

History



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2016 marks Codelco's 45th anniversary, when in 1971 the Chilean government and National Congress unanimously approved the nationalization of copper.

After decades of discussion over what should be done with Chile's primary ore resource, which until then was under the control of foreign companies, a political and social consensus was reached among the Chilean people on July 11, 1971; whereby mineral

deposits at Chuquicamata, Salvador, Andina, El Teniente and La Exótica became 100% owned by the Chilean state.

During this time, July 11 was declared National Dignity Day and copper became known as "Chile's salary", which would provide the nation with a "second independence". This, given that Codelco contributions to state treasury were expected to solve the socio-economic problems of the country and future generations. From such beginnings, Codelco was then able to generate the production capabilities, the technical know-how and the managerial leadership necessary to take charge and drive operational performance, transform practices and build new projects.

45
YEARS

Such leadership was undoubtedly one of the most significant assets that copper nationalization provided Chile with: highly qualified working men and women, technical personnel and professionals available to perform in a complex, demanding and dynamic working environment. This group later passed on its knowledge, skill sets, capabilities and talents to enable our company to achieve the privileged position it has held in the mining industry ever since.

During the initial five years in Chilean hands, Codelco increased its production by 50% and grew to become a global benchmark in underground and open pit mining, maintaining the largest copper production rates at a global level throughout these 45 years.

Since July 11, 1971, we have directly and indirectly created thousands of jobs and contributed \$US 102 billion towards the advancement of Chile through the building of hospitals, infrastructure, schools, housing, pensions, health care and social protections for the general public.

Corporación Nacional del Cobre de Chile - Codelco

On April 1, 1976, by decree of laws No. 1.349 and No. 1.350, the Corporación de Cobre was divided into two independent organisations: the Comisión Chilena del Cobre (Cochilco) a technical and advisory service agency; and the Corporación Nacional del Cobre de Chile

(Codelco), a state-owned copper producer that groups the mineral deposits under one mining, industrial and trading company, acquiring full legal status and capacity.

In November 2009, changes were made to Codelco's corporate governance structure by the enactment of Law 20,392. This law amended Codelco Chile's organic law (D.L. 1,350, 1976) and standards related to the disposal of assets currently in operation (Law 19,137). The new guidelines amended, including, but not limited to, the composition of the Codelco Board and have been in effect since March 1, 2010.

In 2016, we were faced with the worst crisis in our history, as the international copper price collapsed. For the first time Codelco was not able to transfer surplus to the state for two quarters. However, Codelco met this unfavorable situation with operational excellence and productivity, thereby permitting the company to turn this crisis into an opportunity to confront future challenges with greater competitiveness.

In addition to cost reduction efforts aggressively introduced in 2014, we established the 2020 Strategic Productivity and Cost Agenda, producing savings of US\$ 433 million in 2016. Moreover, Codelco managed to generate surplus revenues of US \$ 500 million during 2016.

