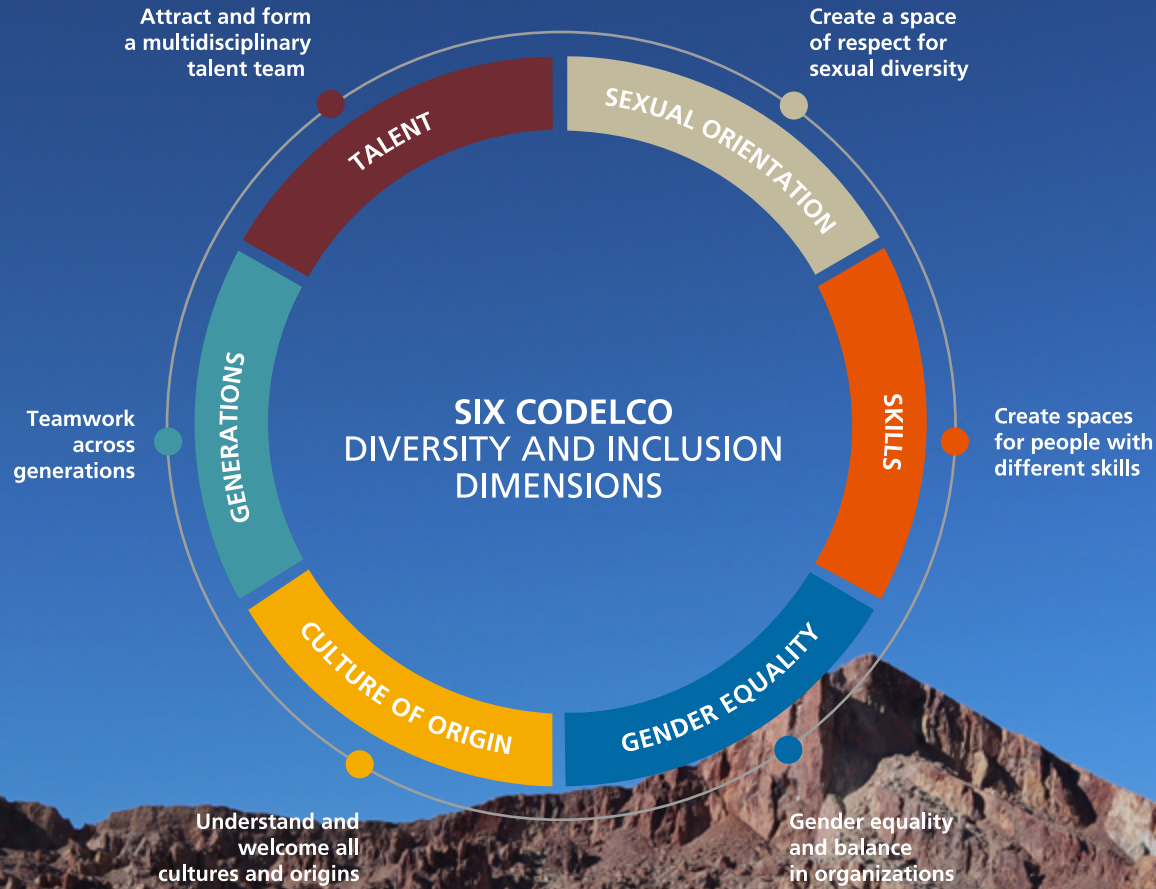
[GRI 3-3] [Codelco 23]

We have a **Corporate Diversity and Inclusion Policy** approved in 2021 and a **Diversity and Inclusion Strategy 2020-2024**, implemented through a clear governance system with defined objectives.

There are corporate and divisional steering committees. The first SteerCo, led by the CEO, is responsible for setting priority goals and approaches, and monitoring progress. While the divisional committees develop action plans adapted to each business unit. These committees have a sponsor, who is an executive-level employee responsible for

driving and sustaining the strategy, as well as a person responsible for the annual plan who supports and mobilizes from the people area.

We have decided to broaden our approach to these topics and view them as **six dimensions**, which have different levels of maturity within our organization.



GOAL AND RESULTS

These goals represent our commitment to attract and develop female talent in Codelco teams. We consider it essential to address this challenge and drive deep changes within the Corporation, which are based on the value contributed by gender equality to wider society.

	Baseline 2020	End 2011	Goal 2024
Total Female Representation	10.0%	11.6% ⁸	15%
Professionals	20.0%	21.0%	25%
Executives	10.5%	12.2%	15%

Interannual growth in total female representation was the highest in 20 years.

⁷ Includes permanent, specific job, fixed period employees and apprentices.

Female employees represented 11.6% in 2021, we achieved the highest female participation in our history.



PROGRESS 2021

During the year, we carried out several activities through the company-wide Diversity and Inclusion Plan implemented.

Driving Female Talent

To drive female participation in different roles, we perform different activities to achieve gender balance. We focused on attraction and training for operational, professional and executive roles, while ensuring mobility opportunities for high-potential female employees in leadership positions.

Apprenticeship Program

This program aims to attract early on women and men from local communities to operational roles. Therefore, this program drives local employability and technical skills training for equipment maintenance and operations. Business units must ensure at least 50% of the people enrolled in the program are women.



NEW FACES IN KEY ROLES

Codelco had made progress in gender equality; in 2021, we saw more women in traditionally male roles.

Zulema Varas, mine operator who has worked at Ministro Hales for ten years, took another step in her career by becoming the first woman at this division to operate an electric-rope shovel, the largest mining machine on site. At Chuquicamata, **Nicole Vidal and Nevenka Guerrero**, maintenance

operator and expert, respectively, became the first women to operate loaders, after completing demanding theoretical and practical training.

At El Teniente, **Fabiola Leiva, Carolina Jiménez y Leyla Olivares**, all mining engineers became shift managers.

In 2021, for the first time at Gabriela Mistral Division, there is a women-only maintenance

shift; these women are electricity, electromechanics and automation experts.

At Ventanas Division, four female operators joined the Smelter Superintendence to work in Preparation and Load areas, and in the Acid Plant. One operator, **Amalia Rodríguez**, originally started as an apprentice in 2018 at this business unit.

PERSONNEL DIVERSITY

[GRI 405-1]

12%
women

6%
under 30

7%
over 60

1%
people with disabilities

0.7 %
foreign employees

Gender

2020				2021			
Men		Women		Men		Women	
Nº	%	Nº	%	Nº	%	Nº	%
13,731	89.93%	1,538	10.07%	13,783	88.44%	1,803	11.56%

Age

2021					
Under 30		30 - 60		Over 60	
Nº	%	Nº	%	Nº	%
875	5.65	13,541	86.87	1,166	7.48
2020					
Under 30		30 - 60		Over 60	
Nº	%	Nº	%	Nº	%
821	5.4	13,658	89.5	788	5.2

People with Disabilities

The Integrated Operations Center (CIO) at El Teniente successfully carried out a pilot program to include people with disabilities, with the collaboration of Fundación Arando Esperanza. In 2021, three people were hired to operate cameras in the dining rooms and platforms, and to monitor Covid-19 protocol compliance. In the future, they will receive training to remotely operate equipment inside the mine pit.

“La Minga”

We also developed “La Minga”, an initiative to engage our teams to interact with different social realities. A program in this initiative consists of mentoring women entrepreneurs from indigenous peoples, to create a support network that guides and makes their tourism, handicraft or food business more feasible and visible.

In 2021, we again adhered to the Gender Parity Initiative, of the Ministry of Women and Gender Equality, to have external, traceable and effective standards and to continue improving our strategy.



People with Disabilities

2020		2021	
Nº	%	Nº	%
146	0.9	169	1.09

Foreign Nationals

2020		2021	
Nº	%	Nº	%
94	0.6	109	0.7

Compensation

[GRI 2-21, 202-1]

Compensation Ratio between Highest Paid and Average Salary

	2020	2021
Highest-paid individual during year	Vice-President Operaciones Centro Sur	Chief Executive Officer
Median annual total compensation for all employees (excluding the highest-paid individual)	\$3,133,483	\$3,000,131
Types of compensation included in the calculation	Total Compensation (guaranteed base salary + bonuses)	Total Compensation (guaranteed base salary + bonuses)
Employees included in calculation	Employees in executive, A and B under indefinite contract, full-time roles across divisions, Head Office and Projects Vice-Presidency	Employees in executive, A and B under indefinite contract, full-time roles across divisions, Head and Projects Vice-Presidency
Annual total compensation ratio for highest-paid individual to the median annual total compensation for all remaining employee ratio	15.62	16.63

	Women	Men
Initial salary ratio to minimum base salary.	239%	240%
Minimum base salary in Chile in 2021	\$337,000	

ABOUT THIS REPORT

SCOPE

[GRI 3-1, 2-4a, 2-3a, 2-5]

This document is the 17th annual edition of the Sustainability Report by *Corporación Nacional del Cobre de Chile*, where we report on how we manage the economic, environmental and social impacts of our operations, and on topics important to our stakeholders.

This information is for the reporting period starting on January 1 and ending on December 31, 2021, and it includes all our operations and activities. The content definition is based on the updated version of the Global Reporting Initiative (GRI) Standards and the reporting recommendations by the International Council on Mining and Metals (ICMM). This report also responds to the Communication on Progress (CoP) of the UN Global Compact.

Report content was not restated during this reporting period compared to 2020. Similarly, there were no changes in scope or calculation method for the information reported.

The accuracy of the information presented has been externally verified by Deloitte; its assessment is found in the Auditor's Assurance Statement at the end of this chapter.

MATERIALITY ASSESSMENT

[GRI 2-29, 3-2]

In 2020 we conducted a detailed materiality assessment, which allowed us to identify the main impacts of our operations and the most important issues for our stakeholders and corporate agenda.

In 2021, we updated this process through a limited consultation and comprehensive review of the Corporation's internal documentation, including policies, practices and stakeholder engagement activities.

We applied the GRI reporting method proposed, which considers the following stages:

1. We identified our impacts and the most important issues for the corporation and stakeholders

We conducted an extensive review of secondary material from internal and external sources to identify issues that set the industry's agenda and were of the most relevant to Codelco and our stakeholders.

After the above review, we analyzed media and international sustainability trends in the mining industry and we benchmarked reporting best practices.

2. Priority topics

We updated and prioritized the topics identified in the data review based on the 2020 list of material topics. These issues were assessed in a consultation with corporate members and our stakeholder representatives.

3. We validated 2021 material topics

Based on the consultation analysis, we were able to prioritize the list of material topics addressed in the interviews. This prioritization was discussed and approved by the Corporate Affairs and Sustainability Vice-Presidency and the Board Sustainability Committee.

The topics assessed in this Sustainability Report are as follows:

1. Corporate Governance
2. Ethics and Compliance
3. Risk Management
4. Human Rights
5. Strategy and Transformation
6. Climate Change Mitigation and Adaptation
7. Air Quality and Emissions
8. Water
9. Waste Management
10. Tailings Management
11. Biodiversity Conservation
12. Mine Closures
13. Regulatory Compliance
14. Open Innovation and Digitalization
15. Community Development
16. Local Hiring
17. Social Investment
18. Local Supplier Development
19. Occupational Health and Safety
20. Human Capital Management
21. Diversity and Inclusion
22. Labor Relations



Deloitte.

INDEPENDENT VERIFICATION LETTER OF INDICATORS OF THE 2021 CODELCO SUSTAINABILITY REPORT

Sirs
President and Directors
CODELCO
Present

Of our consideration:

We have reviewed the following aspects of the CODELCO Sustainability Report 2021

Scope

Limited assurance engagement of the adherence of the contents and indicators included in the CODELCO Sustainability Report 2021 to the Global Reporting Initiative (GRI) Standards, regarding the organization's profile and material indicators arising from the materiality process carried out by the company around to the criteria established by said standard, in addition to the review of compliance with the Principles of Sustainable Development and the Statements of Position of the International Council on Mining and Metals (ICMM).

Standards and verification processes

We have carried out our task in accordance with the guidelines of the International Standard on Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000) issued by the International Auditing and Assurance Standard Board (IAASB) of the International Federation of Accountants (IFAC). The Sustainability Standards of the Global Reporting Initiative and the Assurance Criteria according to the subject matter object of analysis 1, 2, 3 and 4 of the International Council on Mining and Metals.

Our verification work consisted in reviewing the evidence provided by the business units of CODELCO, which have been involved in the process of making this Report, which supports the information written in the Report, as well as in the application of analytic procedures and verification tests, which are described in the following items:

- ✓ Meetings with key managers, responsible for the information described in the CODELCO report.
- ✓ Analysis of the adaptation of the contents of the CODELCO 2021 Sustainability Report to those recommended by the GRI Standard in its Essential compliance option, and verification that the verified indicators included in this Report correspond to the protocols established by said standard and are justified indicators not applicable or not material.
- ✓ Verification that the verified indicators included in this Report correspond to the protocols established by said standard.
- ✓ Verification through revision tests of the quantitative and qualitative information, corresponding to the indicators of the GRI Standard included in the CODELCO 2021 Sustainability Report, and its adequate compilation from the data provided by the CODELCO information sources.

Conclusions

- ✓ The verification process was carried out based on the GRI indicators included in the 2021 version of the Sustainability Report. The reported and verified indicators are indicated in the following table:

General and Specific Content											
2-1a	2-6b	2-1c	2-1e	2-1b	2-7, 2-8	2-7	2-6c	2-6b	2-23	2-26	
2-29	2-2, 2-2b	2-2c	3-1	3-2	2-4a	2-3a	2-3d	1	2-5	3-3	
2-9	2-13	2-11	2-10	2-15	2-12	2-18	2-14	2-19	2-20	2-21	
2-26	205-1	205-2	205-3	406-1	415-1	419-1	408-1	409-1	412-1	412-2	
2-22	2-25	201-2	302-1	302-3	302-4	305-1	305-2	305-3	305-4	305-7	
303-1	303-2	303-4	303-5	306-3	306-4	306-6	305-7	306-1	306-2	306-3	
306-4	306-5	304-1	304-2	304-3	304-4	2-27	307-1	411-1	413-1	413-2	
204-1	308-8	407-1	414-1	403-1	403-6	403-9	202-1	401-1	404-1	404-2	
404-3	405-1	405-2	2-30								
Mining & Metals											
MM2	MM3	MM4	MM5	MM6	MM10						

Likewise, the following company-specific indicators were verified:

- Codebo 1: Training and compliance.
 - Codebo 2: Compliance management model.
 - Codebo 3: Risk management model.
 - Codebo 4: Instances of participation in Human Rights.
 - Codebo 5: Human Rights management system.
 - Codebo 6: Water management model.
 - Codebo 8: Tailings management model.
 - Codebo 9: Climate Change Strategy.
 - Codebo 10: Average number of local workers in collaborating companies.
 - Codebo 11: Rate of local labor in collaborating companies.
 - Codebo 12: Social investment.
 - Codebo 13: Capacity development.
 - Codebo 15: Biodiversity management model.
 - Codebo 16: Work closure management model.
 - Codebo 18: Critical suppliers.
 - Codebo 23: Diversity and inclusion management.
 - Codebo 24: Union information.
 - Codebo 29: Board effectiveness.
 - Codebo 34: ITC Results.
- ✓ Regarding the verified indicators, we can affirm that no aspect has been revealed that would make us believe that the CODELCO 2021 Sustainability Report has not been prepared in accordance with the GRI Standard or with the Assurance Criteria according to the subject matter object of analysis 1, 2, 3 and 4 of the International Council on Mining and Metals (ICMM), in the aspects indicated in the scope.

Responsibilities of the management of CODELCO and Deloitte

- The preparation of the CODELCO 2021 Sustainability Report, as well as its content, is the responsibility of CODELCO, which is also responsible for defining, adapting and maintaining the management and internal control systems from which the information is obtained.
- Our responsibility is to issue an independent report, based on the procedures applied in our review.
- We have carried out our work in accordance with the independence standards required by the IFAC Code of Ethics.
- The verification conclusions made by Deloitte are valid for the latest version of the chapters sent from the CODELCO 2021 Sustainability Report in our possession, received on 04/20/2021.
- The scope of a limited security review is substantially less than that of a reasonable security review or audit, therefore we do not provide an audit opinion on the CODELCO 2021 Sustainability Report.

Christian Durán
Partner
June 14, 2022

ASSURANCE STATEMENT

Category	Type	Code	GRI Disclosure	Page or Comment
GRI GENERAL DISCLOSURES				
GRI 2 (2021): General Disclosures	Organization Profile	GRI 2-1a	Name of organization	3, back cover
		GRI 2-6b	Activities, brands, products and services	14
		GRI 2-1c	Location of headquarters	back cover
		GRI 2-1d	Location of operations	13
		GRI 2-1b	Ownership and legal form	back cover
		"GRI 2-7, 2-8 SASB: EM-MM-510a.2 EM-MM-000.A"	Key Figures 2021	9
		"GRI 2-7 SASB: EM-MM-000.B"	Information on employees and other workers	76
	GRI 2-6c	Supply Chain	70	
	GRI 2-6b	Significant changes to the organization and its supply chain	70	
	GRI 2-23	Precautionary principle or approach	" 39 Codelco uses its sustainability commitments to apply the precautionary principle. "	
	Stakeholder Participation	GRI 2-28	Membership and associations	19
		GRI 2-29	Our stakeholder engagement approach	17
	Reporting Practices	GRI 2-2a, 2-2b, 2-2c	Entities included in the consolidated financial statements	See 2021 Annual Report

Category	Type	Code	GRI Disclosure	Page or Comment		
		GRI 3-1	Defining material topics	93		
		GRI 3-2	List of material topics	93		
		GRI 2-4a	Restatements of information	93		
		GRI 2-4a	Changes in reporting	93		
		GRI 2-3a	Reporting period	93		
		GRI 2-3a	Date of most recent report	93		
		GRI 2-3a	Reporting cycle	93		
		GRI 2-3d	Contact point for questions regarding the report	x		
		GRI 1	Claims of reporting in accordance with the GRI Standards	This report was prepared in accordance with the GRI principles for sustainability reporting.		
		GRI 1	GRI content index	95		
		GRI 2-5	External assurance	95		
		MATERIAL TOPICS				
		CORPORATE GOVERNANCE				
GRI 3 (2021): Management Approach	Management Approach	GRI 3-3	Explanation of the material topic and its boundaries	20		
		GRI 3-3	The management approach and its components	20		
		GRI 3-3	Evaluation of the management approach	20		

Category	Type	Code	GRI Disclosure	Page or Comment
GRI 2 (2021) General Disclosures	Governance	GRI 2-9	Governance structure	21
		GRI 2-13	Delegating authority	24
		GRI 2-11	Chair of the highest governance body	20, 21
		GRI 2-10	Nominating and selecting the highest governance body	20
		GRI 2-15	Conflicts of interest	32
		GRI 2-12	Roles of the highest governance body in selecting goals, values and strategy	22
		GRI 2-18	Evaluation of the performance of the highest governance body	24
		GRI 2-14	Role of the highest governance body in sustainability reporting	22
		GRI 2-19	Remuneration policies	24
		GRI 2-20	Process to determine remuneration	24
		GRI 2-21	Annual total compensation ratio	92
Own indicator	Governance	Codelco 29	Board Effectiveness: attendance percentage and participation in other boards	24
ETHICS AND COMPLIANCE				
GRI 3 (2021): Management Approach	Management Approach	GRI 3-3	Explanation of the material topic and its boundaries	29
		GRI 3-3	The management approach and its components	29
		GRI 3-3	Evaluation of the management approach	29

Category	Type	Code	GRI Disclosure	Page or Comment
GRI 2 (2021) General Disclosures	Ethics and Integrity	GRI 2-23	Values, principles, standards, and norms of behavior	29
		GRI 2-26 ICMC 1	Mechanisms for seeking advice and raising concerns	29
		GRI 205 (2016) Anti-Corruption	Operations assessed for risks related to corruption	31
GRI 205 (2016) Anti-Corruption	Anti-Corruption	GRI 205-1 SASB: EM-MM-510a.1	Operations assessed for risks related to corruption	31
		GRI 205-2	Communication and training about anti-corruption policies and procedures	31
		GRI 205-3	Confirmed incidents of corruption and actions taken	30, 31
GRI 406 (2016) Non-Discrimination	Non-Discrimination	GRI 406-1	Incidents of discrimination and corrective actions taken	30
GRI 415 (2016) Public Policy	Public Policy	GRI 415-1	Political contributions	As a state-owned company, we do not make this type of contributions.
GRI 419 (2016) Force or Compulsory Labor	Force or Compulsory Labor	GRI 419-1	Non-compliance with laws and regulations in the social and economic area	32
"ICMM Own Indicator"	Compliance	ICMM 1 Codelco 2	Compliance management model	31
Own Indicator		Codelco 1	Compliance training	31
RISK MANAGEMENT				
GRI 3 (2021): Management Approach	Management Approach	GRI 3-3	Explanation of the material topic and its boundaries	33
		GRI 3-3	The management approach and its components	33
		GRI 3-3	Evaluation of the management approach	33

Category	Type	Code	GRI Disclosure	Page or Comment
"ICMM Own Indicator"	Risk Management	ICMM 4 Codelco 3	Risk management model	33
HUMAN RIGHTS				
GRI 3 (2021): Management Approach	Management Approach	GRI 3-3	Explanation of the material topic and its boundaries	36
		GRI 3-3	The management approach and its components	36
		GRI 3-3	Evaluation of the management approach	36
GRI 408 (2016): Child Labor	Child Labor	GRI408-1 ICMM 3	Operations and suppliers at significant risk for incidents of child labor	36
GRI 409 (2016): Forced or Compulsory Labor	Force or Compulsory Labor	GRI 409-1 ICMM 3	Operations and suppliers at significant risk for incidents of forced or compulsory labor	36
GRI 412 (2016): Human Rights Assessment	Human Rights Assessment	GRI 412-1 ICMM 3	Operations that have been subject to human rights reviews or impact assessments	36
		GRI 412-2 ICMM 3	Employee training on human rights policies or procedures	36
"ICMM Own Indicator"			Participation in human rights	36
"ICMM Own Indicator"		ICMM 3 Codelco 5	Human rights management system	36
STRATEGY AND TRANSFORMATION				
GRI 3 (2021): Management Approach	Management Approach	GRI 3-3	Explanation of the material topic and its boundaries	67
		GRI 3-3	The management approach and its components	67
		GRI 3-3	Evaluation of the management approach	67

Category	Type	Code	GRI Disclosure	Page or Comment
GRI 2 (2021) General Disclosures	Strategy	GRI 2-22	Letter from the Chief Executive Officer	4
		GRI 2-25 ICMM 4	Key impacts, risks and opportunities	33, 36
ICMM	Strategy	ICMM 2	VP Sustainability interview	6
GRI 2 (2021) General Disclosures	Value Chain	GRI 2-1b	Mining process	17
	Risks and opportunities due to climate change	GRI 201-2	Financial implications and other risks and opportunities due to climate change	35
ICMM	Cultural Transformation	ICMM 2	Cultural transformation process	39
ICMM	Sustainability strategy	ICMM 2	Sustainability Strategy by 2030 and performance indicators for each priority ad related SDG	39
CLIMATE CHANGE MITIGATION AND ADAPTATION				
GRI 3 (2021): Management Approach	Management Approach	GRI 3-3	Explanation of the material topic and its boundaries	42
		GRI 3-3	The management approach and its components	42
		GRI 3-3	Evaluation of the management approach	42
GRI 302 (2016) Energy	Energy	GRI 302-1 SASB EM-MM-130a.1	Energy consumption within the organization	46
		GRI 302-3	Energy intensity	46
		GRI 302-4	Reduction of energy consumption	46

Category	Type	Code	GRI Disclosure	Page or Comment
GRI 305 (2016) Emissions	Emissions	GRI 305-1 SASB EM-MM-110a.1	Direct (Scope 1) GHG emissions	43
		GRI 305-2	Energy indirect (Scope 2) GHG emissions	43
		GRI 305-3	Other indirect (Scope 3) GHG emissions	43
		GRI 305-4 ICMM 6	GHG emissions intensity	43
"ICMM Own Indicator"	Climate Change	ICMM 6 Codelco 9	Climate change strategy	42
EMISSIONS AND AIR QUALITY				
GRI 3 (2021): Management Approach	Management Approach	GRI 3-3	Explanation of the material topics and its boundaries	47
		GRI 3-3	The management approach and its components	47
		GRI 3-3	Evaluation of the management approach	47
GRI 305 (2016) Emissions	Emissions	GRI 305-7 SASB EM-MM-120a.1	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	43
WATER RESOURCES				
GRI 3 (2021): Management Approach	Management Approach	GRI 3-3	Explanation of the material topic and its boundaries	49
		GRI 3-3	The management approach and its components	49
		GRI 3-3	Evaluation of the management approach	49

Category	Type	Code	GRI Disclosure	Page or Comment
GRI 303 (2018) Water and Effluents	Water and Effluents	GRI 303-1 ICMM 6	Interactions with water as a shared resource	49
		GRI 303-2 ICMM 6	Management of water discharge-related impacts	50
		GRI 303-3 SASB EM-MM-140a.1	Water withdrawal	50
		GRI 303-4 SASB EM-MM-140a.1	Water discharge	50
		GRI 303-5 SASB EM-MM-140a.1	Water consumption	50
"ICMM Own Indicator"	Water Management	ICMM 6 Codelco 6	Water management model	49
WASTE MANAGEMENT				
GRI 3 (2021): Management Approach	Management Approach	GRI 3-3	Explanation of the material topics and its boundaries	52
		GRI 3-3	The management approach and its components	52
		GRI 3-3	Evaluation of the management approach	52
GRI 306 (2020) Waste	Waste	GRI 306-3 SASB EM-MM-150a.1	Waste generated	53
		GRI 306-4 ICMM 8	Waste diverted from disposal	53
		GRI 306-5 ICMM 8	Waste directed to disposal	53
GRI Sector Supplement	Waste	MM3 SASB EM-MM-150a.2	Large-volume mining and mineral processing waste	53

Category	Type	Code	GRI Disclosure	Page or Comment
TAILINGS MANAGEMENT				
GRI 103 (2021): Management Approach	Management Approach	GRI 3-3	Explanation of the material topic and its boundaries	54
		GRI 3-3	The management approach and its components	54
		GRI 3-3	Evaluation of the management approach	54
Own Indicator	Tailings Management	Codelco 8	Tailings management model	54
Own Indicator	Tailings Location	Codelco 8 SASB EM-MM-150a.3	Tailings location	55
BIODIVERSITY PROTECTION				
GRI 3 (2021): Management Approach	Management Approach	GRI 3-3	Explanation of the material topic and its boundaries	47
		GRI 3-3	The management approach and its components	47
		GRI 3-3	Evaluation of the management approach	47
GRI 304 (2016) Biodiversity	Biodiversity	GRI 304-1 ICMM 7	Operational sites owned leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	47
		GRI 304-2 ICMM 7	Significant impacts of activities, products and services on biodiversity	47
		GRI 304-3 SASB EM-MM-160a.3	Habitats protected or restored	47
		GRI 304-4 ICMM 7	IUCN Red List species and national conservation list species with habitats in areas affected by operations	47

Category	Type	Code	GRI Disclosure	Page or Comment
Sector Supplement	Biodiversity Management	MM2 SASB EM-MM-160a.3	The number and percentage of total site identified as requiring biodiversity management plans, according to stated criteria, and the number (percentage) of those sites with plans in place	47
		"ICMM Own Indicator"	Biodiversity management model	47
MINE CLOSURES				
GRI 3 (2021): Management Approach	Management Approach	GRI 3-3	Explanation of the material topic and its boundaries	65
		GRI 3-3	The management approach and its components	65
		GRI 3-3	Evaluation of the management approach	65
Sector Supplement	Mine Closure	MM10	Mine closure plans and management	65
Own Indicator	Mine Closure	Codelco 16	Mine closure management model	65
REGULATORY COMPLIANCE				
GRI 3 (2021): Management Approach	Management Approach	GRI 3-3	Explanation of the material topic and its boundaries	72
		GRI 3-3	The management approach and its components	72
		GRI 3-3	Evaluation of the management approach	72
GRI 2 (2021) General Disclosures	Compliance	GRI 2-27 ICMM 10	Compliance with environmental laws and regulations and Environmental Complaints and Suggestions System (SRSS)	73
GRI 307 (2016) Environmental Compliance	Environmental Compliance	GRI 307-1	Non-compliance with environmental laws and regulations	73

Category	Type	Code	GRI Disclosure	Page or Comment
OPEN INNOVATION AND DIGITALIZATION				
GRI 3 (2021): Management Approach	Management Approach	GRI 3-3	Explanation of the material topic and its boundaries	67
		GRI 3-3	The management approach and its components	67
		GRI 3-3	Evaluation of the management approach	67
Own Indicator	Innovation	Codelco 12	Other innovation projects	67
Own Indicator	Automation	Codelco 13	Technology and Automation	68
COMMUNITY DEVELOPMENT				
GRI 3 (2021): Management Approach	Management Approach	GRI 3-3	Explanation of the material topic and its boundaries	57
		GRI 3-3	The management approach and its components	57
		GRI 3-3	Evaluation of the management approach	57
GRI 411 (2016) Rights of Indigenous Peoples	Rights of Indigenous Peoples	GRI 411-1 SASB: EM-MM-210a.3	Incidents of violations involving rights of indigenous peoples	There were no incidents recorded
GRI 413 (2016) Local Communities	Local Communities	GRI 413-1 ICMM 9	Operations with local community engagement, impact assessments and development programs	59
		GRI 413-2 ICMM 9	Operations with significant actual and potential negative impacts on local communities	There were no significant impacts recorded during this reporting period

Category	Type	Code	GRI Disclosure	Page or Comment
Sector Supplement	Operations and Local Communities	MM5	Total number of operations taking place in or adjacent to indigenous peoples' territories, and number and percentage of operations or site where there are formal agreements with local communities	61
		MM6 SASB EM-MM-210b.1	Number and description of significant disputes relating to land use, customary rights of local communities and indigenous peoples	There were no disputes relating to this topic in 2021
LOCAL WORKFORCE HIRING				
GRI 3 (2021): Management Approach	Management Approach	GRI 3-3	Explanation of the material topic and its boundaries	63
		GRI 3-3	The management approach and its components	63
		GRI 3-3	Evaluation of the management approach	63
Own Indicator	Employment	Codelco 10	Average local contractors	63
Own Indicator	Local Hiring	Codelco 11 (NC24)	Local workforce rates in new investment plans	63
SOCIAL INVESTMENT				
GRI 3 (2021): Management Approach	Management Approach	GRI 3-3	Explanation of the material topic and its boundaries	57
		GRI 3-3	The management approach and its components	57
		GRI 3-3	Evaluation of the management approach	57
Own Indicator	Social Investment	Codelco 12	Social investment in CLP and USD	59
Own Indicator	Training	Codelco 13	Development of skills using training surplus	61

Category	Type	Code	GRI Disclosure	Page or Comment
LOCAL SUPPLIER DEVELOPMENT				
GRI 3 (2021): Management Approach	Management Approach	GRI 3-3	Explanation of the material topic and its boundaries	62
		GRI 3-3	The management approach and its components	62
		GRI 3-3	Evaluation of the management approach	62
GRI 204 (2016) Procurement Practices	Procurement Practices	GRI 204-1	Proportion of spending on local suppliers	62
GRI 308 (2016) Supplier Environmental Assessment	Supplier Environmental Assessment	GRI 308-1	New suppliers that were screened using environmental criteria	71
GRI 407 (2016) Freedom of Association and Collective Bargaining	Freedom of Association and Collective Bargaining	GRI 407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk.	Codelco supplier management reviews operating, ethical, environmental and social practices, which controls supplier-related risk when they do not respect labor rights.
GRI 414 (2016) Supplier Social Assessment	Supplier Social Assessment	GRI 414-1	New suppliers that were screened using social criteria	71
Own Indicator	Suppliers	Codelco 18	Critical suppliers	70

Category	Type	Code	GRI Disclosure	Page or Comment
OCCUPATIONAL HEALTH AND SAFETY				
GRI 3 (2021): Management Approach	Management Approach	GRI 3-3	Explanation of the material topic and its boundaries	81
		GRI 3-3	The management approach and its components	81
		GRI 3-3	Evaluation of the management approach	81
GRI 403 (2018) Occupational Health and Safety	Occupational Health and Safety	"GRI 403-1 ICMM 5"	Occupational health and safety management system	81
		"GRI 403-6 ICMM 5"	Promotion of work health	82
		"GRI 403-9 SASB: EM-MM-320a.1"	Work-related injuries	84
HUMAN CAPITAL MANAGEMENT				
GRI 3 (2021): Management Approach	Management Approach	GRI 3-3	Explanation of the material topic and its boundaries	75
		GRI 3-3	The management approach and its components	75
		GRI 3-3	Evaluation of the management approach	75
GRI 202 (2016) Market Presence	Market Presence	GRI 202-1	Ratios of standard entry level wage by gender compared to local minimum wage	92
GRI 401 (2016) Employment	Employment	GRI 401-1	New employee hires and employee turnover	80
GRI 404 (2016) Training and Education	Training and Education	GRI 404-1	Average hours of training per year per employee	79
		GRI 404-2	Programs for upgrading employee skills and transition assistance programs	78
		GRI 404-3	Percentage of employees receiving regular performance and career development reviews	80

Category	Type	Code	GRI Disclosure	Page or Comment
Own Indicator	Workplace climate	Codelco 34	Results of Codelco Transformation Index (ITC)	77
DIVERSITY AND INCLUSION				
GRI 3 (2021): Management Approach	Management Approach	GRI 3-3	Explanation of the material topic and its boundaries	88
		GRI 3-3	The management approach and its components	88
		GRI 3-3	Evaluation of the management approach	88
GRI 405 (2016) Diversity and Equal Opportunity	Diversity and Equal Opportunity	GRI 405-1	Diversity of governance bodies and employees	91
		GRI 405-2	Ratio of basic salary and remuneration of women to men	92
Own Indicator	Diversity	Codelco 23	Diversity and inclusion management	88
LABOR RELATIONS				
GRI 3 (2021): Management Approach	Management Approach	GRI 3-3	Explanation of the material topic and its boundaries	85
		GRI 3-3	The management approach and its components	85
		GRI 3-3	Evaluation of the management approach	85
GRI 2 (2021) General Disclosures	Stakeholder Participation	GRI 2-30 SASB EM-MM-310a.1	Collective bargaining agreements	85
GRI Sector Supplement	Labor Disputes	MM4 SASB EM-MM-310a.2	Number of strikes and lock-outs exceeding one week's duration, by country.	87
Own Indicator	Trade Unions	Codelco 24	Trade union information	86



GENERAL INFORMATION

[GRI 1a, 1b, 1c, 3a, 3d]

Name: Corporación Nacional del Cobre de Chile (Codelco)

Location: Head Office, Huérfanos 1270, Santiago, Chile

Telephone: (56 2) 2690 30 00

Ownership and Corporation Type: Public company, owned by the Chilean State. Created on April 1, 1976, by Decree Law 1,350. Registered in the Superintendence of Securities and Insurance Register, as an issuing company of public bond offerings

Regulator: Chilean Copper Commission (COCHILCO) and Comptroller General of the Republic

Year: 2021 Sustainability Report

Reporting Cycle: Annual

Contact: If you have any questions or queries about this report, please contact us at reporte@codelco.cl

IT IS ALREADY 50 YEARS FOR CHILE;
WE ARE READY FOR 50 MORE!

SUSTAINABILITY REPORT 2021