

F0. Introduction

F0.1

(F0.1) Give a general description of and introduction to your organization.

CMPC is a Chilean-based global leader in the Forestry, Pulp & Paper industry with more than 100 years of history. The company's strategic commitment to sustainability is embodied in its Corporate Policy & Value Creation Model, based on the use of renewable resources to develop essential products for people, which can not only be recycled and reused, but also contribute to the environment through carbon capture. It strives to create shared value for all of its stakeholders, while protecting the environment and local communities.

CMPC's forest assets span 1,307 thousand hectares across Argentina, Brazil & Chile, and it operates 44 production facilities in 8 Latin American countries: Argentina, Brazil, Chile, Colombia, Ecuador, Mexico, Peru & Uruguay. Its high quality products are sold to more than 26,700 customers in over 45 countries around the world, reaching MM USD 6,323 in sales in 2021. Across the 8 countries in which CMPC operates, it has 20,068 direct collaborators, 28,540 indirect collaborators from service companies and works with 22,534 suppliers.

The company operations are divided into two business areas: CMPC Celulosa & CMPC Biopackaging, and one subsidiary: Softys. The first one with 49% of the sales is CMPC Celulosa, dedicated to sustainably managing the forest operations (85.6% FSC & PEFC certified) and manufacturing and distributing timber, solid wood products and pulp. Softys, accounting for 35% of sales, is the second largest tissue paper and personal care products producer in Latin America. Finally, CMPC Biopackaging elaborates innovative packaging solutions from recycled paper and sustainably sourced virgin fibers as well as other paper products, such as boxboard, molded pulp trays, and paper sacks, among others. Its sales represents 16% of the whole company's.

Sustainability is part of CMPC's strategy, both in terms of our impacts, risks and opportunities. Our business model pays close attention to internal circular flows and we strive towards the circular bioeconomy as the optimal use of renewable resources is essential for CMPC in terms of both its products, processes, operations, and supply chain, where 95% of our raw material input is certified. Also, black liquor, biomass and other byproducts of pulp and paper production are used for renewable energy generation, which accounts for 82% of total energy consumption. We also value the protection and conservation of biodiversity and ecosystem services and that is why 389,376 hectares of our forest assets are dedicated to that, equal to a 29.8% of the total forest assets.

In 2019, we developed and announced concrete sustainability goals focusing on reducing greenhouse gas emissions and industrial water use, the elimination of waste to landfill, and the conservation and protection of forests, in 2020 our innovation, and diversity and inclusion targets, and in October 2021, in the framework of Business Ambition for 1.5°C initiative, committed to be a 0 net emissions company for 2050, with the Race to Zero campaign. All these are aligned to the Sustainable Development Goals of the 2030 Agenda for Sustainable Development by the United Nations.

CMPC boasts a robust governance structure to carry out our operations, business transactions and potential risk exposure in accordance with the best international practices, strictly complying with the laws and regulations of each country where we are present, always respecting the people, their dignity and rights, as well as the environment. Our day to day activities are guided by our corporate purpose and values, as well as corporate policies such as the Integrity Policy - Anti-corruption and Fair Competition, Diversity and Inclusion Policy, Environmental Policy, Climate Change Policy and the Code of Ethics, among others. The Board of Directors comprises nine members with expertise and multiple years of experience in the industry. They are responsible for overseeing the creation of the business strategy and its implementation through a number of committees, including the Sustainability Committee, the Ethics and Compliance Committee and the Strategic Risks Committee, to name a few.

Our operations are in close proximity to local and indigenous communities and for us, it is of the most importance to exercise mutual respect with them and to get to know them in order to contribute to local development. It is our goal to promote diversity and inclusion in the workplace and build mutually beneficial networks with our contractors and suppliers. We aspire to serve our customers by constantly innovating to provide the best solutions for their daily lives.

F0.2

(F0.2) State the start and end date of the year for which you are reporting data.

	Start Date	End Date
Reporting year	January 1 2021	December 31 2021

F0.3

(F0.3) Select the currency used for all financial information disclosed throughout your response.

USD

F0.4

(F0.4) Select the forest risk commodity(ies) that you are, or are not, disclosing on (including any that are sources for your processed ingredients or manufactured goods); and for each select the stages of the supply chain that best represents your organization's area of operation.

	Commodity disclosure	Stage of the value chain	Explanation if not disclosing
Timber products	Disclosing	Production Processing Trading	<Not Applicable>
Palm oil	<Not Applicable>	<Not Applicable>	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	This commodity is not produced, sourced or used by our organization	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>

F0.5

(F0.5) Are there any parts of your direct operations or supply chain that are not included in your disclosure?

No

F0.6

(F0.6) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.?)

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
Yes, a Ticker Symbol	CMPCCI
Yes, an ISIN code	CL0000001314

F1. Current state

F1.1

(F1.1) How does your organization produce, use or sell your disclosed commodity(ies)?**Timber products****Activity**

Growing/production of raw materials
 Harvesting
 Milling
 Exporting/trading
 Using as input into manufacturing process for power generation
 Using as input into product manufacturing
 Using for construction
 Distributing/packaging

Form of commodity

Hardwood logs
 Softwood logs
 Sawn timber, veneer, chips
 Pulp
 Paper
 Boards, plywood, engineered wood
 Primary packaging
 Wood-based bioenergy

Source

Owned/managed land
 Smallholders

Country/Area of origin

Argentina
 Brazil
 Chile

% of procurement spend

11-20%

Comment

CMPC is a vertically integrated company which produces, uses, and sells timber to CMPC Celulosa's Pulp & Maderas divisions in Chile, and Pulp's in Brazil, as well as to CMPC Biopackaging and Softys. All comes from the forest units in ARG-BR & Chile. Celulosa is the biggest of its business units with the most representative percentage of revenue (49%). The activity of raw material's growing, production and harvesting is done by its three Forestry units: Bosques del Plata in Argentina, Celulose Riograndense in Brazil, and Forestal Mininco in Chile. Forestry is developed in owned, managed and supplied land by smallholders in the three countries. A 16.82% of the total of the productive assets are in third-party's hands (equal to 219,979 hectares). On the other hand, the percentage of fiber produced by third-parties is a 15.74%, equal to 3,212 Mm3 of logs and chunks. By products are recovered and reused for the generation of electric energy and other activities, as well as the recovery of fiber plays a key role, specially in CMPC Biopackaging and Softys. CMPC Maderas produces materials for housing & buildings, as well as CMPC Biopackaging for packaging. The percentage of fiber-procurement spend is calculated over the third-parties assets and their production, like a proportion. A recent reinstallation of a specialized Supply Chain area within the company will reinforce this disclosure by 2022.

F1.2**(F1.2) Indicate the percentage of your organization's revenue that was dependent on your disclosed forest risk commodity(ies) in the reporting year.**

	% of revenue dependent on commodity	Comment
Timber products	61-70%	CMPC's whole revenue in 2021 was USD 6,323 million, where the 65% directly depending on timber, USD 4,110 million (equal to the results of CMPC Celulosa + CMPC Biopackaging). The 35% left represents Softys sales, which does not depend directly on timber as a forest risk commodity. The revenue is composed this way: USD 3,098 million (49%) from CMPC Celulosa; USD 1,012 million (16%) from CMPC Biopackaging; and USD 2,213 million (35%) from Softys. As the company is vertically integrated, the great majority of the fiber consumed was CMPC's, equal to a 82.55%, the 17.45% left was sourced by third-parties. Specifically, in Softys, tissue paper is also derived from wood-based raw materials, which in 2020, its productions represented a whole sale of 807,873 t, approx. a 15% of the whole amount of wood-based raw material in the whole company indirectly. Additionally Softys recovered and recycled a 56.03% of fiber, while Biopackaging a 56.24%.
Palm oil	<Not Applicable>	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>

F1.3**(F1.3) Provide details on the land area you control and/or manage that is used for the production of your disclosed commodity(ies).****Forest risk commodity**

Timber products

Type of control

Own land

Country/Area

Argentina

Land type

Tree plantations

Area (Hectares)

94297

% Area certified

0

Certification scheme

Other, please specify (CMPC in ARG works with ISO 14,001 certification, oriented to harvesting. The 20.21% of the assets are conservation areas. During 2021 FSC certification process was carried out, ending in April 2022.)

Conversion of natural ecosystems monitored during the reporting year, the last 5 years and/or since specified cutoff date

We have monitored conversion of natural ecosystems during the reporting year

We have monitored conversion of natural ecosystems during the last 5 years

Area of natural ecosystems converted during the reporting year (hectares)

0

Area of natural ecosystems converted since specified cutoff date (hectares)

<Not Applicable>

Area of natural ecosystems converted during the last 5 years (hectares)

0

Please explain

CMPC has financial and operational control of all of its forest assets in Argentina, Brazil and Chile, as it owns 83.17% of the land, the 16.83% left is administered by agreements. From the whole amount of assets, the property in ARG represents the 7.21%; BR, the 36.11%; and CL the 56.67%. In the case of Argentina, CMPC owns 19,057 ha, where the 20.21% of the whole heritage in that country is being protected and conserved.

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Forest risk commodity

Timber products

Type of control

Own land

Country/Area

Brazil

Land type

Tree plantations

Area (Hectares)

282330

% Area certified

99.1

Certification scheme

FSC Forest Management certification

PEFC Sustainable Forest Management certification

Conversion of natural ecosystems monitored during the reporting year, the last 5 years and/or since specified cutoff date

We have monitored conversion of natural ecosystems during the reporting year

We have monitored conversion of natural ecosystems during the last 5 years

Area of natural ecosystems converted during the reporting year (hectares)

0

Area of natural ecosystems converted since specified cutoff date (hectares)

<Not Applicable>

Area of natural ecosystems converted during the last 5 years (hectares)

0

Please explain

CMPC has financial and operational control of all of its forest assets in Argentina, Brazil and Chile, as it owns 83.17% of the land, the 16.83% left is administered by agreements. From the whole amount of assets, the property in ARG represents the 7.21%; BR, the 36.11%; and CL the 56.67%. In the case of Brazil, with a complete property of 282,330 ha; a 69.94%, equal to 197,465 ha, are being protected and conserved. CMPC Brazil has 99.14% of its assets and 100% of its raw material production under FSC and PEFC sustainable forest management certification, CoC and Controlled Wood, respectively. These apply to natural forests, forestry, and industrial production, that is to say, pulp in Guaiba facility, which as well sells to Softys Brazil. The company's objective is to maintain all certifications and increase its coverage to 100% of production and consumption by 2030. Also, CMPC's goal is to source timber not only through a highly sustainable process, but also in the most efficient way, in order to minimize losses, protect forests and avoid any negative impacts to the environment. In addition to sourcing timber from its own forest assets, CMPC also admins agreements of raw material with third-parties (with a patrimony of 189,747 ha), with 54.5% certified. In order to ensure traceability, the company has a Responsible Procurement Program which requires all suppliers of raw materials to undergo a due diligence process verifying: the legality of forest ownership from which the timber originated, the management and harvesting plans granted by the forestry authorities, and compliance with product quality and safety protocols.

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Forest risk commodity

Timber products

Type of control

Own land

Country/Area

Chile

Land type

Tree plantations

Area (Hectares)

492044

% Area certified

98.54

Certification scheme

FSC Forest Management certification

PEFC Sustainable Forest Management certification

Conversion of natural ecosystems monitored during the reporting year, the last 5 years and/or since specified cutoff date

We have monitored conversion of natural ecosystems during the reporting year

We have monitored conversion of natural ecosystems during the last 5 years

Area of natural ecosystems converted during the reporting year (hectares)

0

Area of natural ecosystems converted since specified cutoff date (hectares)

<Not Applicable>

Area of natural ecosystems converted during the last 5 years (hectares)

0

Please explain

CMPC has financial and operational control of all of its forest assets in Argentina, Brazil and Chile, as it owns 83.17% of the land, the 16.83% left is administered by agreements. From the whole amount of assets, the property in ARG represents the 7.21%; BR, the 36.11%; and CL the 56.67%. CMPC in Chile has 98,5% of its forest and plantation assets and 100% of its raw material production are under FSC and PEFC sustainable forest management certification, CoC and Controlled Wood, respectively. These apply to natural forests, forestry and industrial production, that is to say, pulp in Laja, Pacífico y Santa Fe. The company's objective is to maintain all certifications and increase its coverage to 100% of production & consumption by 2030. Also, CMPC's goal is to source timber not only via a highly sustainable process, but also in the most efficient way, in order to minimize losses, protect forests and avoid any negative impact. In addition to sourcing timber from its own forest assets, CMPC also buys raw material to third-parties (with a patrimony of 30,232 ha, 100% under a certification or due diligence process), mostly certified (99,5%) with only a small portion coming from non-certified suppliers (0,5%). In order to ensure traceability, the company has a Responsible Procurement Program which requires all suppliers to undergo a due diligence process verifying: the legality of forest ownership from which the timber originated, the management and harvesting plans granted by the forestry authorities, and compliance with product quality and safety protocols. Specifically in Chile, CMPC supports the sustainable forest management certification of small and medium-sized timberland owners via the administration of a forest management group certified by FSC and PEFC. The company provides a technical team to consult member businesses as well as offers four support programs to small forestry businesses: -CREATION & PROMOTION OF THE FOREST CERTIFICATION GROUP -TECHNICAL TALKS FOR SUPPLIERS -INCENTIVES PLAN FOR THE IMPLEMENTATION OF A DUE DILIGENCE SYSTEM (DDS) -SAWING LOGS PROCUREMENT FROM FORESTRY SMES. REPORTE CMPC INGLÉS 2021 - INTERACTIVO_.pdf

F1.4

(F1.4) Provide details on the land you control and/or manage that was not used for the production of your disclosed commodity(ies) in the reporting year.

Forest risk commodity

Timber products

Country/Area

Argentina

Type of control

Own land

Land type

Set-aside land

Area (hectares)

19057

% covered by natural forests

24.51

Please explain

In Argentina, where the forests assets reach the amount of 94,297 ha, a 20.21% (19,057 ha) is set-aside land, this corresponds to a 4.94% of the whole company's assets under conservation and protection, where wetlands, courses and bodies of water, native forests and fauna are protected. Composed by approx 4.7% of native forests, 0.2% of lakes and 15.1% of grasslands. Preserving the natural monuments present in the fields, is a task that Bosques del Plata carries out with great care based on their operational attitude and the approach given to the business, that's why 49.86% of the set-aside land surface in ARG corresponds to HCVAs, with specifically, 9,502 ha that are destined to 7 Biological and 1 Socio-Cultural areas, with 9,498 and 5 ha, respectively. Also in these places, there are 37 species in extinction risk category (IUCN), in which, just one is in critically endangered, and 12 other are vulnerable.

Forest risk commodity

Timber products

Country/Area

Brazil

Type of control

Own land

Land type

Set-aside land

Area (hectares)

199168

% covered by natural forests

90

Please explain

In Brazil, where the forests assets reach the whole amount of 282,330 ha, a 70.54% (199,168 ha) is set-aside land. This corresponds to a 51.15% of the whole company's assets under conservation and protection, characterized as native areas, permanent preservation and/or legal reserves. The areas of CMPC Celulose Riograndense are distributed in four phytoecological regions (IBGE, 1986): Savanna, Seasonal Semideciduous Forest, Seasonal Deciduous Forest and Formation Area. A 2.23% of the set-aside land surface, corresponds to HCVAs, with specifically, 4,446 ha that are destined to 9 Biological and 11 Service areas, with 4,264 and 182 ha, respectively. Also in these places, there are 30 species in extinction risk category (IUCN), in which, 1 (Rapids Frog) is in critically endangered and 12 are vulnerable.

Forest risk commodity

Timber products

Country/Area

Chile

Type of control

Own land

Land type

Set-aside land

Area (hectares)

171151

% covered by natural forests

40.5

Please explain

In Chile, where the forests assets reach the whole amount of 710,745 ha, a 24.08% (171,151 ha) is set-aside land. This corresponds to a 43.87% of the whole company's assets under conservation and protection. With presence in more than 100 communes of the center-south of the country. Forestal Mininco's biodiversity sites in Chile are primarily located in the Valdivian Forests ecological region, from the Maule Region, in the north, and the snow fields in the south. This zone is known for its evergreen, multilayer forests, and is an eco-region that is classified as having special global biodiversity status by the World Wildlife Fund for Nature. A 8.21% of the set-aside land surface, correspond to HCVAs, with specifically, 14,061 ha that are destined to 14 Biological, 397 Service and 27 socio-cultural areas, with 10,949, 2,852 and 281 ha, respectively. Also in these places, there are 49 species in extinction risk category (IUCN), in which, 1 is in critically endangered, and 11 other are vulnerable.

F1.5

(F1.5) Does your organization collect production and/or consumption data for your disclosed commodity(ies)?

	Data availability/Disclosure
Timber products	Consumption and production data available, disclosing
Palm oil	<Not Applicable>
Cattle products	<Not Applicable>
Soy	<Not Applicable>
Other - Rubber	<Not Applicable>
Other - Cocoa	<Not Applicable>
Other - Coffee	<Not Applicable>

F1.5a

(F1.5a) Disclose your production and/or consumption figure, and the percentage of commodity volumes verified as deforestation- and/or conversion-free.

Forest risk commodity

Timber products

Data type

Production data

Commodity production/ consumption volume

20394736.8

Metric for commodity production/ consumption volume

Cubic meters

Data coverage

Full commodity production/consumption

Have any of your reported commodity volumes been verified as deforestation- and/or conversion-free?

Yes

% of reported volume verified as deforestation- and/or conversion-free

95

Please explain

CMPC's forest assets are 89.3% certified by FSC and 90.7% by PEFC. The certification is voluntary, however, the companies that obtain it are obliged to undergo annual audits to certify -quantitatively and qualitatively- their compliance with these requirements. This allows clients and consumers to know the traceability of the fiber purchased and companies to ensure that their products are not obtained from controversial sources. Bosques del Plata, in Argentina, is certified under the ISO 14001 Environmental Management System and began the process of certifying its forest assets in 2021, who successfully ends un April 2022, which will allow CMPC to achieve almost 100% of its own forest assets certified. To ensure that products come from a sustainably managed forest, the entire supply chain must be certified, ensuring the traceability of the fiber. CMPC purchases fiber from certified suppliers. However, there is a proportion of suppliers that are not certified in sustainable forest management. Given this, the Company generates instances that promote forest certification through the Responsible Procurement Program. In this program, raw material suppliers must comply with a due diligence process that certifies the legality of forest ownership, management and harvesting plans submitted by the forest authority, and compliance with product safety and quality protocols. Also, the Company ensures that certified fiber is not mixed with fiber from non-certified sources. To this end, it has Chain of Custody (CoC) certification of forest products for all its business areas to ensure that the fiber is produced and marketed under this criterion. This certification is also extended to fiber suppliers, to ensure the traceability of their products. For those suppliers that do not have certification, the company encourages them to obtain it. When we talk about raw material produced under some type of sustainable forest management certification or with a chain of custody process (FSC and/or PEFC) , CMPC reaches a total of 19,375 Mm3 with 95% of its production.

F1.5b

(F1.5b) For your disclosed commodity(ies), indicate the percentage of the production/consumption volume sourced by national and/or sub-national jurisdiction of origin.

Forest risk commodity

Timber products

Country/Area of origin

Argentina

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Northeast of Corrientes and south of Misiones)

% of total production/consumption volume

4.69

Please explain

Disclosing all of the CMPC's fiber production/consumption data. The productive areas disclosed in this section are located in ARG in the Terrestre Campos y Malezales Ecoregion, and from the total of CMPC's productive areas, equal to 848,512 ha (64.9% out of the total CMPC's assets) located in ARG, BR & Chile, approx the 51.5% are planted with pine (from which softwood fiber is produced), and approx a 48.5% are planted with eucalyptus (from which hardwood fiber is produced). In Argentina 956,654.5 m3 of raw material is produced, representing the 4.69% out of the total production volume. On the other hand, the fiber production in ARG was certified by FSC in april 2022, meanwhile Bosques del Plata operates with ISO14,001 and based on CMPC's Six Stages of Forestry Cycle as well, where (1) production process begins in its Pindo nursery located in Posadas, Misiones Province, then (2) saplings are planted in their assigned forest land, (3) removal of a predetermined number of trees is done, in order to leave only the best specimens standing and provide them with better access to nutrients, afterwards, (4) pruning is used to partially remove the lower branches of the trees, (5) adult trees are harvested and the timber is transferred to storage fields spread, and finally, (6) in winter, after trees have been harvested, the same tract of land is replanted and a new forestry cycle begins with the birth of a new forest across production facilities. To measure production/consumption, the company tracks fiber production performance by 4 indicators: 1. Growing stock increment (million m3): based on total annual increase in the volume of stemwood in forest plantations 2. Total trees planted (million): equal to total of commercial species trees planted 3. Average fiber per tree at current age (m3/tree): based on median volume per tree at the current average plantation age (11.1 years) 4. Average fiber per tree at time of harvest (m3/tree): based on median volume per tree at the time of harvesting. In ARG there are no purchase to third-parties

Forest risk commodity

Timber products

Country/Area of origin

Brazil

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Celulose Riograndense performs in Rio Grande Do Sul state, which is divided into municipalities in the Brazilian's southeast region. Specifically there, CMPC's forestry operations are located in 53 municipalities of the indicated state)

% of total production/consumption volume

37.72

Please explain

Disclosing all of CMPC's production data. The productive areas disclosed in this section are located in Brazil, in the Atlantic Coast Ecoregion. From a total CMPC's productive surface of 848,512 ha (64.9% out of the total CMPC's assets), located in ARG, BR, & Chile: - Approx the 51.5% is planted with pine (from which is produced the raw material softwood fiber) - Approx the 48.5% is planted with euca (from which is produced the raw material hardwood fiber). In Brazil there are only euca plantations and using the distribution of ha per type of tree & per country, it's obtained that: - The total area planted with euca represents approx a 48.24% out of the CMPC's total. Extrapolating this % and knowing that the total volume produced of raw material is 17,409,000 m3, it is obtained that in Brazil 6,597 Mm3 of raw material is produced, representing the 37.72% of the total production volume. On the other hand, the fiber production in Brazil is 100% certified and based on CMPC's Six Stages of Forestry Cycle

Forest risk commodity

Timber products

Country/Area of origin

Any other countries/areas

State or equivalent jurisdiction

<Not Applicable>

% of total production/consumption volume

61.82

Please explain

Disclosing all of CMPC's production data. The productive areas disclosed in this section are located in Chile, in the Chilean Matorral & the Valdivian Temperate Forests Ecoregions. from the total of CMPC's productive areas, equal to 848,512 ha (64.9% out of the total CMPC's assets), located in ARG, BR & Chile: - Approx the 51.5% is planted with pine (from which softwood fiber is produced) - Approx the 48.5% is planted with eucalyptus (from which hardwood fiber is produced). In Chile 9,855 Mm3 of raw material is produced CMPC assets plus 2,752.7 Mm3 produced by third party, representing a 61.82% of the total production volume. On the other hand, the fiber production in Chile 99.21% is certified and based on CMPC's Six Stages of Forestry Cycle as well, where (1) production process begins in its Carlos Douglas nursery located in the Biobío region, then (2) saplings are planted in their assigned forest land, (3) where the removal of a predetermined number of trees is done, in order to leave only the best specimens standing and provide them with better access to nutrients in the soil, afterwards, (4) pruning is used to partially remove the lower branches of the trees, (5) adult trees are harvested and the timber is transferred to storage fields spread, and finally, (6) in the winter, after trees have been harvested, the same tract of land is replanted and a new forestry cycle begins with the birth of a new forest across production facilities. To measure production/consumption, the company tracks fibre production performance by 4 indicators: 1. Growing stock increment (million m3): based on total annual increase in the volume of stemwood in forest plantations 2. Total trees planted (million): equal to total of commercial species trees planted 3. Average fibre per tree at current age (m3/tree): based on median volume per tree at the current average plantation age (11.1 years) 4. Average fibre per tree at time of harvest (m3/tree): based on median volume per tree at the time of harvesting

F1.6

(F1.6) Has your organization experienced any detrimental forests-related impacts?

Yes

F1.6a

(F1.6a) Describe the forests-related detrimental impacts experienced by your organization, your response, and the total financial impact.

Forest risk commodity

Timber products

Impact driver type

Physical

Primary impact driver

Forest fires

Primary impact

Impact on company assets

Description of impact

During 2020-21 season (July 2020 to June 2021), CMPC had a total of 1,129 outbreaks with an affected area of 6,575 ha. ARG, with 88 outbreaks, and 3,378 ha affected (6.97% of the total in ARG); BR 154 and 1,941 ha (0.41% of the total in BR); and Chile, with 895 outbreaks and 3,378 ha affected, which is the 51.37% of the whole CMPC's year affectation and a 0.46% of its complete productive assets in Chile. Since 2019, CMPC has a Risk Management Program, based on COSO ERM, ISO 31000 standards, and international best practices. The Program includes environmental, social and governance (ESG) risks as crucial elements to determine the implications for the sustainability of operations. This model has a corporate risk policy, procedure, and a governance, all of them applicable to all business units and their subsidiaries. The Strategic Risk Committee, as its governance, leads the efforts and report directly to the Board. A main risks identification & prioritization, its in-depth analysis, monitoring & reporting, and treatment & response are the 4 main parts of the RMP, where Wildfires are in the second place, considered as Emerging Risk as well, because they are strategic, industry-specific, & whose effects may increase over the next 3 or 5 years with a significant impact potential, which are the conditions aiding the start and spread off and that could directly impact the forest plantations, which could in turn result in fiber scarcity, damage to neighboring and the environment.

Primary response

Greater due diligence

Total financial impact

38700000

Description of response

Since 2017, de prevention and firefighting in CMPC have prevented the burning of 1.5 ha, per ha burned. During 2021, the company invested MMUSD 38.7 in prevention and combat of wildfires. Within prevention CMPC develops different actions: 1. Social Prevention: training and campaigns at local, provincial, & regional levels. Work with 65 committees of the Community Prevention Network to work in fire prevention, and construction & maintenance of rings, road cleaning, preparation of water sources, clearing of power lines, installation of preventive signage, removal of waste from ranches, among other actions. 2. Preventive silviculture: perimeter firebreaks using physical & chemical mechanisms; fuel reduction areas, management rings (thinning or pruning). In addition to more resistant species such as Eucalyptus nitens planted in areas more prone to fires. 3. Predictive Models: technology was integrated to improve the prediction of climate projections and the identification of fire risk to estimate the probability of occurrence. Drones and satellite imagery are also used to assess fuel models 4. Combat: a higher proportion of aerial & ground vehicles, brigades, & other operational items, such as protection equipment & tools. In total there were 27 aircrafts, 41 ground vehicles, 100 monitoring towers, 49 brigades and additional support to them of around 1,400 persons. Post fire work is done as well, recovering the areas that have been affected, which are used immediately.

F1.7

(F1.7) Indicate whether you have assessed the deforestation or conversion footprint for your disclosed commodities over the past 5 years, or since a specified cutoff date, and provide details.

Forest risk commodity

Timber products

Have you monitored or estimated your deforestation/conversion footprint?

Yes, we monitor deforestation/conversion footprint in our supply chain

Coverage

Full consumption volume

Reporting deforestation/conversion since a specified cutoff date or during the last five years?

During the last 5 years

Known or estimated deforestation/ conversion footprint (hectares)

0

Describe methods and data sources used to monitor or estimate deforestation/ conversion footprint

To ensure that the raw material have no controversial origin, CMPC has traceability systems to track & monitor its timber production & supply from origin to final destination. For each business, 100% of production/consumption volume is known from forest management units to final customer, through: (1) documentary & (2) physical process. The first item works this way: -CMPC's timber comes from owned & in agreement land with clear title deeds. -The harvest, loading & transporting is carried out under own supervision & with all the respective contracts. There are authorizations & legal permissions for harvesting (management plans and cut notifications) -Each load is backed with a dispatch guide, which is a mandatory & legal document for the transfer of wood & with an exhaustive declaration of the certified material type. For the physical process, the company counts in all its operations a traceability systems based in: -Geographic Information System (ARC GIS), and ground-based & aerial monitoring, checking the complete surface in a total level of detail, covering all productive & conservation areas, type of vegetation, age of plantations, species planted, etc. This allows planifying & acting to prevent eventual emergencies & to control its development, as well as programming ground based-monitoring which is performed by contractors as well

F2. Procedures

F2.1

(F2.1) Does your organization undertake a forests-related risk assessment?

Yes, forests-related risks are assessed

F2.1a

(F2.1a) Select the options that best describe your procedures for identifying and assessing forests-related risks.

Timber products

Value chain stage

Direct operations
Supply chain

Coverage

Full

Risk assessment procedure

Assessed as part of an established enterprise risk management framework

Frequency of assessment

More than once a year

How far into the future are risks considered?

> 6 years

Tools and methods used

Internal company methods
External consultants
Global Forest Watch Pro
National specific tools and databases
Jurisdictional/landscape assessment
Other, please specify (SFM, CoC and CW, and DD systems to a minor part of not certified third-parties in Chile. The 3 countries use FSC Global Forest Registry, the Global Forest Watch & Mingeo, and the Acueduct Risk Atlas.)

Issues considered

Availability of forest risk commodities
Quality of forests risk commodities
Impact of activity on the status of ecosystems and habitats
Regulation
Climate change
Impact on water security
Tariffs or price increases
Loss of markets
Leakage markets
Brand damage related to forests risk commodities
Corruption
Social impacts
Other, please specify (Other Risk that is part of the CMPC's Risk Management Programme is 'Cybersecurity' which has been categorized as strategic risk, and represent a potential risk to the information systems, service providers, as well as the operational ones.)

Stakeholders considered

Customers
Employees
Investors
Local communities
NGOs
Other forest risk commodity users/producers at a local level
Regulators
Suppliers
Other, please specify (Authorities & mayors from Municipalities, States & Provinces, other public institutions. In Brazil: FEPAM, Environmental Ministry, ICMBio, and IBAMA. In Chile: Ministries of Environment, Housing & Urbanism, National Goods & Agriculture, and CONAF.)

Please explain

Since 2019, CMPC has a Risk Management Program (RMP), based on COSO ERM, ISO 31000 standards, and international best practices. The Program includes environmental, social and governance (ESG) risks as crucial elements to determine the implications for the sustainability of operations. This model has a corporate risk policy, procedure, governance, and different tools, and data bases, as inputs for the development of predictive risk models, applicable to all CMPC business (Global Forest Watch and MINGEO (GIS) as well as the Aqueduct Risk Atlas (WRI) are used to monitor intact forest landscapes & deforestation by CW, and industrial operations). With RMP CMPC developed a prioritization of critical risks, updated in 2021, to 15 risk categories, which cover all sources of risks and which, being broader than the 20 macro risks, allow classifying all types of material risks. To define whether a risk is material, a severity table is used that defines 6 degrees or thresholds of severity or impact from (1) «very low» to (6) «catastrophic». These impacts are defined for several different types of consequences: financial and operational, safety, community and human rights, environment, reputational and legal & compliance. If the impact, in at least one of the consequences, can be "High", "Very High" or "Catastrophic", the risk is considered material and must comply with all the requirements for analysis, evaluation, treatment, monitoring and reporting, as established in the Risk Management Program. In the case of the financial consequence, severity thresholds go from very low; USD 100 thousand until catastrophic; USD 150 million, being these the ranges of financial impact. Likelihood thresholds go from Almost Certain (within a year) until Remote (beyond 20 years). These risks are analysed, usually by doing a cause-consequence analysis, having as output: maximum foreseeable loss scenario, critical controls, residual risk rating (severity and likelihood) and risk management responses to improve risk profile. CMPC's governance and risk methodology applies to the entire company, as critical issues to address are identified, there is no area out of scope. Global Forest Watch and MINGEO (GIS) as well as the Aqueduct Risk Atlas (WRI) are used to monitor intact forest landscapes & deforestation by CW, and industrial operations.

F2.2

(F2.2) For each of your disclosed commodity(ies), has your organization mapped its value chains?

	Value chain mapping	Primary reason for not mapping your value chain	Explain why your organization does not map its value chain and outline any plans to introduce it
Timber products	Yes, we have mapped the entire value chain	<Not Applicable>	<Not Applicable>
Palm oil	<Not Applicable>	<Not Applicable>	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>

F2.2a

(F2.2a) Provide details of your organization's value chain mapping for its disclosed commodity(ies).

Forest risk commodity

Timber products

Scope of value chain mapping

Own operations
Tier 1 suppliers
Smallholders
Customers

% of total suppliers covered within selected tier(s)

100

Description of mapping process and coverage

CMPC's supply chain integrates logistics processes that include coordinating transportation -trucks, trains, barges, ships, among others- and storage of raw materials and finished products. In 2021, CMPC reached 22,534 suppliers (100% are direct or tier 1 suppliers), of which 96% corresponds to domestic suppliers -suppliers residing in the same country of operation of CMPC- and 4% corresponds to foreign suppliers. CMPC has FSC & PEFC forest management group & individual certification with small-holders, as well as CoC & CW schemes. Small owners are distributed between the Maule & Araucania regions, with 77,968 m3 of logs and woodchips sale, for a total land area of 34,452 ha. CMPC's expert teams provide consulting services on sustainable management to the program 's members through technical support and training (2021, 28 sessions to approx 150 people). Additionally, during 2021 the Strategic Supplier Relationship Management was created (in the Procurement area of CMPC), they developed the Code of Conduct for Suppliers, as a complement to the provisions of the respective contracts and agreements in force, CMPC establishes the guidelines that must guide the conduct and actions of its suppliers, the which must be observed at all places and times within the framework of the relationship they maintain with the Company. This Code is applicable to all suppliers, without exception, regardless of their size, country and subsidiary of the CMPC group with which they are related, without prejudice to the corresponding local contractual, legal and regulatory requirements. CMPC collaborators, for their part, must comply with and ensure full observance of the provisions of this Code in all areas of the relationship with our suppliers.

Your own production and primary processing sites: attach a list of facility names and locations (optional)

CMPC Facilities 2021.xlsx

Your suppliers' production and primary processing sites: attach a list of names and locations (optional)

F3. Risks and opportunities

F3.1

(F3.1) Have you identified any inherent forests-related risks with the potential to have a substantive financial or strategic impact on your business?

	Risk identified?
Timber products	Yes
Palm oil	<Not Applicable>
Cattle products	<Not Applicable>
Soy	<Not Applicable>
Other - Rubber	<Not Applicable>
Other - Cocoa	<Not Applicable>
Other - Coffee	<Not Applicable>

F3.1a

(F3.1a) How does your organization define substantive financial or strategic impact on your business?

- CMPC's substantive financial or strategic impact on business:

In 2019, CMPC conducted a complete review of its Risk Management Model & methodology. As a result of this assessment, a new RMP was developed based on international standards such as COSO ERM (with a special focus on value creation) & ISO 31000 as well as best international practices. It is comprised of two pillars: risk governance via a Corporate Risk Policy & methodology described in the Corporate Risk Management Manual and a Strategic Risk Committee. With this new model, CMPC developed a new critical risks prioritization, where the 20 Main Risks were identified as strategic. These are the high level risks that could materially impact the strategy and business objectives. The Strategic Risks are assessed in different business units and subsidiary (Softys) within the company, with the purpose to identify Specific Risks (or Potential Risk Events) that could have a severity rate **"High", "Very High" or "Catastrophic" (inherent risk assessment based on severity tables)**. These risks are then analysed, usually by doing a cause-consequence analysis, having as output: **maximum foreseeable loss scenario, critical controls, residual risk rating (severity & likelihood) and risk management responses to improve risk profile**. Severity tables include different types of consequences: financial & operational, safety, community & human rights, environment, reputational and legal & compliance. Severity tables have six thresholds, that goes from "Very Low" until Catastrophic. **For the financial consequence, severity thresholds go from <USD 100 thousand until > USD 150 million. Likelihood thresholds go from Almost Certain (within a year) until Remote (beyond 20 years).**

Additionally, in 2020, the RMP evolved in its Governance, reinforcing the 4 business goals: (1) identification, assessment & prioritization in 2 levels: main risks and specific risk levels; (2) In-depth analysis; (3) monitoring and reporting; and (4) treatment & response. To move towards a better governance, during this reporting cycle, risks owners were identified for each of the top 20 risks and the corporate risk procedure was updated, which establishes the program methodology for the entire Company. Also, work was done on a document that establishes the Company's risk appetite and incorporates qualitative statements, along with performance indicators & metrics, to be monitored regarding tolerance thresholds. Also, an in-depth analysis of 12 of the 20 main risks was carried out, identifying a series of specific associated risks. Many of these specific risks, particularly the operational ones, apply to more than one subsidiary, business or industrial plant, and for each of them, a risk analysis was performed, using a cause & consequence methodology. The establishment of critical, preventive and mitigating controls, the definition of a maximum loss scenario, the risk assessment to obtain the residual risk level, and finally the identification of risk treatment and response measures.

- To identify measure(s), metric(s) or indicator(s) to recognize substantive change and its thresholds:

CMPC is working on risk indicators to help monitoring risk exposure. As part of the Risk Management Program, the company started defining indicators to monitor Main Risks, based on a definition of risk appetite and tolerance, which is also part of this project. CMPC has already developed a methodology to define risk appetite & tolerance. The methodology includes defining limits to relevant indicators, to identify substantive changes in CMPC risk profile. The next steps will be focused on completing the in-depth analysis of the main pending risks and then updating and starting a new risk management cycle. Also, a tool will be designed and built to monitor and report the indicators regarding the defined objectives and tolerance thresholds.

- Whether the definition applies to direct operations, or supply chain, or both

CMPC's governance and risk methodology applies to the entire company, as critical issues to address are identified. There is no area out of scope

F3.1b

(F3.1b) For your disclosed forest risk commodity(ies), provide details of risks identified with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

Forest risk commodity

Timber products

Type of risk

Acute physical

Geographical scale

Country

Where in your value chain does the risk driver occur?

Direct operation
Supply chain

Primary risk driver

Wildfires

Primary potential impact

Impact on company assets

Company-specific description

Within the Strategic Risks are the Wildfires, unplanned affectation to forests & vegetation. Regardless they start by a natural phenomenon or human activity, its occurrence & spread is not controlled or programmed. In recent years, the wildfires have increased, the 99.7% of wildfires are caused by human activity, as the product of negligence or intentionally. Although Chile is the most affected country within CMPC, all its forestry operations are prepared to handle wildfires according to best practices. These impact CMPC's working, natural/ native forests by suffering material losses resulting in (1) fiber scarcity, (2) damage to neighbouring communities as well as to (3) the environment. In the 2020-21 season, CMPC's total damages were of 1,129 outbreaks & 6,575 ha. During 2020-2021 CMPC carries out a comprehensive work against wildfires, which consists of three stages: 1) Prevention: For the 2020-2021 period, the investment in wildfire prevention and combat was USD 38.7 Million, including a) Social prevention, b) Preventive Silviculture, c) Predictive Models. 2) Combat: Investing in combat equipment (2 tanker aircraft, 4 Helicopters, 21 aircraft, 59 brigades, 26 water trucks, 5 water tank pickups, 90 detection towers, 11 towers with detection cameras, 8 detection cameras, and 24 pickups with combat kit). 3) Pos-Fire work: appropriate, support is provided to the affected areas, communities and the damaged fiber is recovered for use in consumption centers.

Timeframe

Current - up to 1 year

Magnitude of potential impact

High

Likelihood

Very likely

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact (currency)

<Not Applicable>

Potential financial impact figure - minimum (currency)

38700000

Potential financial impact figure - maximum (currency)

100219438

Explanation of financial

During 2021, 46,835 Ha were harvested, with a total production of 20,394,736 m3, which gives an average of 435.5 m3/ha harvested. If we assume an average value of USD 35 per m3 of wood, we have a value of USD 15,242.5 per ha. If we use these assumptions, we could have a maximum replacement value of the wood equivalent for the 6,575 ha burned in the 2020-2021 season of USD 100,219,438. For the minimum value, it was used the value of mitigation and fire fighting used in the 2020-2021 season, equivalent to USD 38,700,000.

Primary response to risk

More ambitious forest-related commitments

Description of response

CMPC is committed to human life & ecosystems health (native forests take from 10 to 70 years to recover from a fire), so it has developed a Prevention & Firefighting Program, reinforced in 2021, to protect people, company's & third-parties' forest assets. Since 2017 the prevention & firefighting program managed to avoid the affectation of 1.5 ha, for each ha burned. Funds are allocated annually, focusing on: -Preventive silviculture: activities to reduce fire spread are applied in 4 levels: 1. Perimeter firebreaks by physical & chemical mechanisms 2. Fuel reduction areas 3. Preventive silvicultural rings 4. Use of more resistant species such as Eucalyptus -Community prevention & education: the Community Prevention Network develops: 1. Construction & maintenance of preventive rings, water sources & road preparation & cleaning, power lines clearing, preventive signage & waste removal 2. Protection & prevention training & firefighting tools, plus, legal advice in dealing with theft & burning 3. Training & campaigns at every community level (local, provincial, regional) -Combat: use of the state-of-the-art technology, with more aerial & ground vehicles, brigades, & other operational inputs, such as protection equipment & tools. -Post-fire work: immediately burnt-land recovery, using & restoring it as not to lose growth. For this, Mingeo & Global Forest Watch are tools that the 3 forestry operations use, among others.

Cost of response

38700000

Explanation of cost of response

Since 2017, the prevention and firefighting in CMPC have prevented the burning of 1.5 ha, per ha burned. CMPC allocated USD MM 3.7 on prevention by: (1) a prevention culture by the Community Prevention Network in Chile. This network brings together 64 committees in 25 municipalities, most of them in the Biobio region, which is a large territorial extension. CMPC participates in prevention campaigns and operations together with the Community Prevention Network. The network develops three lines of action: 1. Preventive actions: construction and maintenance of firebreaks, cleaning of roads, installing preventive signage, collaborative waste collection with the municipality, companies and the community, among others. 2. Education: training, workshops and educational activities at the local (door-to-door), municipal, provincial and regional levels (with the implementation of stands at thematic fairs). 3. Coordinated response: fire drills with communities. -CMPC allocated USD MM 35.5 to combat fire by: installing & reinforcing infrastructure in ARG, BR & CL 2 tanker aircraft, 25 aircraft (2 heavy Chinook in CL), 59 brigades, 26 water trucks, 5 water tank pickups, 90 detection towers, 11 towers with detection cameras, 8 detection cameras, and 24 pickups with combat kit).

F3.2

(F3.2) Have you identified any forests-related opportunities with the potential to have a substantive financial or strategic impact on your business?

	Have you identified opportunities?
Timber products	Yes
Palm oil	<Not Applicable>
Cattle products	<Not Applicable>
Soy	<Not Applicable>
Other - Rubber	<Not Applicable>
Other - Cocoa	<Not Applicable>
Other - Coffee	<Not Applicable>

F3.2a

(F3.2a) For your selected forest risk commodity(ies), provide details of the identified opportunities with the potential to have a substantive financial or strategic impact on your business.

Forest risk commodity

Timber products

Type of opportunity

Financial Incentives

Where in your value chain does the opportunity occur?

Direct operation

Supply chain

Primary forests-related opportunity

Issuing green bonds

Company-specific description & strategy to realize opportunity

During 2021, CMPC consolidated a Sustainable Culture that identifies, in addition to its ethical behaviour & its 3Cs, the search for financing that contributes to increasing its base of shareholders & investors interested in ESG conscious actions by green bonds & loans financing opportunities, mainly growing since 2017. In August 2020, the company closed a two-year USD 100 million sustainability-related committed credit facility or Sustainability Linked Loan (SLL), together with MUFG Bank, Sumitomo Mitsui Banking Corporation, Export Development Canada & BNP Paribas acting as administrative agent & sustainability coordinator. This credit line is closely related to the environmental sustainability goals announced in 2019, as the annual interest rate is adjusted according to the results of the four environmental targets. Among the initiatives that have been and will be developed with these resources are projects such as the modernization of the steam system at the Valdivia Boxboard plant in Chile, the restoration of native forests & biodiversity conservation in southern Chile, and the improvement of the effluent treatment plant in Caieiras, Brazil. Following CMPC's corporate purpose, during the year 2021 CMPC issue the first Chilean SLB (Sustainable-Linked Bond) for USD 500MM in which targets were committed in relation to greenhouse gas emissions and water use intensity. These targets were set for the year 2025 and this instrument has a mechanism where the interest rate will be increased by 12.5 bps for each target that is not met. Likewise, at the end of 2021, a Committed Credit Facility structured as a Sustainable-Linked Loan for US\$100 million was closed, in which targets were established for 2022 and 2023 in terms of greenhouse gas emissions, water use intensity, waste and conservation areas.

Estimated timeframe for realization

Current - up to 1 year

Magnitude of potential impact

High

Likelihood

Virtually certain

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

6250000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

The potential financial impact is mainly due to the committed 2021 Sustainable-Linked Bond targets, where for each missed target there will be a step-up (+12.5 bps) in the interest rate for payments made from 2026 to 2031. It is important to clarify that no financial impact is estimated for the December credit facility considering that it is a line of credit and for the time being no drawings are projected. Additionally, 100% of the funds related to Green Bonds and Loans have already been used in Green projects, therefore, there should be no financial impact related to these financings. There is also a financial impact related to the time of issuance, called "Greenium", which is considered a reward for green financing, which allows access to better financing rates. However, this is not guaranteed and depends on how the market behaves in the future.

F4. Governance

F4.1

(F4.1) Is there board-level oversight of forests-related issues within your organization?

Yes

F4.1a

(F4.1a) Identify the position(s) of the individual(s) (do not include any names) on the board with responsibility for forests-related issues.

Position of individual	Please explain
Board-level committee	The highest forest-related responsibility is in the Board Sustainability Committee (Composition: Chairman, 2 Directors (1 w), the CEO, the Corporate Affairs Director, the CSO & the Environmental Director (w)), defining objectives & assessing the fulfillment of the Corporate Policies (Environment, Climate Change & Conservation (on going)), complying the CMPC's Sustainability Goals related to environment (4) & innovation (2): -Reduce direct GHG emissions (1+2) by 50% by 2030 -Reduce 25% of the industrial water use per metric t of product by 2025 -Achieve 0 waste to landfill by 2025 -Add 100 Th ha for conservation by 2030 -Achieve 30% of process improvements by 2025 from digital data -Achieve 20% of the Sustainability Goals through innovative tech Regarding to its Mission, Values & Corporate Purpose, CMPC integrates sustainability in all its businesses, based on risks, material issues & SDGs across the value chain, The Conservation Strategy will be released by the end of 2022.
Chief Sustainability Officer (CSO)	Within the Corporate Affairs Area, is installed the Sustainability Director (CSO), who has the responsibility with his team of reading the sustainability-state-of-art related to CMPC's different objectives & tasks facing the future. Given the nature of the company, the key cases are related to sustainable manage of forest, climate change, energy, water efficiency, waste management & innovation for all the business units, and its subsidiaries & facilities, as well as, social topics inside & outside the company, and throughout the whole value chain. At the same time, CSO has every 2 months the responsibility of leading the Corporate Sustainability Committee, giving all the relevant information in these topics, also, assessing and helping to manage them, tracking & reporting the corporate goals compliance and performance. Also, during 2020, the Board approved the Environmental Policy update and the develop of the Conservation & Water Strategies that shall be released by the end of 2021.
Other, please specify (Forestry division's CEO within CMPC Celulosa business unit)	Within the CMPC Celulosa business unit, there is a whole forestry area in charge of admin the forests in Argentina, Brasil & Chile. This forestry area is headed by the Forestry Operational Manager (recently vacant), reporting to the CMPC Celulosa's CEO, whose charge covers the administration of Bosques del Plata in ARG, Florestal Celulosa Riograndense in BR & Forestal Mininco in Chile, keeping on track the sustainable & renewable tree plantations production, also the conservation, protection & restoration process of the 29.9% of the whole amount of CMPC's forests. This job has to do with the sustainable production of fiber, and as a vertically integrated company, the delivery of raw material to the rest of the business units: CMPC Pulp in BR & CL, CMPC Maderas in CL and CMPC Biopackaging & Softys in Chile, and the rest of the countries in the region. The Forestry Director has a complete governance structure beneath him that helps in this mission and covers all challenging tasks.

F4.1b

(F4.1b) Provide further details on the board's oversight of forests-related issues.

	Frequency that forests-related issues are a scheduled agenda item	Governance mechanisms into which forests-related issues are integrated	Please explain
Row 1	Scheduled - all meetings	Monitoring implementation and performance Overseeing acquisitions and divestiture Overseeing major capital expenditures Providing employee incentives Reviewing and guiding annual budgets Reviewing and guiding business plans Reviewing and guiding corporate responsibility strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding strategy Reviewing innovation / R&D priorities Setting performance objectives	The Sustainability Committee joins every 2 months & all the topics related to ESG are treated. Within them forest-related ones are key, not just because CMPC is a timber, pulp & paper producer, also because of its voluntary goals launched, especially the environmental related to adding 100 thousand ha for conservation, protection & restoration to the existing 320 thousand. The sustainability (environmental & social), and innovation goals use a strong Plan of Action, with budget & KPIs to monitor its advance. In each committee session, there is a list of topics, that has been prepared since the last meeting to oversee all the prior aspects, and specially to have continuity on them. The aspects covered in these meetings and their frequency are: - Sustainability goals: implementation & performance report, measured by a software that monitors all the plants & facilities and that is administered by sustainability engineers. -Guidance to sustainability strategy, business & action plans (keeping in track coherently with the Company and in coordination with others areas) -Risk management of each unit (in coordination with the Risk Executive Committee & each RMP's responsible) -Innovation related to ESG actions (in coordination with the innovation area) -Developing of the Conservation & Water Strategies Finally, the CSO takes briefs & is in permanent contact with the CEO that is the sustainability leader in the Board itself & other key actors within the Company.

F4.1d

(F4.1d) Does your organization have at least one board member with competence on forests-related issues?

Row 1

Board member(s) have competence on forests-related issues

Yes

Criteria used to assess competence on forests-related issues

Relevant experience in - Forest plantations, and/or - Forest Operations, and/or - Pulp & Paper industry, and/or - Sustainable forest management, and/or - Climate change related to forest and natural ecosystems, and/or - Conservation & restoration, of forest, and/or - Biodiversity

Primary reason for no board-level competence on forests-related issues

<Not Applicable>

Explain why your organization does not have at least one board member with competence on forests-related issues and any plans to address board-level competence in the future

<Not Applicable>

F4.2

(F4.2) Provide the highest management-level position(s) or committee(s) with responsibility for forests-related issues (do not include the names of individuals).

Name of the position(s) and/or committee(s)	Responsibility	Frequency of reporting to the board on forests-related issues	Please explain
Chief Executive Officer (CEO)	Both assessing and managing forests-related risks and opportunities	More frequently than quarterly	CMPC's CEO is part of all the Board Committees in which forest-related items are discussed according to agreed plans in the Sustainability & the Executive Risk & Innovation Committees. The forest-related issues are material to the company in all aspects, so their reports are done in each and every Committee's session. CMPC's CEO is the former CMPC Celulosa Director as well, so the forest-related topics are well known by him. Specifically, the Sustainability Committee's sessions deal with environmental & social topics related to the Corporate Goals, Risks, Material Issues & also on how to keep contributing to SDGs. Subjects like fiber price/availability/scarcity, wildfires or low rainfall are a constant concern. The committee outputs are communicated in every board's session by the CEO. Once there are approved they're implemented by the Corporate Affairs Director and the CMPC Celulosa & Biopackaging's CEOs. All the external official communication related to ESG is conducted by the CEO itself, for example, the 2020 Integrated Report launch and several dialogues with collaborators related to social brake in Chile, the pandemic's measures, Beyond program, as well as main results & new projects. During the last reporting year, Innovation, specially related to circular bioeconomy keeps being the key topic that has been pushed by him. CMPC has set 7 Innovation focuses, within them, specially one related to Deep Sustainability, as it has been called.

F4.3

(F4.3) Do you provide incentives to C-suite employees or board members for the management of forests-related issues?

	Provide incentives for management of forests-related issues	Comment
Row 1	Yes	For the CEO, the C-suite & the main executives, CMPC has a Remuneration Policy which establishes severance and incentive payments for them, as well as its senior executive's compensation packages guidelines. Also, there is a Compendium of Policies & Procedures of Corporate Governance that establishes the compensation, reparations & incentives policy for each Area Directors & Chief Executives. These include: a variable annual bonus tied to company profits & other bonuses during the year depending on the achievement of strategic objectives and the fulfillment of profitability goals for each business area. In 2020, the metrics used for paying the variable compensation to the CEO were: 30% CMPC's Profit; 35% CMPC's ROIC; 35% of Individual Performance mainly related to the Sustainability Corporate Goals. There is also an incentive scheme for Executives, which is reviewed annually by the Board, based on variable bonus dependent on profits in each area, the achievement of strategic objectives & the fulfillment of these. For the corporate team, the performance review process at CMPC is two-tiered: first composed by the individual objectives, responsible for the 60% & the corporate competencies representing the other 40%. Individual objectives & goals are set on the basis of each one's contribution towards the overall objectives of the business area. After that, they are discussed and agreed with the direct supervisor at the beginning of each year and then assessed both quantitatively (responding to the question "What do I do?") & qualitatively through the competencies related to company values ("How do I do it?"). The competencies assessed are: project implementation skills, orientation towards achievement & excellence, sustainability, values, teamwork, openness to change, continuous improvement, leadership & motivational skills, This model is a continuous cycle composed of 5 steps: setting of objectives, completion tracking, self-assessment, review/validation, and feedback meeting & conversation. This process is designed for technical & professional staff, team leaders, management, department heads, & senior executives (personnel categories: A, B, C, D, E and F). This whole assessment represents the 60% of the individual salary, and the other 40% is about the company performance & results.

F4.3a

(F4.3a) What incentives are provided to C-Suite employees or board members for the management of forests-related issues (do not include the names of individuals)?

	Role(s) entitled to incentive?	Performance indicator	Please explain
Monetary reward	Corporate executive team Chief Executive Officer (CEO)	Achievement of commitments and targets	The company has a (1) Remuneration Policy which establishes severance and incentive payments for the CEO and senior executives, and the guidelines for senior executive compensation packages, also a (2) Compendium of Policies & Procedures of Corporate Governance establishing the compensation, reparations and incentives policy for Directors and Chief Executives as well. These include: (A) a variable annual bonus tied to company profits & other bonuses during the year depending on the achievement of strategic objectives and the fulfillment of profitability goals for each business area. In 2020, the metrics used for paying the variable compensation of the CEO were: 30% CMPC's Profit; 35% CMPC's ROIC; 35% Individual Performance related to the progress on the Environmental Goals (Reduce industrial water use per ton of product by 25% by 2025; Reduce absolute greenhouse gas emissions (direct and indirect) by 50% by 2030; Net zero emissions by 2050; zero waste to final disposal by 2025; and Add 100,000 hectares of conservation or protection by 2030, to the more than 320,000 hectares that the Company already has). Through an adequate compensation policy is achieved a quality management, administration of risk's exposition and lining up of the priorities and incentives of the C-Suite of the Company, facing the short, medium & long-term objectives. In addition, this procedure seeks to minimize acts of Chief Executives that are not in conformity with the interests and values of the Company, as well as timely detecting cases where this may happen and to discourage the commission of offences. There is an incentive scheme for executives (not C-suite), which is reviewed annually by the board, based on bonuses and an annual variable bonus dependent on profits, the achievement of strategic objectives and fulfilment of a profitability goal in each area.
Non-monetary reward	Corporate executive team	Achievement of commitments and targets	The performance review process at CMPC is two-tiered: one component are the individual objectives responsible for 60% of the final evaluation and the other, corporate competencies representing the other 40%. Individual objectives and goals are set on the basis of each one's contribution towards the overall objectives for the department or business area. After that, they are discussed and agreed upon with one's direct supervisor at the beginning of each year and are then evaluated both quantitatively (responding to the question "What do I do?") and qualitatively through the competencies related to company values (with the question "How do I do it?"). The competencies evaluated are: project implementation skills, orientation towards achievement and excellence, sustainability and CMPC values, teamwork, openness to change and continuous improvement, and leadership and motivational skills. This model for performance evaluation and management is a continuous cycle comprised of five steps: setting of objectives, goal completion tracking, self-assessment, review/validation, and feedback meeting and conversation. It is carried out on an annual basis, starting in December with the setting of objectives and culminating in February of the following year with feedback and discussion. This process is designed for technical and professional staff, team leads, management, team leads, department heads, and senior executives (personnel categories: A, B, C, D, E and F). This whole assessment represents the 60% of the individual salary, and the other 40% is about the company performance and results.

F4.4

(F4.4) Did your organization include information about its response to forests-related risks in its most recent mainstream financial report?

Yes (you may attach the report – this is optional)
 REPORTE CMPC INGLÉS 2021 - INTERACTIVO_.pdf

F4.5

(F4.5) Does your organization have a policy that includes forests-related issues?

Yes, we have a documented forests policy that is publicly available

F4.5a

(F4.5a) Select the options to describe the scope and content of your policy.

	Scope	Content	Please explain
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	Scope	Content	Please explain
Row 1	Company-wide	<p>Commitment to eliminate conversion of natural ecosystems</p> <p>Commitment to eliminate deforestation</p> <p>Commitment to no deforestation, to no planting on peatlands and to no exploitation (NDPE)</p> <p>Commitment to remediation, restoration and/or compensation of past harms</p> <p>Commitment to best management practices for soils and peat</p> <p>Commitment to take action beyond own supply chain to tackle environmental issues</p> <p>Commitment to protect rights and livelihoods of local communities</p> <p>Commitments beyond regulatory compliance</p> <p>Commitment to transparency</p> <p>Commitment to stakeholder awareness and engagement</p> <p>Commitment to align with the SDGs</p> <p>Recognition of the overall importance of forests and other natural ecosystems</p> <p>Description of business dependency on forests</p> <p>Recognition of potential business impact on forests and other natural ecosystems</p> <p>Description of forest risk commodities, parts of the business, and stages of value-chain covered by the policy</p> <p>List of timebound milestones and targets</p> <p>Description of forests-related performance standards for direct operations</p>	<p>Because it depends on nature, the CMPC's Corporate Purpose is Create, Coexist & Conserve, which means that it is actively committed to 13 SDGs (Create 9-12-17; Coexist 1-5-8-10-11-16-17; Conserve 6-7-12-13-15-17). By this, it goes beyond the legal, committing voluntarily to 4 environmental, 3 innovation + 3 diversity & inclusion goals related to sustainability, facing 2030, and complying with them is essential for CMPC, and the company's decision-making. During 2021, CMPC the search for financing that contributes to increasing its base of shareholders & investors interested in ESG conscious actions by green bonds & loans financing opportunities, mainly growing since 2017, and that are directly linked to the sustainability goals, that incorporate the goals related to forests.</p> <p>CMPC has an Environmental Policy (EP) & a Climate Change (CC) one, as well as the RMP. Both, EP & CC are based on 9 points, where the most relevant related to forests are: EP.1. Environmental management is an integral part (...) its operations must protect soil, water quality & biodiversity. EP.4. CMPC must have an inventory of the environmental impacts of each operation (...). Forestry & Industrial areas declare an OHS, Environment & Social Policy, in which, in point number 4, it is indicated the Care of Natural Resources in Productive, Protection & Conservation Areas. In CC Policy, the most relevant aspects related to forests are: CC.1. Striving towards a low-carbon economy based on renewable natural resources & circular business model. CC.4. Promoting the carbon capture & storage's potential of the forest plantations & products. CC. 9.g. Promote R&D of environmentally sustainable tech in the forestry sector. Also, the first Conservation & Water Strategies are preparing to be launched by the end of 2022, in addition to Public Biodiversity and No Deforestation Commitmet.</p> <p>Every 2 month, the main Forest-related purpose, goals, policies & commitments, and performances are reported to the Sustainability Committee, and the CMPC Board of Directos by the CEO in each session. Also, the compliance inputs and outputs are monitored, as well as the forests & environmental impacts in the Risk Committee. Continually, environmental audits & forest certifications are carried out as well. All the CMPC policies are reviewed regularly - at least every three years.</p>

	Scope	Content	Please explain
Environmental-Policy.pdf Climate-Change-Policy.pdf Public Bio & No Deforestation Commit (1).pdf REPORTE CMPC INGLÉS 2021 - INTERACTIVO_.pdf			

F4.5b

(F4.5b) Do you have commodity specific sustainability policy(ies)? If yes, select the options that best describe their scope and content.

	Do you have a commodity specific sustainability policy?	Scope	Content	Please explain
Timber products	Yes	Company-wide	Commitment to eliminate conversion of natural ecosystems Commitment to eliminate deforestation Commitment to no deforestation, to no planting on peatlands and to no exploitation (NDPE) Commitment to remediation, restoration and/or compensation of past harms Commitment to protect rights and livelihoods of local communities Commitments beyond regulatory compliance Commitment to transparency Commitment to best management practices for soils and peat Commitment to take action beyond own supply chain to tackle environmental issues Commitment to resolving both social and environmental issues in own operations and supply chain Commitment to stakeholder awareness and engagement Commitment to align with the SDGs Recognition of the overall importance of forests and	Based on corporate definitions & policies, as told in F.4.5a, the business division within CMPC Celulosa, CMPC Maderas, has developed a timber-related policy, that covers the forestry operations in Chile, from which its raw material proceeds and CMPC Maderas decision making depends on this policy. It begins with the definition of the biome areas, as well as the rest in ARG & BR, its quantitative specifications, continuing with its high standards declaration of forest management, ensuring harmonious operation in 3 sustainability aspects; (1) aiming to live in good standing with all the communities, (2) developing various actions of CMPC Celulosa in Chile Good Neighbour Policy (2008), and (3) promoting educational & cultural programs. Also, conducting proactive management of plantations, thinning & harvesting with preventive fire control, & finally, endorsing the sustainable management of forestry crops, certified through FSC & PEFC to guarantee the protection of the native forest & biodiversity. Also, a Forest Cycle is defined & explained, with a specific disclosure of its main timber products derived from Pinus Radiata & Eucaliptus, which have had a genetic improvement program that aims to contribute to the production process (all its specifications are given in 5 points). Then, the forestry certifications are explained and by them, CMPC demonstrates that its forestry operations are socially beneficial & responsibly managed, environmentally & economically. The Timber Policy adheres to SDGs, as well: (1) Sustainable cities & communities, (2) Climate action, (3) Life on land, and (4) Partnerships for goals. Plus, it declares its endorsement to the Green Bond Initiative, in which, funds obtained are used exclusively to finance or refinance, in part or in total, eligible projects with environmental benefits. Finally, repeats its voluntary commitment to Reforestation, forest certification, including the work done in nurseries & in HCVAs. This Timber Policy covers directs operations & its value chain, and has been published during 2019, permanently reviewed & in coherence with the Corporate Sustainability Approach, the Environmental & Climate Change Policies & the next Conservation Strategy. All the CMPC policies are reviewed regularly - at least every three years.

	Do you have a commodity specific sustainability policy?	Scope	Content Natural ecosystems Description of business dependency on forests	Please explain
			Recognition of potential business impact on forests and other natural ecosystems Description of forest risk commodities, parts of the business, and stages of value-chain covered by the policy List of timebound commitments and targets Description of forests-related performance standards for direct operations	
Palm oil	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

Environmental-
Policy.pdf
Climate-Change-
Policy.pdf
Public Bio & No
Deforestation
Commit (1).pdf
REPORTE CMPC
INGLÉS 2021 -
INTERACTIVO_.pdf

F4.6

(F4.6) Has your organization made a public commitment to reduce or remove deforestation and/or forest degradation from its direct operations and/or supply chain?

Yes
Public Bio & No Deforestation Commit (1).pdf

F4.6a

(F4.6a) Has your organization endorsed any of the following initiatives as part of its public commitment to reduce or remove deforestation and/or forest degradation?

Other, please specify (CMPC is an active member of The Forests Dialogue, New Generation Plantations (WWF) & the Forests Solutions Group (WBCSD).)

F4.6b

(F4.6b) Provide details on your public commitment(s), including the description of specific criteria, coverage, and actions.

Forest risk commodity

Timber products

Criteria

No conversion of natural ecosystems
Zero gross deforestation/ no deforestation
Zero net deforestation
No new development on peat regardless of depth
Restoration and compensation to address past deforestation and conversion
Avoidance of negative impacts on threatened and protected species and habitats
No trade of CITES listed species
No land clearance by burning or clearcutting
No conversion of High Conservation Value areas
No conversion of High Carbon Stock forests
Collaborate in landscapes/jurisdictions to progress shared sustainable land use goals
Implementation of Nature-based Solutions that support landscape restoration and long-term protection of natural ecosystems
Secure Free, Prior and Informed Consent (FPIC) of indigenous people and local communities
Operations are in accordance with the UN Declaration on the Rights of Indigenous Peoples
Remediate any adverse impacts on indigenous people and local communities
Adoption of the UN International Labour Organization principles
Resolution of complaints and conflicts through an open, transparent and consultative process
Facilitate the inclusion of smallholders into the supply chain
Build community capacity and incentivize engagement in multi-stakeholder processes
Restricting the sourcing and/or trade of forest risk commodities to credible certified sources
Recognition of legal and customary land tenure rights

Operational coverage

Direct operations and supply chain

% of total production/ consumption covered by commitment

100%

Cutoff date

1993-1997

Commitment target date

2026-2030

Please explain

CMPC has adhered to FSC & PEFC sustainable management, CoC & Controlled Wood certifications as the spine column of its public commitment to environmental, social & legal performance in: No conversion of natural ecosystems; Zero gross & net deforestation; No land clearance by burning or clearcutting; No conversion of High Conservation Value Areas; Secure Free, Prior & Informed Consent (FPIC) of Indigenous People & Local Communities; Resolution of complaints and conflicts through an open, transparent & consultative process; No sourcing of illegally produced and/or traded forest risk commodities; No sourcing of forest risk commodities from unknown/controversial sources; Restricting the sourcing and/or trade of forest risk commodities to credible certified sources, between others. These are reflected in the Company's efforts to achieve 100% of forest certification in own production/consumption, including the operation in ARG in april 2022, as well as keeping improving in its forest-related value chain. All the forestry operations of CMPC has a community consultation procedures, in order to carry out forestry activities and operations with the knowledge of the local community and with a minimum impact on them. The communications and registration procedures applied to Consultations are available in the Integrated Certified Management System (SiGeCe). To CMPC, which is preparing its Conservation Strategy (to be launched by the end of 2022) reforestation implies impacts prevention, forest replanting & recovery of species by the 7 following activities related to ecosystem services: + surface area & forest cover in degraded lands; generation of micro-watersheds & waterways that supply drinking water in neighbouring communities; creation of suitable areas for harvesting medicinal plants & non-timber forest products; creation of protected areas that facilitate connectivity between fragments of native forest; to increase & manage HVCAs & priority sites defined by the authorities; creation of buffer zones between plantation & native forest zones; to recover other forest services such as recreation and landscape; finally, doing preventive silviculture to prevent wildfires and protect the neighboring communities as well as own assets. Based on this orientation, the Social Plan in Chile, and the Management Plan in Brazil, are tools developed by the 2 Forestry units, built over the FSC & PEFC standards and requirements. At the end, a responsible way of operating is in the centre of CMPC's action, this is reflected in its policies & voluntary commitments. Plus, Forestry unit in ARG began its forest certification process (advancing to a100% certified areas & raw material), as well as the Sustainability Committee with a specialized team within the Company is working in the creation of a specific Conservation Strategy, based on NBS & EE SS which will be launched by the end of this year. An example: CMPC's Celulosa Riograndense (BR) & Forestal Mininco (CL) made a specific commitment to restore native vegetation to those areas replaced with plantations before cut-off date (1994). By 2021, 14,024 ha of this 2026 plan were accomplished, reaching the amount of 59,800 ha, equal to 81% of advance. Additionally, during 2021 CMPC restored two areas in Chile: 20 hectares of Pewen trees (*Araucaria araucana*) and 49.8 hectares of Ruil trees (*Nothofagus alessandrii*), creating a he development of the biological corridor in the Maule region, with 100 meters of wide and associated with a watercourse that connects Conaf's Los Ruiles National Reserve with CMPC's Los Ruiles de Empedrado HCVA in the Maule region. This project seeks to improve the living space of species that are threatened or have very specific habitats that have been reduced by productive areas.

F5. Business strategy

F5.1

(F5.1) Are forests-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

	Are forests-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, forests-related issues are integrated	>30	As a vertically integrated company, the forest base protection, development & certification is the most material part of the Corporate Strategic Plan through its Corporate Purpose by: 1. Declaring its dependence on nature 2. Conserving the environment, because CMPC's work is moving from a linear economy to a circular one 3. Creating Solutions for the most genuine needs of people. Because CMPC is present in everyday life with products derived from pulp, wood, paper & recycled paper. 2. Coexisting with the STKs, creating opportunities for mutual development. CMPC holds a privileged position to contribute to the positive transformation of the systems of which it's part As well as its Sustainability Approach & Value Creation Model, a key item is not only supporting CMPC's current operations, but also its growing opportunities & its complete value chain. In this way, forest-related long-term business objectives are included through the following: 1. Considering the Strategic Risk List, material issues & the contribution that the company does to 2030 Agenda and its SDGs 2. Developing a Value Creation Model based on the forest cycle, industrial activities & processes of each business unit, and circular recovery as well. This Model evolves every year. In 2021, inputs and outputs capitals were included 3. Committing to long-term sustainable development, including the restoration commitment itself and the Sustainability Corporate Goals as well, in line with No Conversion of Natural Ecosystem & the other voluntary commitments, For these, advancing with the forests certification in Argentina, which began during 2020 and ended successfully in April 2022, in order to achieve 100% of traceable and sustainable timber. 5. Innovation in every single aspect of forest-related product development, in order to explore other fields like circular bioeconomy, sustainable materials for construction & packaging, and linkages with the innovation environment through CMPC Beyond long-term program 6. Consolidating the green financial tools to finance or refinance in part or completely, initiatives with high positive Environmental & Social impacts In general terms, the time horizon for the objectives are detailed as > 30 years, considering the whole forest-cycle time bound and that CMPC is getting prepare for its next 100 years.
Strategy for long-term objectives	Yes, forests-related issues are integrated	>30	CMPC's strategic plan is built based on 5 work focuses: 1. Productivity and efficiency: To be leaders in customer service, brand value and responsible procurement 2. Efficient growth: To expand with capital efficiency and improve the CAPEX execution 3. People: To consolidate the culture of talent attraction and development 4. Innovation: To be leaders in innovative solutions and products 5. Sustainability: To lead in sustainability and be an active player within the communities These focuses consider organic and inorganic growth, and the forestry base to supply the wood and fiber needed in a vertically performance. This means that the company produces what its business units consume, which implied to restructure into a single unit with 2 main areas: CMPC Celulosa & CMPC Biopackaging. Softys, took the place of a more independent subsidiary. At an strategic level each focus has a direct effect in forest related aspects by: 1. Identifying all risks as strategic, especially not conserving natural forests and fiber scarcity as well, meaning that the Forest Cycle has to be respected as shown in the Value Creation Model, which is based on the company's assets natural & productive, and its activities an processes 2. Committing to promoting forest restoration, as well as avoiding deforestation in its direct operation & supply chain, as a base commitment of the corporate sustainability goals to 2030, also to reduce industrial water usage, reduction GHG emissions by 2030, Net Zero emissions by 2050, and to be 0 waste to landfill by 2025 3. Enhancing the sustainable and traceable production and consumption of timber, which allows the company to increase the engagement with smaller suppliers (to achieve certifications), with customers and consumers and with local communities. 4 Incorporating strong innovation in supporting circular bioeconomy, biomaterials and exploring other uses of fiber originated in sustainable & renewable forests. Within these, the Sustainable Approach is organized in 5 sections: Corporate Purpose, Value Creation Areas, Material Issues, Risks & Sustainability Corporate Goals. In general terms, the time horizon for the objectives are detailed as > 30 years, considering the whole forest cycle and that CMPC is getting prepare for its next 100 years.
Financial planning	Yes, forests-related issues are integrated	>30	During 2021, CMPC consolidated a Sustainable Culture that identifies, in addition to its ethical behaviour & its 3Cs, the search for financing that contributes to increasing its base of shareholders & investors interested in ESG conscious actions by green bonds & loans financing opportunities, mainly growing since 2017, and that are directly linked to the sustainability goals, which incorporate the goals related to forests. In August 2020, the company closed a two-year USD 100 million sustainability-related committed credit facility or Sustainability Linked Loan (SLL), together with MUFG Bank, Sumitomo Mitsui Banking Corporation, Export Development Canada & BNP Paribas acting as administrative agent & sustainability coordinator. This credit line is closely related to the environmental sustainability goals announced in 2019, as the annual interest rate is adjusted according to the results of the four environmental targets. Among the initiatives that have been and will be developed with these resources are projects such as the modernization of the steam system at the Valdivia Boxboard plant in Chile, the restoration of native forests & biodiversity conservation in southern Chile, and the improvement of the effluent treatment plant in Caieiras, Brazil. Following CMPC's corporate purpose, during the year 2021 CMPC issue the first Chilean SLB (Sustainable-Linked Bond) for USD 500MM in which targets were committed in relation to greenhouse gas emissions and water use intensity. These targets were set for the year 2025 and this instrument has a mechanism where the interest rate will be increased by 12.5 bps for each target that is not met. Likewise, at the end of 2021, a Committed Credit Facility structured as a Sustainable-Linked Loan for US\$100 million was closed, in which targets were established for 2022 and 2023 in terms of greenhouse gas emissions, water use intensity, waste and conservation areas.

F6. Implementation

F6.1

(F6.1) Did you have any timebound and quantifiable targets for increasing sustainable production and/or consumption of your disclosed commodity(ies) that were active during the reporting year?

Yes

F6.1a

(F6.1a) Provide details of your timebound and quantifiable target(s) for increasing sustainable production and/or consumption of the disclosed commodity(ies), and progress made.

Target reference number

Target 1

Forest risk commodity

Timber products

Type of target

Ecosystem restoration

Description of target

According to the UN's Declaration on Forests, and as told in F.4.5b, CMPC set a voluntary commitment to eliminate deforestation; advancing beyond the regulatory compliance; aligning with SDGs; recognizing the overall importance of forests & other ecosystems; remediating, restoration & compensating past harms; & eliminating conversion of natural ecosystems. CMPC follows a monitoring & management plan for conservation of its assets & biodiversity. In 2019 set specific goals including the conservation/protection/restoration of natural habitats: adding by 2030, 100 Th ha for conservation, to the existing 320 thousand ones in ARG, BR & CL, and in 2021, reported an advance of 67,847 conserved & protected ha, representing a 67,8% of progress. This goal favours the Degraded Landscape Restoration voluntary commitment made by CMPC Brazil & Chile according to forest certifications in 2010.

Linked commitment

No conversion of natural ecosystems

Traceability point

<Not Applicable>

Third-party certification scheme

<Not Applicable>

Start year

2018

Target year

2030

Quantitative metric

Absolute number

Target (number)

421529

Target (%)

<Not Applicable>

% of target achieved

67.8

Please explain

CMPC's rationale and work is deeply connected with nature & surroundings, the ecosystems, territories & communities that make them up. The company works directly with natural resources: forest, soil, air & water, knowing that its operations have both positive & negative impacts, therefore, strives to continuously identify science based opportunities for improvement. The level of ambitions is high and, in 2019, CMPC launched its 4 corporate goals by 2025-30, in which, one of them is directly forest-related. These targets apply to all forest and industrial operation's jurisdictions and are directly linked to the Company's materiality based on strategic risks. To get prepare to meet the forest-related goal, the company has raised the year 2018 as the baseline, in which 321 Th has been identified under conserved, protected and/or restored equal -in 2021- to the 29.78% of the whole heritage. The 100,000 additional amount was built over a forecast of growing in the 3 forestry operations, divided into the next 12 years, proportional to acquire approx 8,300 ha by year (which is quite similar to the FSC restoration Chilean target). Although the company has declared several commitments and have both Environmental & Climate Change policies since 2008 & 2019, respectively, in the last reporting year, it was necessary to begin working a more specific one: a Conservation Strategy, which is supported and followed up by the CMPC's Board Sustainability Committee, and derived from it, an Executive Conservation & Restoration Committee, in which is performed the degraded land restoration goal by 2026 as well. This new policy will be launched by the end of 2022. It's relevant to say that as 2021 was the third year of corporate goals being operative, beside tracking advances of installed initiatives, other projects were assessed to meet the commitment, and that funds were putted into the annual budget, as well as conservation & restoration projects are being classified as eligible, in order to achieve 2021's Credits & Loans Finally, although the advance of the conservation corporate goal isn't linear at all, it is necessary to describe them as specific and scaled advances, related to higher impact projects. As the 2021 Integrated Report disclosed, 67,847 new ha were included to conservation, protection and/or restoration, equal to a 67,8% of consolidated progress.

Target reference number

Target 2

Forest risk commodity

Timber products

Type of target

Third-party certification

Description of target

CMPC's public commitment to eliminating deforestation and/or forests degradation explains its adherence to sustainable forest standards through certifications in own operations & encouraging them in third-party ones. Today, CMPC is able to say that a 95% of its whole raw material production (self-produced + supplied by third-parties), sourced to pulp, wood & paper facilities is certified, as well as aiming to increase it to a 100% by 2030 (or sooner). In BR & CL working forests are SFM, CoC & CW certified. In ARG, while operating with the same focus, plantations are under Environmental Management System, ISO 14001 (FSC Certified in april 2022). In Chile, CMPC participates in external initiatives to promote sustainable forest policies implementation, working directly with smaller landholders, government entities, trade associations, communities, NGOs & financing tools. Since 2006 in CL & 2009 in ARG & BR, CMPC's been working in its 4 nurseries as well.

Linked commitment

No conversion of natural ecosystems

Traceability point

<Not Applicable>

Third-party certification scheme

FSC (any type)

FSC Forest Management certification

FSC Chain of Custody

FSC Controlled Wood

PEFC (any type)

PEFC Sustainable Forest Management certification

PEFC Chain of Custody

Start year

2010

Target year

2030

Quantitative metric

<Not Applicable>

Target (number)

<Not Applicable>

Target (%)

100

% of target achieved

95

Please explain

As CMPC is vertically integrated, is important to take a look in CoC certifications: own raw material production is 16,261,346.9 m3, from these de 99.4% is certificated. At the same time, the fully CMPC production (including third-parties) is equal to 20,394,736.8 m3, from these, the total percentage of certificated raw material is 95%, explained by the 100% certificated fiber that third-parties delivers to pulp, wood and paper businesses and excluding Bosques del Plata, Argentina. To date, CMPC has achieved a 90.2% of its own forest assets under sustainable forest management certification, which can be explained like this; from a total amount of 1,087,372 ha (own assets), distributed in Argentina, Brazil & Chile, 981,160 ha are under certification, which corresponds to: -Argentina in a 0% -Brazil in a 99.5%, and -Chile, in 98.5%. In synthesis, from a whole amount of 1,081,832 ha, 106,212 aren't certified yet, which in a simple percentage calculation is 9.76%

Target reference number

Target 3

Forest risk commodity

Timber products

Type of target

Traceability

Description of target

To comply with Targets 1 & 2, CMPC has a complete knowledge over its heritage by tracking its timber from origin to final destination. For each business unit, 100% of production/consumption volume is known from origin (forest management units) to final customers, which is certified by CoC through a documentary & physical process. For the physical one, the company accounts in every forest operation a traceability system based in Geographic Information System (ARC GIS), ground-based & aerial monitoring, checking all the surface in a total level of detail, covering productive & conservation areas, type of vegetation, age of plantations, species planted, etc. This allows planifying, acting and controlling its development, as well as programming ground based-monitoring which is performed by contractors as well. Bosque del Plata (ARG), Celulose Riograndense (BR) and Forestal Mininco (CL) uses a system that links ARC GIS and SAP that In ARG is called My Forest & in Chile, MINGEO.

Linked commitment

No conversion of natural ecosystems

Traceability point

Forest management unit

Third-party certification scheme

<Not Applicable>

Start year

2010

Target year

2030

Quantitative metric

<Not Applicable>

Target (number)

<Not Applicable>

Target (%)

100

% of target achieved

100

Please explain

Traceability systems, methodology and tools have been developed since (and before) 2010, year in which CMPC adhered to forest certifications. Since the certifications methodology is adopted, tracking all the information related to fiber production, from its legally source to its final destination is the only way to ensure correct and responsible performance, that's why CMPC define its certifications process as the spine column of its sustainable performance. Fiber information is physically and documentally followed from forest management units (farms) to final customer. To 2018, and before, traceability in Argentina, Brazil and Chile was achieved in a 100%, so it was possible to launch CMPC's sustainability corporate goals, specially the forest-related one, defining 2018 as the baseline year. Physical tracking is done by SIG systems; ground and aerial based, and documentary one by internal checking processes, done by workers and suppliers as well. All these is in detail explained in F.6.2.

F6.2

(F6.2) Do you have traceability system(s) in place to track and monitor the origin of your disclosed commodity(ies)?

	Do you have system(s) in place?	Description of traceability system	Exclusions	Description of exclusion
Timber products	Yes	CMPC has traceability systems to track & monitor its timber production & supply from origin to final destination. For each business,100% of production/consumption volume is known from forest management units to final customer, through: (1) documentary & (2) physical process. The first item works this way: -CMPC's timber comes from owned & in agreement land with clear title deeds. -The harvest, loading & transporting is carried out under own supervision & with all the respective contracts. There are authorizations & legal permissions for harvesting (management plans and cut notifications) -Each load is backed with a dispatch guide, which is a mandatory & legal document for the transfer of wood & with an exhaustive declaration of the certified material type. For the physical process, the company counts in all its operations a traceability systems based in: -Geographic Information System (ARC GIS), and ground-based & aerial monitoring, checking the complete surface in a total level of detail, covering all productive & conservation areas, type of vegetation, age of plantations, species planted, etc. This allows planifying & acting to prevent eventual emergencies & to control its development, as well as programming ground based-monitoring which is performed by contractors as well. -Bosque del Plata (ARG), Celulose Riograndense (BR) and Forestal Mininco (CL) uses a system that links ARC GIS & SAP for the whole surface under their control (In ARG is called My Forest & in CL, MINGEO). For ground-monitoring, all mapping is done with metric & sub metric GPS, and for aerial, sentinal high definition images (5 &10 meters resolution pixels) with images of the same sector every 1-2 months. In ARG, each operation supervisor has the updated cartography in an app that runs on their cell phones, and in BR a specific software, SGF, to manage all kind of interventions & operations occurring at the field. With this cartographic information, monthly graphic updates are made, maintaining the history of the evolution of the entire property and the changes in the area, by harvesting, planting, forest fires, native forest restoration projects, etc. An example to this: in Chile, Global Forest Watch, is used as a complementary tool, to monitor intact forest landscapes and deforestation related to controlled woods in owned, and in in-agreements and third parties land.	Not applicable	<Not Applicable>
Palm oil	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

F6.2a**(F6.2a) Provide details on the level of traceability your organization has for its disclosed commodity(ies).**

Forest risk commodity	Point to which commodity is traceable	% of total production/consumption volume traceable
Timber products	Forest management unit	100

F6.3**(F6.3) Have you adopted any third-party certification scheme(s) for your disclosed commodity(ies)?**

	Third-party certification scheme adopted?	% of total production and/or consumption volume certified
Timber products	Yes	95
Palm oil	<Not Applicable>	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>

F6.3a

(F6.3a) Provide a detailed breakdown of the volume and percentage of your production and/or consumption by certification scheme.

Forest risk commodity

Timber products

Third-party certification scheme

FSC (any type)

Chain-of-custody model used

<Not Applicable>

% of total production/consumption volume certified

95

Form of commodity

Hardwood logs

Softwood logs

Sawn timber, veneer, chips

Unprocessed wood fiber

Pulp

Paper

Boards, plywood, engineered wood

Primary packaging

Secondary packaging

Volume of production/ consumption certified

19375000

Metric for volume

Cubic meters

Is this certified by more than one scheme?

Yes

Please explain

For the CMPC’s forest assets & production of raw materials, in Brazil& Chile, third-party certification schemes, FSC & PEFC, are installed. The company’s whole amount of forest assets is 1,307,351 ha, of which the 90.2% of owned hectares are certified by Sustainable Forest Management (equal to 981,160 ha), and 60.8% of the third-party forest assets are certified (equal to 133,648 ha), while the 192,543 left corresponds to Bosques del Plata’s (94,297 ha FSC certified in April 2022) & the other portion is administered by agreements. Productive areas are equal to 848,512 ha, and the rest are destined for conservation, protection & restoration (389,376 ha), and other uses (69,463 ha). In the case of the CoC, CW & Due Dilligence processes of its raw material production, CMPC is able to ensure that all of its production (100%) is certified in Chile, 99,5% in Brazil, and when it gets to include Argentina, the number goes down to 95%. As told, the company aims to maintain all its certifications and increase their coverage, reaching 100% of production and consumption by 2030. Certified Chain of Custody in CMPC Pulp is 99.8% and 100% in CMPC Maderas. All these indicators are verified by an external. The whole amount of fiber produced is 20,395 Mm3, where the company’s own production is 16,261 Mm3 (83.51%) & 3,212 Mm3 (16.49%) is by third-parties. For the total production, certified raw material is 95%, only Bosque del Plata’s production (ARG) isn’t under it (despite its works under the same orientation; its crop and harvest is 14,001 certified for 16 years). In addition, since 2006 in CL & 2009 in BR, CMPC has been working on bringing back native species in its nurseries Carlos Douglas, Los Angeles & Aysen, Chile, and Barba Negra in Rio Grande do Sul, Brazil. Also, being active members of The Forests Dialogue, New Generation Plantations & the Forests Solution Group, the last 2, part of WWF & WBCSD, respectively.

F6.4

(F6.4) For your disclosed commodity(ies), do you have a system to control, monitor, or verify compliance with no conversion and/or no deforestation commitments?

	A system to control, monitor or verify compliance	Comment
Timber products	Yes, we have a system in place for our no conversion and/or deforestation commitments	<Not Applicable>
Palm oil	<Not Applicable>	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>

F6.4a

(F6.4a) Provide details on the system, the approaches used to monitor compliance, the quantitative progress, and the non-compliance protocols, to implement your no conversion and/or deforestation commitment(s).

Forest risk commodity

Timber products

Operational coverage

Direct operations
Supply chain

Description of control systems

Full compliance by: 1. Corporate forest-related goals 2. No conversion & deforestation commitments, forest-related risks assessments, & material issues being annually checked out 3. Reporting process with forest KPIs verification 4. Forest, environmental, quality, health & security certifications installed & promoted to third-parties 5. Four-pronged initiatives to help third-parties' certification (see F.6.2) 6. Internal & external third-parties audit processes 7. Monthly (and more frequently) documentary & physical monitoring by GIS systems (ground & aerial-based, see F.6.2), linked to SAP, & complemented by Global Forest Watch 9. Verification through High Carbon Stock & Value assessed by third 10. Suppliers assessments including ESG objectives, prioritizing certified through traceability & supply chain mapping to the farm unit level 11. Open grievance mechanism 12. Critical suppliers definition based in (a) High-volume, (b) Non-substitutable, & (c) Critical component

Monitoring and verification approach

Geospatial monitoring tool
Ground-based monitoring system
Community-based monitoring
First-party verification
Second-party verification
Third-party verification

% of total volume in compliance

100%

% of total suppliers in compliance

100%

Response to supplier non-compliance

Retain & engage
Suspend & engage

Procedures to address and resolve non-compliance with suppliers

Developing time-bound targets and milestones to bring suppliers back into compliance
Providing information on appropriate actions that can be taken to address non-compliance
Assessing the efficacy and efforts of non-compliant supplier actions through consistent and quantified metrics
Re-integrating suppliers back into supply chain based on the successful and verifiable completion of activities
REPORTE CMPC INGLÉS 2021 - INTERACTIVO_.pdf

Please explain

CMPC's timber procurement process follows a policy which guides the acquisition of goods & services. This process must be responsible, competitive & mutually beneficial for the supplier & the company. It's quarterly (and more frequently as well) monitored, according the following: -Maximum cost efficiency through collective negotiations based on economies of scale principles -Compliance with CMPC's Code of Ethics, Competition Manual & all CMPC's policies, including General Bases for supply - Organizational structure that allows each area to manage its procurement controlling risks & compliance, norms & procedures -All order placement, receipt & payment are done exclusively through the SAP system -CMPC's suppliers are assessed periodically with quality specifications, delivery terms, risk management & other contractual obligations -The Company strives to build strong relationships with its local & critical suppliers and has definitions for both of them -Every new non-registered supplier is subjected to an evaluation process. Suppliers accounting + USD 1 million in yearly procurement spend are also subject to annual assessment based on the following items: financial performance analysis, tax compliance, CMPC obligatory registration record & technical evaluation. The Company's response to supplier in non-compliance depends on score severity: -Suppliers with a total score <60% (bad or very bad) for 2 consecutive years or 3 times in a 5-year period cannot continue supplying CMPC

F6.5

(F6.5) For your disclosed commodity(ies), indicate if you collect data regarding your own compliance and/or the compliance of your suppliers with the Brazilian Forest Code.

	Do you collect data regarding compliance with the Brazilian Forest Code?	Please explain
Timber products	Yes, from both suppliers and owned/managed land	CMPC Celulose Riograndense has a Forest Management Plan (PMF), which sets the guidelines related to its forestry activities in farms where trees are planted (management units). The Plan covers from planning the plantations to delivering the wood to the industrial facility. In addition, accounts maps, environmental licenses & technical manuals with specific guidelines for carrying out field operations. All is publicly available. Celulose Riograndense collects surface, plantation and native forest & vegetation, and their stage of conservation data from all areas with ARC GIS & SGF (Forest Management System) as well as ground, aerial & satellite monitoring, monthly updated & complemented by Global Forest Watch. It's FSC also Cerflor (PEFC) certified, whose principles, criteria & indicators apply to all national territory and are described in ABNT (Brazilian Association of Technical Standards). SGF is an integrated tool which stores, controls and updates all own & suppliers forestry activities info. From that data, service orders are generated (guidance on what, where & how to perform). During & after monitoring, reports are issued and analysis of compliance with plans & procedures are developed. All Celulose Riograndense's properties (owned & leased) where it performs and forest resources are georeferenced by ARC GIS cartography, allowing the constant updating of data and ensuring consistency of information, being available to all areas of the company. The areas managed by CMPC Celulose Riograndense can be (1) Own; (2) Used in partnership with other rural owners as suppliers; (3) Leased from other landowners; (4) Used by means of Real Surface Law, a real right, regulated by the City Statute & the Brazilian Civil Code, constituted through a public deed registered in a Real Estate Registry, and which authorizes its holder for a determined or indefinite period, against payment or free of charge, to use the surface of a given property to build or plant. By this, all the property complies with the Brazilian Code; this is checked out with the rural environmental cadastre and driver's licenses. Also, everything is audited by independent certification bodies. There is evidence of zero deforestation in CMPC's land after 1994, according to FSC & CERFLOR principles and criteria. This is confirmed by satellite images and is annually verified by independent audits.
Palm oil	<Not Applicable>	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>

F6.5a

(F6.5a) For your disclosed commodity(ies), indicate which Key Performance Indicators (KPIs) you use to measure your own compliance with the Brazilian Forest Code and your performance against these indicator(s).

Forest risk commodity

Timber products

KPIs

% of owned and/or managed properties registered on the Rural Environmental Registry (CAR) database, with active status

Performance against indicators

91-99%

Please explain

CMPC Brazil has 99.5% of its own forest & plantation assets & 100% of its production under FSC & PEFC (CERFLOR) Sustainable Forest Management, CoC & Controlled Wood, respectively. It sources from its own forest assets or by agreement land (see land situation in previous answer). By this, CMPC Brazil also gets raw material sourced from third-parties (smaller in-agreement-land holders as suppliers), half certified (54.5%) due to the reporting cut off date. In order to ensure physical & documentary traceability, the company has a Responsible Procurement Program which requires all suppliers to do a due diligence process verifying: the legality of forest ownership, the management & harvesting plans granted by the forestry authorities, and compliance with product quality & safety protocols. CMPC Brazil, in line with the Brazilian Code, complies environmental commitments, including native vegetation restoration. This is tracked by ARC GIS & SGF, where the productive & native vegetation polygons are identified by stages and the interventions to improve or restore these areas are registered including different type of interventions, its dates & all the inputs that are being used (plants, fertilizers, fences). For full compliance, there is an annual programme with goals, monthly & annual monitoring achievement reports produced & presented to the environmental agency & to the certification bodies. These reports are based on the following indicators: -The % of owned and/or managed properties registered on the Rural Environmental Registry (CAR) database: CMPC Brazil has 100% of compliance -The % of owned and/or managed properties with no gross deforestation after July 2008: CMPC Brazil has 100% of compliance Some other KPIs: -The % of owned and/or managed properties covered by environmental management plan: CMPC Brazil has a 100% of compliance as the entire surface is under certification & considered in the management plan -The % of owned and/or managed properties with Legal Reserve (RL) and/or Permanent Protected Area (APP) deficit: CMPC Brazil has a 100% of compliance, as well as a superavit, which help to do compensation in other areas. -The % of owned and/or managed properties with signed Terms of Commitment of the Environmental Regularization Program (PRA): CMPC Brazil has a 100% of compliance, as well as a superavit, which help to do compensation in other areas.

Forest risk commodity

Timber products

KPIs

% of owned and/or managed properties with no gross deforestation after July 2008

Performance against indicators

91-99%

Please explain

CMPC Brazil has 99.5% of its own forest & plantation assets & 100% of its production under FSC & PEFC (CERFLOR) Sustainable Forest Management, CoC & Controlled Wood, respectively. It sources from its own forest assets or by agreement land (see land situation in previous answer). By this, CMPC Brazil also gets raw material sourced from third-parties (smaller in-agreement-land holders as suppliers), half certified (54.5%) due to the reporting cut off date. In order to ensure physical & documentary traceability, the company has a Responsible Procurement Program which requires all suppliers to do a due diligence process verifying: the legality of forest ownership, the management & harvesting plans granted by the forestry authorities, and compliance with product quality & safety protocols. CMPC Brazil, in line with the Brazilian Code, complies environmental commitments, including native vegetation restoration. This is tracked by ARC GIS & SGF, where the productive & native vegetation polygons are identified by stages and the interventions to improve or restore these areas are registered including different type of interventions, its dates & all the inputs that are being used (plants, fertilizers, fences). For full compliance, there is an annual programme with goals, monthly & annual monitoring achievement reports produced & presented to the environmental agency & to the certification bodies. These reports are based on the following indicators: -The % of owned and/or managed properties registered on the Rural Environmental Registry (CAR) database: CMPC Brazil has 100% of compliance -The % of owned and/or managed properties with no gross deforestation after July 2008: CMPC Brazil has 100% of compliance Some other KPIs: -The % of owned and/or managed properties covered by environmental management plan: CMPC Brazil has a 100% of compliance as the entire surface is under certification & considered in the management plan -The % of owned and/or managed properties with Legal Reserve (RL) and/or Permanent Protected Area (APP) deficit: CMPC Brazil has a 100% of compliance, as well as a superavit, which help to do compensation in other areas. -The % of owned and/or managed properties with signed Terms of Commitment of the Environmental Regularization Program (PRA): CMPC Brazil has a 100% of compliance, as well as a superavit, which help to do compensation in other areas.

F6.5b

(F6.5b) For your disclosed commodity(ies), indicate which Key Performance Indicators (KPIs) you use to measure the compliance of your suppliers with the Brazilian Forest Code and their performance against these indicator(s).

Forest risk commodity

Timber products

KPIs

% of suppliers registered on the Rural Environmental Registry (CAR) database, with active status

Performance against indicators

100%

Please explain

CMPC Brazil has 99.5% of its own forest & plantation assets & 100% of its production under FSC & PEFC (CERFLOR) Sustainable Forest Management, CoC & Controlled Wood, respectively. It sources from its own forest assets or by agreement land (see land situation in previous answer). By this, CMPC Brazil also gets raw material sourced from third-parties (smaller in-agreement-land holders as suppliers), half certified (54.5%). In order to ensure physical & documentary traceability, the company has a Responsible Procurement Program which requires all suppliers to do a due diligence process verifying: the legality of forest ownership, the management & harvesting plans granted by the forestry authorities, and compliance with product quality & safety protocols. CMPC Brazil, in line with the Brazilian Code, complies environmental commitments, including native vegetation restoration. This is tracked by ARC GIS and SGF systems, where the productive and native vegetation polygons are identified by stages and the interventions to improve or restore these areas are registered including different type of interventions, its dates and all the inputs that are being used (plants, fertilizers, fences). For full compliance, there is an annual programme with goals, and monthly & annual monitoring achievement reports produced and presented to the environmental agency and to the certification bodies. These reports are based on the following indicators: -The % of owned and/or managed properties registered on the Rural Environmental Registry (CAR) database: CMPC Brazil has 100% of compliance -The % of owned and/or managed properties with no gross deforestation after July 2008: CMPC Brazil has 100% of compliance Some other KPIs: -The % of owned and/or managed properties covered by environmental management plan: CMPC Brazil has a 100% of compliance as the entire surface is under certification and considered in the management plan -The % of owned and/or managed properties with Legal Reserve (RL) and/or Permanent Protected Area (APP) deficit: CMPC Brazil has a 100% of compliance, as well as a superavit, which help to do compensation in other areas. - The % of owned and/or managed properties with signed Terms of Commitment of the Environmental Regularization Program (PRA): CMPC Brazil has a 100% of compliance, as well as a superavit, which help to do compensation in other areas.

Forest risk commodity

Timber products

KPIs

% of suppliers with no gross deforestation after July 2008

Performance against indicators

100%

Please explain

CMPC Brazil has 99.5% of its own forest & plantation assets & 100% of its production under FSC & PEFC (CERFLOR) Sustainable Forest Management, CoC & Controlled Wood, respectively. It sources from its own forest assets or by agreement land (see land situation in previous answer). By this, CMPC Brazil also gets raw material sourced from third-parties (smaller in-agreement-land holders as suppliers), half certified (54.5%). In order to ensure physical & documentary traceability, the company has a Responsible Procurement Program which requires all suppliers to do a due diligence process verifying: the legality of forest ownership, the management & harvesting plans granted by the forestry authorities, and compliance with product quality & safety protocols. CMPC Brazil, in line with the Brazilian Code, complies environmental commitments, including native vegetation restoration. This is tracked by ARC GIS and SGF systems, where the productive and native vegetation polygons are identified by stages and the interventions to improve or restore these areas are registered including different type of interventions, its dates and all the inputs that are being used (plants, fertilizers, fences). For full compliance, there is an annual programme with goals, and monthly & annual monitoring achievement reports produced and presented to the environmental agency and to the certification bodies. These reports are based on the following indicators: -The % of owned and/or managed properties registered on the Rural Environmental Registry (CAR) database: CMPC Brazil has 100% of compliance -The % of owned and/or managed properties with no gross deforestation after July 2008: CMPC Brazil has 100% of compliance Some other KPIs: -The % of owned and/or managed properties covered by environmental management plan: CMPC Brazil has a 100% of compliance as the entire surface is under certification and considered in the management plan -The % of owned and/or managed properties with Legal Reserve (RL) and/or Permanent Protected Area (APP) deficit: CMPC Brazil has a 100% of compliance, as well as a superavit, which help to do compensation in other areas. - The % of owned and/or managed properties with signed Terms of Commitment of the Environmental Regularization Program (PRA): CMPC Brazil has a 100% of compliance, as well as a superavit, which help to do compensation in other areas.

F6.6

(F6.6) For your disclosed commodity(ies), indicate if you assess your own compliance and/or the compliance of your suppliers with forest regulations and/or mandatory standards.

	Assess legal compliance with forest regulations	Comment
Timber products	Yes, from both suppliers and owned/managed land	<Not Applicable>
Palm oil	<Not Applicable>	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>

F6.6a

(F6.6a) For your disclosed commodity(ies), indicate how you ensure legal compliance with forest regulations and/or mandatory standards.

Timber products

Procedure to ensure legal compliance

CMPC Brazil & ARG adheres to legally environmental & social standards; BR by receiving the FSC & also Cerflor certifications (voluntary Brazilian program recognized by European PEFC), as well as Cerflor's principles, criteria and KPIs, are applicable to the entire national territory & described in ABNT (Brazilian Association of Technical Standards). There are rules to demonstrate that each process´ step has been complied. Also, according to the Brazilian Forest Code, CMPC Brazil´s forestry operational plans (with harvesting & transportation) are monthly and annually monitored, as well as reported to authorities and publicly available every year, providing a multi-year plan for sowing, reforming & germination, known as Long-Term Wood Supply Program. It covers an 18-year horizon and considers ESG variables as well, which is incorporated into Technical Manuals, Procedures & Instructions. Beside, all property areas were acquired from rightful owners, the company owns/uses them through notary´s contract, deed or registration, being them owned; by Forest Promotion Program; Market Wood; & Real Surface Law. The Legal & Government company´s division is responsible for guaranteeing the domain of the land base, in which realization of the Rural Environmental Cadastre is carried out in compliance with the stipulated legal deadlines. The leased & associated areas are registered and contain plantations. Preservation has been regulated in its use & insured by a notary contract too. CMPC´s areas with Real Surface Rights, has deeds that guarantee its ownership for 40 years, being able to renew for 40 more. In areas where the development contracts were established is contractor´s responsibility. CMPC annually monitors the Environmental Impact Study´s results through the Forest Base Expansion Monitoring and Evaluation Program active in municipalities. In the case of Bosques del Plata, it operates in full compliance with legislation, applicable regulations and voluntary commitments (ISO 14.001; No Substitution of Native Forest) in social, environmental, safety, and occupational health. From a GIS, Bosques del Plata has data in natural elements´ location in its fields. The company precisely plans the resources´ efficient use in operational tasks & high environmental value area´s protection (wetlands, mirrors and water courses, native forests).

Country/Area of origin

Argentina
Brazil

Law and/or mandatory standard(s)

General assessment of legal compliance

Comment

The same as previous answer, nevertheless, in order to complement the following is highlighted: CMPC Brazil & Argentina adheres to environmental standards; Brazil by receiving the Forest Sustainable Management, CoC and Controlled Wood certificates by FSC & Cerflor, Argentina by operating with ISO 14,001 (and FSC Certification since april of 2022). The Legal & Compliance company´s division, in both cases, is responsible for guaranteeing the domain of the land base, in which the realization of the Rural Environmental Cadastre, in Brazil, is carried out in compliance with the stipulated legal deadlines. CMPC annually monitors the Environmental Impact Study´s results through the Forest Base Expansion Monitoring and Evaluation Program active in municipalities and provinces, respectively as well. In the case of Bosques del Plata, it operates in full compliance with legislation, applicable regulations and voluntary commitments (ISO 14.001; No Substitution of Native Forest, etc...), and with social, environmental, occupational safety and health procedures and certifications. By its GIS system, Bosques del Plata has all of the data of its natural elements location in its fields. The company precisely does plans the resources efficient use in operational tasks & high environmental value area´s protection (wetlands, mirrors and water courses, native forests).

F6.7

(F6.7) Are you working with smallholders to support good agricultural practices and reduce deforestation and/or conversion of natural ecosystems?

	Are you working with smallholders?	Type of smallholder engagement approach	Smallholder engagement approach	Number of smallholders engaged	Please explain

	Are you working with smallholders?	Type of smallholder engagement approach	Smallholder engagement approach	Number of smallholders engaged	Please explain
Timber products	Yes, working with smallholders	Supply chain mapping Capacity building Financial and commercial incentives	Supplier questionnaires on environmental and social indicators Developing or distributing supply chain mapping tool Supplier audits Offering on-site technical assistance and extension services Providing agricultural inputs Disseminating technical materials Organizing capacity building events Investing in pilot projects Supporting smallholders to clarify and secure land tenure Financial incentives for certified products Long term contracts linked to forest related commitments	207	CMPC has FSC & PEFC forest management group & individual certification with small-holders, as well as CoC & CW schemes, and if they're not certified, the company requires them to comply. The aim is to maximize the area under certification and reduce inherent risks to specific quantities' sale, that mainly supply pulp mills. Third parties wood suppliers: -FSC & Sustainable Management Group / Individual: 12 - PEFC sustainable management Group/ Individual: 17 -FSC CoC/CW Certified: 77 -Non CoC Certified but with DDS: 57 CMPC's support goes by 4 ways: 1. CREATION & PROMOTION OF THE FOREST CERTIFICATION GROUP: In Chile, small owners are distributed between the Maule & Araucania regions, with 77,968 m3 of logs and woodchips sale, for a total land area of 34,452 ha. CMPC's expert teams provide consulting services on sustainable management to the program's members through technical support and training. In 2021, 28 sessions to approx 150 people. 2. TECHNICAL TALKS FOR SUPPLIERS: CMPC offers talks to suppliers to help them update their knowledge on issues such as fire control & prevention and genetic improvements. It organizes visits to nurseries and experience exchange on forest management methods, facilitates discussions of current & future forestry and pulp market conditions 3. INCENTIVES FOR DUE DILIGENCE SYSTEM (DDS): The program focuses on providing incentives to suppliers who don't have or can't obtain a certification to set up a DDS. 4. SAWING LOGS PROCUREMENT FROM FORESTRY SMES: This program, launched after large wildfires across Chile in 2017, strives to support & give priority to the local economy by the procurement of a certain volume of sawing logs solely from microbusiness from the Chilean regions of Maule, Biobio and Araucania. Company has shared its experience with FSC, promoting the creation of FM groups for small owners. In Brazil, due to its legal land tenure figure is explained like this: Forest Promotion Program with rural producers was implemented between 2004 & 2012. Through it, the company provides seedlings, fertilizers, technical assistance. Also guarantees by contract, the purchase of wood. The responsibility for forest practices rests in smaller ones, and isn't covered by this Plan, however, the harvesting operation is CMPC's responsibility
Palm oil	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

F6.8

(F6.8) Are you working with your direct suppliers to support and improve their capacity to comply with your forests-related policies, commitments, and other requirements?

	Are you working with direct suppliers?	Type of direct supplier engagement approach	Direct supplier engagement approach	% of suppliers engaged	Please explain
Timber products	Yes, working with direct suppliers	Supply chain mapping Capacity building Financial and commercial incentives	Supplier questionnaires on environmental and social indicators Developing or distributing supply chain mapping tool Supplier audits Offering on-site training and technical assistance Disseminating technical materials Organizing capacity building events Financial incentives for certified products Purchase guarantee linked to best agricultural practices Long-term contracts linked to forest related commitments	100%	CMPC works with a whole amount of 22,534 direct suppliers & contractors, improving their forests-related policies & commitments compliance through annual audits; the 1,758 of them are local, and 6,826 MSMEs. In Processing, Trading & Manufacturing, related to CMPC Celulosa, CMPC BioPackaging & Softys' production, a Responsible Procurement process exists with guidelines for goods & service acquisition by the following criteria; 1- Maximum cost efficiency through collective negotiations based on economies of scale's principles; 2- Compliance with CMPC's Code of Ethics, Competition Manual & all company's policies; 3- Guarantee adequate risk control, by which suppliers are periodically assessed focusing in quality, delivery terms, risk management & other contractual items, based on financial performance analysis, tax compliance, CMPC obligatory registration record & technical evaluation. -Threshold:Suppliers with a total score <60% (bad or very bad) for 2 years or 3 times in a 5-year period can't continue supplying. -An example of supply chain mapping: Since 2019, CMPC has built a critical suppliers definition & cadastre across its 3 businesses by this criteria: -High-volume suppliers; -Critical component suppliers; -Non-substitutable suppliers. For CMPC Celulosa, regarding its fiber direct dependence, critical supplier scope is larger:-Annual spend equal to or + USD MM 1-Exclusive producers-Providing services for critical components with an acceptable risk level according to strategic company's matrix-Based on social impact on their surroundings & operations. By this matrix, in 2021, 569 critical suppliers (2.52%) are identified across all 3-business out of the 22,534 suppliers registered.
Palm oil	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

F6.9

--

(F6.9) Are you working beyond your first-tier supplier(s) to manage and mitigate deforestation risks?

	Are you working beyond first tier?	Type of engagement approach with indirect suppliers	Indirect supplier engagement approach	Please explain
Timber products	Yes, working beyond first tier	Supply chain mapping Capacity building	On-site meetings with indirect suppliers Offering on-site training and technical assistance Disseminating technical materials Participating in workshops Investing in pilot projects	CMPC works beyond its first-tier supply chain through an integrated way based on its supplier & contracts strategy: 1- Keeping aiming third-parties certification, collaborating with them and beyond to address ethical relationships, compliance & certifications. and exchanging best forest management practices. All timber producers within company's supply chain (first tier & beyond) are mostly certified with only a small portion coming from non-certified suppliers. CMPC has FSC & PEFC forest management group & individual certification with small-holders, as well as CoC & CW schemes, and if they're not certified, the company requires them to comply. In Chile, small owners are distributed between the Maule & Araucania regions, with 77,968 m3 of logs and woodchips sale, for a total land area of 34,452 ha. CMPC's expert teams provide consulting services on sustainable management to the program's members through technical support and training, with 28 sessions to approx 150 people in 2021. 2- By CMPC's Responsible Procurement Program: the company helps that small portion coming from non-certified suppliers, ensuring their traceability by verifying their due diligence process, the legality of forest ownership, the management and harvesting plans granted by authorities, and compliance with quality and safety protocols. CMPC supports medium & small -sized timberland owners via the administration of a forest management group. In CMPC Celulosa, Biopackaging and Softys, beyond first-tier is overseen. The 3 business unit has a supply chain mapping, as well as a capacity building scheme to support and improve direct & indirect suppliers to comply with company's forests-related policies, commitments and other requirements. During 2021, CMPC continued with his CDP Supply Chain Programme releasing their public code of conduct for suppliers. An example of collaboration with indirect suppliers is: CMPC's nurseries in Brazil & Chile are opened to receive direct and indirect suppliers, as well as huge plants donations are made to indirect ones that do restoration in other geographies, different of CMPC's land. At the same time, the company maps all this, ensuring wood traceability beyond its own business supply chain and reinforcing that third-parties restoration is also quality and effectively practiced.
Palm oil	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

F6.10

(F6.10) Do you engage in landscape (including jurisdictional) approaches to progress shared sustainable land use goals?

	Do you engage in landscape/jurisdictional approaches?	Primary reason for not engaging in landscape and/or jurisdictional approaches	Please explain why your organization does not engage in landscape/jurisdictional approaches, and describe plans to engage in the future
Row 1	No, but we are planning to engage in landscape/jurisdictional approaches in the next two years	Other, please specify (As part of our work with the FSC certification, where CMPC has committed to implement curtains with native forest on highways and paths to tourist attractions, but not as part of its operations in all company's assets.)	CMPC is currently involved in landscaping issues as part of our work with the FSC certification, where CMPC has committed to implement curtains with native forest on highways and paths to tourist attractions (approximately 100 km, with more than 50% progress). CMPC is currently working on a program called plantations 2.0, where landscaping issues are incorporated into all CMPC's forestry operations, with focuses on biodiversity and conservation, where buffer zones are incorporated into conservation areas, mosaic-type plantations (where plantations are visible), and native forest curtains in plantations adjacent to highways, and paths of tourist interest. This program is expected to begin implementation in late 2022 or early 2023.

F6.11

(F6.11) Do you participate in any other external activities and/or initiatives to promote the implementation of your forests-related policies and commitments?

Forest risk commodity

Timber products

Do you participate in activities/initiatives?

Yes

Activities

Involved in multi-partnership or stakeholder initiatives

Country/Area

Not applicable

Subnational area

Not applicable

Initiatives

UN Global Compact

Global Reporting Initiative (GRI) Community Member

High Conservation Value (HCV) Resource Network

Forest Stewardship Council (FSC)

Programme for the Endorsement of Forest Certification (PEFC)

WBCSD Forests Solutions Group

Other, please specify (The Forest Dialogue, and WWF's New Generation Plantations)

Please explain

CMPC adheres to the Guiding Principles on Human Rights and Business issued by the United Nations and the Global Compact and, since 2020 part of the new 2020-2021 Executive Committee, for the promotion of sustainable development of companies based on joint collaboration and the establishment of good practices among its members. CMPC is Member of World Business Council for Sustainable Development since 2011. This organization seeks, through business collaboration, to accelerate the transition to a sustainable world. Among the actions carried out, CMPC, together with UPM, led the work of the Forest Solutions Group until 2016. In 2019, it presented to the UN the Forest Sector Roadmap for the coming years, in line with the 2030 Agenda, in 2020 CMPC was part of the construction of the new Forest Solutions Group's KPIs, and in 2021 it was part of the construction of Forest Solutions Groups' Nature Positive Road Map. CMPC adheres and actively participates in external initiatives and/or activities to further the implementation of policies and actions concerning the sustainable production, sustainable forest management (PEFC, FSC, HCV Resource Network, The Forest Dialogue, and WWF's New Generation Plantations) and use of pulp, timber and paper, as well as the whole set of opportunities within them. In all the countries where CMPC has presence, and also where its customers are located, CMPC is actively taking action in different initiatives. In the case of Chile, the Company also engages with industries platforms like Global Compact Chilean network, CORMA & SOFOFA (local enterprise association), as well as policy-advising institutions. With all of them, CMPC does community and NGOs engagement, according conservation & restoration purposes, product innovation, sustainable buildings, etc.

Forest risk commodity

Timber products

Do you participate in activities/initiatives?

Yes

Activities

Other, please specify (Jurisdictional approaches)

Country/Area

Chile

Subnational area

Not applicable

Initiatives

<Not Applicable>

Please explain

Regarding Forest Sustainable Management, and supporting research related to conservation, protection & restoration techniques and initiatives, as well as better governance and conservation finance systems, in a multi-actor collaboration way, CMPC actively participates and engages in jurisdictional approaches towards: -Carbon capture and sequestration -Landscape-scale restoration -Ecosystems services & Natural Based Solutions, between others. All these help to improve strategic and operational risk management as well as product sourcing practices. In every case the company promotes the importance of Forest Certifications and the compliance with its requirements, as well as better supply chain stewardship, and relationships with local and indigenous communities. An interesting example of these approach: -CMPC, through CORMA (Timber Corporation, a Chilean trade association) sent to the environmental minister its observations and proposal for the Landscape-Scale Restoration National Plan (2020 - 2030). Since early 2019, CMPC has been developing its Natural Areas Master Plan, which will match with the Conservation Strategy which will be released at the end of 2022.

F6.12

(F6.12) Is your organization supporting or implementing project(s) focused on ecosystem restoration and protection?

Yes

F6.12a

(F6.12a) Provide details on your project(s), including the extent, duration, and monitoring frequency. Please specify any measured outcome(s).

Project reference

Project 1

Project type

Set aside land

Primary motivation

Voluntary

Description of project

Project: CMPC follows a plan for conservation, protection & restoration of its forest assets, ecosystems & biodiversity. In 2019, the company set specific sustainability goals, including the conservation, protection and/or restoration target by: -Adding 100 Th ha of set-aside land for conservation, protection and/or restoration by 2030 to CMPC's already existing 321,529 ha in ARG, BR & CL (over 2018 baseline year). In compliance with SDG 15: Life in Land & specific target 15.1. 2021 advance: Consolidated advance was of + 67,847 ha with a progress of + 67.8% to 2030, in which Argentina did a contribution of + 192 ha (with no variation in 2020-2021). Explanation: CMPC forest assets include productive & non-productive areas; 64.9% of the total is destined for productive plantations, while 29.78% (389,376 ha to 2021), corresponds to areas for conservation, protection & restoration purposes. CMPC takes this voluntary commitment beyond its forest certifications & regulatory standards. HVCAs in Brazil, Chile & Argentina are 28,009 ha, where Biological areas cover approx 24,711 ha, 88.23% of the total HCVAs & a 6.34% of the whole amount of CMPC's set-aside land. For this reason, the Company has placed all its knowledge and experience at their service, safeguarding threatened species of flora and fauna, and identifying, managing and monitoring the HCVAs, as following in Argentina: 7 biological HCVAs distributed over 9,498 ha, the most outstanding is Peninsula habitat (3,320 hectares) & Timbauva (2,056 hectares) north of the province of Corrientes.

Start year

2018

Target year

2030

Project area to date (Hectares)

389376

Project area in the target year (Hectares)

421529

Country/Area

Argentina

Latitude

27

Longitude

55

Monitoring frequency

Six-monthly or more frequently

Measured outcomes to date

Biodiversity

Carbon sequestration

Soil

Water

Climate regulation

Financial

Please explain

The 2018 baseline year is accounted in 321, 529 ha, by 2030, 421, 529 ha are expected to be the whole amount of assets destined to Conservation, Protection and/or Restoration. During the third year of monitoring, the advance was tracked & verified according Integrated Report's demand. Through this goal, CMPC will have Biodiversity/Carbon Capture & Sequestration/ Soil/Water/Climate & Financial outcomes assessed annually and projected to 2030. As CMPC has developed guidelines for the conservation of its HCVAs, these will be applied to its voluntary conservation corporate goal : • Fire control and prevention • Prohibition of use of fire within the HCVAs or in neighbouring areas • No fishing, hunting, logging or any other illegal activity within HCVA boundaries • Coordination with scientists and experts to monitor critical conservation KPIs • Clearing the undergrowth around endemic species • Communication and outreach in local communities about biological areas • Training its workforce in the care of biological set aside land • Outreach through brochures and pamphlets on biological areas • Fencing and signage on the ground It is not possible to CMPC to give latitude or longitude data, because the group of CMPC's set-aside land occupy a vast area, and as they are composed by different units, are located in the 3 countries where CMPC operates its forestry. Nevertheless, it is detailed the most northern coordinate of these set aside lands, which corresponds to Predio San Andrés, that belongs to Bosques del Plata, Argentina South Latitude: 27 ° , 64339 or 27 ° 38' 36'' West Longitude: 55 ° , 72454 or 55 ° 43' 28''

Project reference

Project 2

Project type

Set aside land

Primary motivation

Voluntary

Description of project

Project: CMPC follows a plan for conservation, protection & restoration of its forest assets, ecosystems & biodiversity. In 2019, the company set specific sustainability goals, including the conservation, protection and/or restoration target by: -Adding 100 Th ha of set-aside land for conservation, protection and/or restoration by 2030 to CMPC's already existing 321,529 ha in ARG, BR & CL (over 2018 baseline year). In compliance with SDG 15: Life in Land & specific target 15.1. 2021 advance: Consolidated advance was of + 67,847 ha with a progress of + 67.8% to 2030, in which Brazil did a contribution of + 199,168 ha (from 197,465 ha in 2020 to 199,168 ha in 2021) Explanation: CMPC forest assets include productive & non-productive areas; 64.9% of the total is destined for productive plantations, while 29.78% (389,376 ha to 2021), corresponds to areas for conservation, protection & restoration purposes. CMPC takes this voluntary commitment beyond its forest certifications & regulatory standards. HVCAs in Brazil, Chile & Argentina are 28,009 ha, where Biological areas cover approx 24,711 ha, 88.23% of the total HCVAs & a 6.34% of the whole amount of CMPC's set-aside land. For this reason, the Company has placed all its knowledge and experience at their service, safeguarding threatened species of flora and fauna, and identifying, managing and monitoring the HCVAs, as following in Brazil: 9 biological HCVAs, 4,264 ha (out of the total of 4,446, that is to say 95.9%). The most important is Barba Negra, where 769.4 ha of Atlantic Coastal Forest (Mata Atlântica) have been designated a Special Heritage Reserve of the State of Rio Grande do Sul

Start year

2018

Target year

2030

Project area to date (Hectares)

389376

Project area in the target year (Hectares)

421529

Country/Area

Brazil

Latitude

27

Longitude

55

Monitoring frequency

Six-monthly or more frequently

Measured outcomes to date

Biodiversity

Carbon sequestration

Soil

Water

Climate regulation

Financial

Please explain

The 2018 baseline year is accounted in 321, 529 and by 2030, 421, 529 ha are expected to be the whole amount of CMPC's assets destined to Conservation, Protection and/or Restoration. During the second monitoring year, the advance was tracked and verified according Integrated Report's demand. Through this goal, CMPC will have Biodiversity/Carbon Capture & Sequestration/ Soil/Water/Climate & Financial outcomes assessed annually and projected to 2030. As CMPC has developed guidelines for the conservation of its HCVAs, these will be applied to its voluntary conservation corporate goal : • Fire control and prevention • Prohibition of use of fire within the HCVAs or in neighbouring areas • No fishing, hunting, logging or any other illegal activity within HCVA boundaries • Coordination with scientists and experts to monitor critical conservation KPIs • Clearing the undergrowth around endemic species • Communication and outreach in local communities about biological areas • Training its workforce in the care of biological set aside land • Outreach through brochures and pamphlets on biological areas • Fencing and signage on the ground It is not possible to CMPC to give latitude or longitude data, because the group of CMPC's set-aside land occupy a vast area, and as they are composed by different units, are located in the 3 countries where CMPC operates its forestry. Nevertheless, it is detailed the most northern coordinate of these set aside lands, which corresponds to Predio San Andrés, that belongs to Bosques del Plata, Argentina South Latitude: 27 ° , 64339 or 27 ° 38' 36'' West Longitude: 55 ° , 72454 or 55 ° 43' 28''

Project reference

Project 3

Project type

Set aside land

Primary motivation

Voluntary

Description of project

Project: CMPC follows a plan for conservation, protection & restoration of its forest assets, ecosystems & biodiversity. In 2019, the company set specific sustainability goals including the conservation, protection and/or restoration target by: - Adding 100 Th ha of set-aside land for conservation, protection and/or restoration by 2030 to CMPC's already existing 321,529 ha in ARG, BR & CL (over 2018 baseline year). In compliance with SDG 15: Life in Land & specific target 15.1. 20210 advance: Consolidated advance was of + 67,847 ha with a progress of + 67.8% to 2030, in which Chile did a contribution of + 171,151 ha (from 169,204 ha in 2020 to 171,151 ha in 2021). Explanation: CMPC forest assets include productive & non-productive areas; 64.9% out of the total is reserved for productive plantations, while 29.78% (389,376 ha to 2021), corresponds to areas for conservation, protection & restoration purposes. CMPC takes this voluntary commitment beyond its forest certifications & regulatory standards. An example: HVCAs are in Brazil & Chile, which assets are forest certified, as well as in Argentina, which isn't forest certified, nevertheless, there are HCVAs as well. Summing all, CMPC accounts 28,009 ha, where Biological areas cover approx 24,711 ha, equal to around an 88.22% out of the total of HCVAs & a 7.19% of the whole amount of CMPC's set-aside land. For this reason, the Company has placed all its knowledge and experience at their service, safeguarding threatened species of flora and fauna, and identifying, administering and monitoring the HCVAs, as following in Chile: 14 biological HCVAs which protect vulnerable flora, such as Pitao (Pitavia punctata) or Canelillo, the Ruil and the Hualo (Nothofagus glauca) or Maule Oak, all of which are endemic trees species to Chile, and fauna such as the Huillín (Lontra provocax) also known as the Sweet-water Otter.

Start year

2018

Target year

2030

Project area to date (Hectares)

389376

Project area in the target year (Hectares)

421529

Country/Area

Chile

Latitude

27

Longitude

55

Monitoring frequency

Six-monthly or more frequently

Measured outcomes to date

Biodiversity

Carbon sequestration

Soil
Water
Climate regulation
Financial

Please explain

The 2018 baseline year is accounted in 321, 529, and by 2030, 421, 529 ha are expected to be the whole amount of CMPC's assets destined to Conservation, Protection and/or Restoration. During the second year of monitoring, the advance was tracked and verified according to the Integrated Report's demand. Through this goal, CMPC will have Biodiversity/Carbon Capture & Sequestration/ Soil/Water/Climate & Financial outcomes assessed annually and projected to 2030. As CMPC has developed guidelines for the conservation of its HCVAs, these will be applied to its voluntary conservation corporate goal : • Fire control and prevention • Prohibition of use of fire within the HCVAs or in neighbouring areas • No fishing, hunting, logging or any other illegal activity within HCVA boundaries • Coordination with scientists and experts to monitor critical conservation KPIs • Clearing the undergrowth around endemic species • Communication and outreach in local communities about biological areas • Training its workforce in the care of biological set aside land • Outreach through brochures and pamphlets on biological areas • Fencing and signage on the ground It is not possible to CMPC to give latitude or longitude data, because the group of CMPC's set-aside land occupy a vast area, and as they are composed by different units, and are located in the 3 countries where CMPC operates its forestry. Nevertheless, it is detailed the most northern coordinate of these set aside lands, which corresponds to Predio San Andrés, that belongs to Bosques del Plata, Argentina South Latitude: 27 ° , 64339 or 27 ° 38' 36'' West Longitude: 55 ° , 72454 or 55 ° 43' 28''

F7. Verification

F7.1

(F7.1) Do you verify any forests information reported in your CDP disclosure?

Yes

F7.1a

(F7.1a) Which data points within your CDP disclosure have been verified, and which standards were used?

Disclosure module

F1. Current State

Data points verified

In accordance to CMPC 2021 Integrated Report, KPMG did an Independent Assurance Report & Verification Letter, based on 27 KPIs related to SASB, GRI, IIRC & CMPC's . Verified items that directly connect to CDP questions are: SASB: RRPP-140a.1, RR-FM-000.A, B and C, RR-PP430a.2, RR-FM-160a.1, RR-PP-430a.1, to answer F.1, F.2, F.3, F.5 & F.6 GRI: 204-1, 403-9, 307/419, to answer F.2, F.3 & F.6 CMPC 1- No & surface of land for conservation, protection & restoration F.1, F.4, F.5 & F.6 CMPC 5- Total sustainable forest management certifications asked in F.6 CMPC 6- Certified third-party raw material (%) asked in F.1 & F.6 CMPC 7- Number of community engagement programs asked in Engagement & Commitments in F.6 CMPC 8 - Investments in USD as a contribution to the development of indigenous communities asked in F.2, F.3 & F.6

Verification standard

Contents and data related to disclosed information in the CMPC 2021 Integrated Report were reviewed by KPMG considering the criteria established in the Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB), ant International Integrated Reporting Standard, as well as Empresas CMPC's internal guidelines, confirming the essential option stated by CMPC. To the reporting year, KPMG established their procedures for conducting inquiries with CMPC's management, business units & personnel as well as performing other analytical procedures and tests, including: interviews with CMPC's key personnel, verification of contents and data through supporting contents provided by CMPC; analysis of the process and quality control of contents & data; verification of data reliability using testing samples basis and the review of calculations

Please explain

The review and verification standard performed by KPMG is completely explained in its verification letter within the CMPC 2021 Integrated Report

F8. Barriers and challenges

F8.1

(F8.1) Describe the key barriers or challenges to eliminating deforestation and/or conversion of other natural ecosystems from your direct operations or from other parts of your value chain.

Forest risk commodity

Timber products

Coverage

Direct operations

Supply chain

Other parts of the value chain

Primary barrier/challenge type

Value chain complexity

Comment

In Chile, there is still a certain public that doesn't value the certifications; for example, when the Chilean forestry unit, Forestal Mininco buys a burnt plantation to a smaller holder, he/she usually indicates that it's difficult to harvest due to its damage, nevertheless, wants to sell its production as well. CMPC acts by setting the same standards than to anyone else, that is to say: the third-party has to meet the company's conditions, which are the same that the ones the company meets itself and that are applied externally. In turn, the Brazilian scenario is divided related to environmental awareness issues. A part of society is aware of the importance of forests for their quality of life and demands responsibility to the company in the use of natural resources. But also, there are sectors of society, and even in the government, that still have doubts about the severity or veracity of climate change, and that think that the laws are over what is necessary for forest protection. In this case, what the Company does is to communicate its position & commitments to environmental management, emphasizing the importance of legal compliance and forest certification standards, advancing beyond the laws. Regarding the annual purchase of land (due to the need to meet the internal fiber production demands around a 30% more). The complexity of the supply chain is huge and it is demonstrated when CMPC is interested in a certain land, which e.g; have been harvested, and the smaller holders wants to sell the logs, so the questions are: which is the origin of these logs?; are them from a sustainable management origin, as the third-party declares?; does this third-party fulfill No Conversion/Deforestation/Degradation of Land as well as CMPC? Is extremely relevant to say that under the conviction of the importance of the knowledge of the origin of the raw material, CMPC began the forest certification process of its operation in Argentina, seeking to reach the 100% of its assets and raw material under certification. Finally, in Chile, there is a severe issue around the timber theft, which is a kind of organized crime that affect multi scale forestry, not just CMPC's and that moves great amount of money, so the challenge is to fully identify the supply chain and its complexity, as well as protecting the persons, assets and its logistics.

F8.2

(F8.2) Describe the main measures that would improve your organization's ability to manage its exposure to deforestation and/or conversion of other natural ecosystems.

Forest risk commodity

Timber products

Coverage

Direct operations

Supply chain

Other parts of the value chain

Main measure

Greater supplier awareness/engagement

Comment

Greater transparency and supplier engagement and awareness are both issues and challenges majorly in Chile, because Forestal Mininco is the only CMPC forest operation that purchase timber to its direct & indirect supply chain, while Brazil adminis third-parties' land and have installed legal agreements, and in Argentina there is no third-parties' purchases. In Chile, a lot of external information and offers are available, and when the set of first analysis are done, the purchase process begins which is based on a proved methodology, and many times, not synchronized with the public services' information and data, which can cause an involuntary regulatory mistake related to non compliance, risking the appearance of the Company as a non-natural juridical person failing into uncompliance. This implies a change of procedure: to first review the public information folders in advance, and to be much more strictier in the traceability systems and the compliance to certifications and/or due dilligence dystems installed. As told in F.6, in the case of Brazil, these issues do not apply; the collection of sourcing data, its fidelity and the different aspects of the operation for all of the purchased wood is enough to ensure that it is not a production that interferes with deforestation or other environmental problems. Everything is under the Controlled Wood verifications that are audited according to the Chain of Custody standard. Nevertheless, thinking of better tools to make the information and data that the stakeholders consider critical be more transparent is a demand in which CMPC is constantly working. At the same time, according to the collaborative work with the WBCSD's Forest Solutions Group, within the SDGs Roadmap of the Forest Sector, there have been identified 8 Impact opportunities, and one specially related to Responsible Procurement, in which the support program to small and medium-sized land holders done by CMPC in 4 lines can and should grow wthrough the Operational Sustainability program. Specially to promote certification, dialogue and collaborations, and therefore, correct practices of social and environmental sustainability.

F17 Signoff

F-FI

(F-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

There is no additional information we think is relevant that we haven't already disclosed.

F17.1

(F17.1) Provide the following information for the person that has signed off (approved) your CDP forests response.

	Job Title	Corresponding job category
Row 1	Chief Executive Officer	Chief Executive Officer (CEO)

SF. Supply chain module

SF0.1

(SF0.1) What is your organization's annual revenue for the reporting period?

	Annual revenue
Row 1	6323

SF1.1

(SF1.1) In F6.3 you were asked "Have you adopted any third-party certification scheme(s) for your disclosed commodity(ies)? Indicate the volume and percentage of your certified production and/or consumption". Can you also indicate, for each of your disclosed commodity(ies), the percentage of certified volume sold to each requesting CDP supply chain member?

Yes

SF1.1a

(SF1.1a) For each of your requesting CDP supply chain members, indicate the percentage of certified volume sold per disclosed commodity(ies).

Requesting member

Arcos Dorados

Forest risk commodity

Timber products

Form of commodity

Paper

Third-party certification scheme

FSC Forest Management certification

Total volume of commodity sold to member

3109

Metric

Metric tons

What % of the volume reported in column 5 is certified?

100%

Comment

All the raw material supplied by the Softys plants to Arcos Dorados is FSC certified (Mogi plant 2,831 ton, Pando plant 94 ton and Talagante plant 184 ton).

Requesting member

Walmart, Inc.

Forest risk commodity

Timber products

Form of commodity

Paper

Third-party certification scheme

FSC Forest Management certification

Total volume of commodity sold to member

36418

Metric

Metric tons

What % of the volume reported in column 5 is certified?

<10%

Comment

During 2021, the Softys Altamira plant is not selling certified material to Walmart, but this plant is FSC certified, and if the client requests it, it could sell 100% as FSC certified material.

SF2.1

(SF2.1) Please propose any mutually beneficial forests-related projects you could collaborate on with specific CDP supply chain members.

Requesting member

Arcos Dorados

Commodity related to the project

Timber products

Category of project

Relationship sustainability assessment

Type of project

Other relationship sustainability assessment projects, please specify (To collaborate with the Arcos Dorados' engagement with their customers, it would be interesting to strongly communicate that the 100% of the paper sold/used is certified, setting minds among them that the products comes from non-controversial sources)

Estimated timeframe for realization of benefits to customer

Current - up to 1 year

Details of project

As it is an idea that connects with the kind of communications Arcos Dorados does, it would be very strong and convincing to show the customers the working forests from where the paper comes, as well as the sustainable processes that are behind. CMPC is glad to open this information as well as all the attributes of its production. Every disclosure is done, inclusive, it would be a great thing if the paper/packaging can show -by a seal or something alike- both its origin and the % of reuse, and how this reuse can be. It is communication that links with education as well

Projected outcome

The projected outcome might be a joint venture in communication, showing nature, showing also a tree growing process which is the origin of all this story, all the things that occur before, beside and beyond the elaboration of paper, which is used by millions of Arcos Dorados' customers and consumers. CMPC is pleased to collaborate

Requesting member

Walmart, Inc.

Commodity related to the project

Timber products

Category of project

Relationship sustainability assessment

Type of project

Other relationship sustainability assessment projects, please specify (To collaborate with Walmart' engagement with their customers, it would be interesting to strongly communicate that the 100% of the paper sold/used is certified, setting minds among them that the products comes from non-controversial sources)

Estimated timeframe for realization of benefits to customer

Current - up to 1 year

Details of project

As it is an idea that connects with the kind of communications Walmart does, it would be very strong and convincing to show the customers the working forests from where the paper comes, as well as the sustainable processes that are behind. CMPC is glad to open this information as well as all the attributes of its production. Every disclosure is done, inclusive, it would be a great thing if the paper/packaging can show -by a seal or something alike- both its origin and the % of reuse, and how this reuse can be.

Projected outcome

The first result is that the products that CMPC sells to Walmart can be certified, and that Walmart requests this certification and seeks to communicate its sustainability attributes to its customers (today all the production than CMPC Softys Altamira plant sells to Walmart can be FSC Certified, if Walmart request it).

SF2.2

(SF2.2) Have requests or initiatives by CDP supply chain members prompted your organization to take organizational-level action to reduce or remove deforestation/forest degradation from your operations or your supply chain?

No

SF3.1

(SF3.1) For your disclosed commodity(ies), do you estimate the GHG emission reductions and/or removals from land use and land use change that have occurred in your direct operations and/or supply chain?

Timber products

Estimate GHG emissions and removals from land use and land use change

Yes, but not willing to share details

Please explain

CMPC first developed its own model to calculate biogenic removals from its forestry operations in Chile. This model includes the use of field data of the growth of our plantations and native forest, and the forest covers, as well as changes in them. It depends on field data of growth of our plantations according to age of trees, species and the type of soil where they have been planted, and average data in the case of native forest, as well as the use of average emission removal factors by species type. Actually, methodologies homologation are being studied and carried out between Chilean and Brazilian operations' teams in order to consolidate the corporate estimations and calculations. During 2022, CMPC will be part of the GHG protocol pilot for measuring carbon removals, in conjunction with the FSG of the WBCSD.

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

Please confirm below

I have read and accept the applicable Terms